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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

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Clerk of the Superior Court
By Shiela Retez, Deputy Clerk

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

JESUS ARAMBURO, individually and on behalf
of all others similarly situated,

Plaintiffs,

vs.

JACKSONS FOOD STORES, INC.; JACKSON
ENERGY LOGISTICS, LLC; and DOES 1
through 50, inclusive,

Defendants.

Case No. 37-2023-00009655-CU-OE-CTL

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

CLASS ACTION

**SECOND AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

1. Failure to All Wages Owed
2. Meal Period Violations
3. Rest Period Violations
4. Paid Sick Leave Violations
5. Untimely Payment of Wages
6. Wage Statement Violations
7. Waiting Time Penalties
8. Unfair Competition
9. Failure to Reimburse Employee Expenses
10. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

- Remanded from Federal Court -

1 Plaintiff JESUS ARAMBURO, individually and on behalf of all others similarly situated and
2 the State of California under the Private Attorneys General Act (“Plaintiff”) brings this SECOND
3 AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants
4 JACKSONS FOOD STORES, INC. and JACKSON ENERGY LOGISTICS, LLC; and DOES 1
5 through 50, inclusive (collectively “Defendants” or “Jacksons Food Stores”), alleging as follows:

6 **INTRODUCTION**

7 1. This is a class and representative action filed for wage and hour violations of the
8 California Labor Code against Jacksons Food Stores, which owns and operates gas station
9 convenience stores across San Diego County and the State of California.

10 2. Jacksons Food Stores underpaid Plaintiff and class members by failing to include
11 bonuses in the “regular rate” used to calculate and pay overtime, sick wages and meal/rest period
12 premiums. Moreover, Jacksons Food Stores failed to provide and authorize fully compliant meal and
13 rest periods or pay premium pay in lieu thereof.

14 3. Additionally, Jacksons Food Stores did not adequately provide employee
15 reimbursements for necessary employment related expenses, nor did Defendants provide suitable
16 seating in connection with their employment, in violation of Labor Code § 2802.

17 4. As a result, Jacksons Food Stores is liable to Plaintiff and class members for the
18 underlying wages, interest and penalties, including waiting time, late payment of wages, and wage
19 statement penalties, in amounts according to proof.

20 **JURISDICTION & VENUE**

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

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

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

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

PARTIES

A. Plaintiff Jesus Aramburo

9. Plaintiff Aramburo is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about August 2021 to October 2022. Plaintiff worked as a Cashier and Customer Sales Representative.

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

B. Defendants

11. Defendant Jacksons Food Stores, Inc. is a Nevada corporation that maintains operations and conducts business throughout the State of California, including in this county.

12. Defendant Jackson Energy Logistics, LLC is an Idaho corporation that maintains operations and conducts business throughout the State of California, including in this county.

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

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

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

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

CLASS ALLEGATIONS

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

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

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

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

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

b. Typicality: Plaintiff's claims are typical of the claims of the other class members. They were subject to the same policies and practices of Defendants, which resulted in losses to the class. Proof of common unlawful business

practices, which Plaintiff experienced, will establish the right of the class to recover on the causes of action alleged herein.

c. Adequacy: Plaintiff is an adequate class representative; will take all necessary steps to protect the class members' interests adequately and fairly; has no interest antagonistic to other class members; and is represented by attorneys who have substantial experience prosecuting, defending, resolving, and litigating wage and hour class, collective, and representative actions in California state and federal courts.

d. Superiority: A class action is superior to other means for adjudicating this dispute. Individual joinder is impractical. Class treatment will allow for common issues to be resolved in a single forum, simultaneously, and without duplication of effort and expense.

e. Public Policy Considerations: Certification of this lawsuit as a class action advances the State of California's strong public interest in ensuring its approximately millions of employed residents are properly paid the wages they earned for the hours they worked. Class actions provide a mechanism for enforcement of labor laws and allow for vindication of employee rights by unnamed class members.

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

GENERAL ALLEGATIONS

21. Defendants failed to provide fully compliant meal periods to Plaintiff and class members and failed to pay meal period premiums at the regular rate, as required by Labor Code section 226.7.

22. Plaintiff and class members experienced missed, late, short, and interrupted meal periods due to understaffing and in order to keep up with the high demands of the job. When Plaintiff

1 and class members experienced these noncompliant meal periods, they were entitled to a meal period
2 premium at the regular rate of pay.

3 23. For premiums that were paid, Defendants underpaid Plaintiff and class members who
4 earned a meal period premium in the same pay period where they earned a store bonus (or other non-
5 excludable forms of remuneration) because these premiums were not paid at the “regular rate of
6 compensation” as the premiums paid did not factor in all forms of remuneration including
7 commissions, bonuses, or other types of remuneration.

8 24. Plaintiff’s records show Defendants instead elected to pay class members at an
9 approximate blended rate between the “Regular Hourly” rate and the “Regular Nightshift” rate
10 (calculated by taking the average of the two rates) rather than the regular rate of pay. An illustrative
11 example of this regular rate of pay violation is found on Plaintiff’s wage statement from the pay period
12 9/24/2022 to 9/30/2022.

13 25. The failure to pay meal period premiums at the regular rate resulted in an underpayment
14 of meal period premium wages pursuant to Labor Code § 226.7’s obligation to pay premiums at the
15 “regular rate of compensation,” rather than a lesser hourly rate. *See Ferra v. Loews Hollywood Hotel,*
16 *LLC* (2021) 11 Cal. 5th 858, 862.

17 26. Defendants committed the same regular rate of pay violations against Plaintiff and
18 other class members as a matter of common payroll administration and company policy in a manner
19 susceptible to common proof.

20 27. Similarly, Defendants failed to authorize and permit compliant rest periods and failed
21 to pay rest period premiums at the regular rate as required by Labor Code section 226.7.

22 28. Plaintiff and class members experienced interrupted and missed rest periods due to
23 understaffing by Defendants and due to Defendants’ unlawful policies. This practice was particularly
24 heightened during night shifts where class members were not afforded to duly take all 10-minute rest
25 periods.

26 29. On information and belief, Defendants had a policy and practice of not paying rest
27 period premiums to employees who were unauthorized from taking rest periods. To the extent
28 Defendants ever paid a rest period premium, Defendants violated Labor Code section 226.7 because

1 such premiums were not paid at the correct regular rate of compensation to class members, which
2 would have factored in bonuses and other forms of compensation. Defendants maintained a policy
3 and practice of failing to consistently provide premiums when due to Plaintiff and class members.
4 This includes a failure to provide second meal periods or premium compensation in lieu thereof. For
5 work completed during uncompensated 30-minute meal periods, Defendants failed to pay class
6 members at least the lawful minimum wage for those hours worked.

7 30. Based on Defendants non-complaint policy and practice of miscalculating and
8 underpaying the regular rate of pay applicable to overtime and other premiums, Plaintiff alleges the
9 rest period premiums were equally deficient with respect to payments made to the class members.

10 31. Defendants failed to pay Plaintiff and class members overtime at the “regular rate of
11 pay” because they failed to include “store bonuses” and other forms of remuneration into the overtime
12 rate.

13 32. For each overtime hour worked during the period in which Plaintiff and the class
14 members earned store bonuses or other forms of non-excludable remuneration, Defendants should
15 have (but failed to) pay overtime “at a rate of no less than *one and one-half the regular rate of pay*
16 for an employee” and “*twice* the regular rate of pay” for double time hours as required by the plain
17 language of Labor Code section 510(a) and the IWC Wage Orders.

18 33. An illustrative example of the overtime regular rate of pay violation is found on
19 Plaintiff’s wage statement from the pay period 9/17/2022 to 9/23/2022. Plaintiff’s overtime rates were
20 calculated based on 1.5x Plaintiff’s approximate blended rate, but failed to factor in the bonus Plaintiff
21 earned and Defendants failed to pay overtime at a 1.5x (or 2x, as applicable) multiple of the regular
22 rate of pay.

23 34. The failure to pay overtime at the regular rate resulted in an underpayment of overtime
24 wages pursuant to Labor Code § 510’s obligation to pay overtime at one and one-half times the regular
25 rate of pay.

26 35. Defendants committed the same regular rate of pay violations against Plaintiff and
27 other class members as a matter of common payroll administration and company policy in a manner
28 susceptible to common proof.

1 36. Based on Defendants' noncompliance with the regular rate of pay requirements
2 applicable to overtime and meal/rest period premiums, Plaintiff alleges on information and belief that
3 the regular rate miscalculation equally applied to paid sick leave with respect to the class, resulting in
4 underpayments of paid sick leave wages.

5 37. The failure to calculate and pay paid sick leave at one of the lawful rates set forth in
6 Labor Code § 246(1)(1)-(3) and 247 *et seq.*, 248 *et seq.* was applied as a matter of common policy and
7 practice to class members in those pay period where they earned additional payments, commissions,
8 bonuses, and other forms of non-excludable remuneration and also paid sick leave.

9 38. Defendants had a policy and practice of paying Plaintiff and, on information and belief,
10 class members at the incorrect rate of pay for the shifts they worked. Defendants offered Plaintiff and
11 class members different rates for day and night shifts, where night shifts were paid at a higher rate.

12 39. Specifically, Plaintiff noticed and informed Defendants he was being underpaid as he
13 was being paid day rates for night shifts. On information and belief, Defendants failed to pay Plaintiff
14 and class members all wages at the correct rate for all night shifts they completed during their
15 employment.

16 40. Furthermore, Defendants failed to provide suitable seating and resting facilities for
17 class members to use during their meal and rest periods. Despite maintaining the capacity to do so,
18 Defendants failed to provide suitable resting facilities and suitable seating when doing so would have
19 not interfered with the duties of class members.

20 41. Defendants' failure to pay regular and overtime, paid sick leave, and premium
21 payments each period or upon separation of employment, rendered the payments untimely and subject
22 to civil penalties for the violations committed against the class members under Labor Code §§ 201
23 through 203.

24 42. Furthermore, Defendants failed to provide accurate itemized wage statements to the
25 class members each pay period as a result of these policies and practices.

26 43. Specifically, Defendants violated Labor Code section 226(a)(1) and (5) by not listing
27 the correct "gross wages earned" or "net wages earned" on those statements because the amounts listed
28

1 failed to include and account for the unpaid meal and rest period premiums Plaintiff and class members
2 earned but were not paid.

3 44. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on
4 employee statements each pay period the applicable hourly rates and the number of hours worked at
5 that rate, as Defendants failed to pay all wages and premiums owed to employees watch pay period
6 (i.e., overtime, sick pay, meal and rest period premiums). The amounts and rates stated are instead
7 depreciated and underpaid, resulting in an inaccurate reflection to the pay stub. These violations result
8 in further liability under Labor Code § 1174.5 for failing to maintain all required employee records.

9 45. These wage statement violations created significant confusion among Plaintiff and
10 other class members with respect to what amounts were owed and paid, at what rates, the number of
11 hours worked, and how those amounts were or should be calculated. The wage statements reflect a
12 false statement of earnings and concealed the underlying problems of underpayments of employee
13 wages.

14 46. Additionally, Defendants failed to comply with the Labor Code § 2802's requirement
15 to reimburse employees for necessary and reasonable business expenses, including uniforms and cell
16 phones. Defendants failed to provide reimbursement for employee uniforms or laundering of
17 employee uniforms, a monthly stipend or reimbursement for the use of personal cell phones for work
18 purposes, or for the cost of certifications necessary for employment. Instead, class members bore the
19 cost of these requirements, without reimbursement. Plaintiff alleges Defendants failed to maintain a
20 lawful reimbursement policy.

21 47. Plaintiff is informed, believes, and alleges that Defendants' acts and omissions have
22 knowingly and intentionally caused harm to Plaintiff and the Class. Plaintiff is informed, believes,
23 and alleges that Defendants have engages in systemic violations of the Labor Code and IWC Wage
24 Order by maintaining practices, policies, and customs that are inconsistent with their obligations under
25 California Law.

1 **FIRST CAUSE OF ACTION**

2 **FAILURE TO PAY ALL WAGES OWED**

3 **Violation of Labor Code §§ 1194, 1194.2 and 1197510 and 1194**

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

5 49. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
6 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
7 wages all overtime hours worked, and which further provide a private right of action for an employer's
8 failure to pay all overtime compensation for overtime hours worked.

9 50. Furthermore, This cause of action is brought pursuant to the IWC Wage Orders and
10 Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours
11 and Days of Work" and "Minimum Wages" sections of the applicable orders), which require non-
12 exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of
13 work, and further provide a private right of action for an employer's failure to pay all minimum wages
14 (plus liquidated damages).

15 51. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class
16 members at least the lawful minimum wage for each hour worked in violation of Labor Code sections
17 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours and Days of
18 Work" and "Minimum Wages" sections of the applicable orders), including payment at the lawful
19 local and county minimum wage ordinances in effect. As a result, Defendants are liable for all
20 associated damages, including liquidated damages for the minimum wage violations pursuant to Labor
21 Code § 1194.2.

22 52. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
23 minimum, regular and overtime wages in amounts to be determined at trial. Plaintiff and class
24 members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an
25 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys'
26 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2.

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

SECOND CAUSE OF ACTION

MEAL PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 512

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

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

56. Defendants willfully failed in their affirmative obligation to consistently provide Plaintiff and class members compliant, duty-free meal periods of not less than 30 minutes beginning before the fifth hour of hour for each work period of more than five hours per day and a second duty-free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the "Meal Periods" sections of the applicable orders).

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

58. Plaintiff and class members are entitled to recover to the full amount of the meal period premiums owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

1 **THIRD CAUSE OF ACTION**

2 **REST PERIOD VIOLATIONS**

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

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

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

10 61. Defendants willfully failed in their affirmative obligation to consistently authorize and
11 permit Plaintiff and class members to receive compliant, duty-free rest periods of not less than ten
12 (10) minutes for every four hours worked (or major fraction thereof) in violation of Labor Code
13 sections 226.7, 516, 558, and 1198 and the IWC Wage Orders (the "Rest Periods" sections of the
14 applicable orders).

15 62. Further, Defendants willfully failed in their affirmative obligation to consistently pay
16 Plaintiff and class members one additional hour of pay at the respective regular rate of compensation
17 for each workday that a fully compliant rest period was not provided, in violation of Labor Code
18 sections 226.7, 516, 558, and 1198 and the IWC Wage Orders.

19 **FOURTH CAUSE OF ACTION**

20 **FAILURE TO PAY ALL PAID SICK LEAVE WAGES**

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

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

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

1 65. Labor Code section 246(l) governs how Defendants were required to calculate paid sick
2 leave:

3 [A]n employer shall calculate paid sick leave using any of the following calculations:

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

8 (2) Paid sick time for nonexempt employees shall be calculated by dividing the
9 employee's total wages, not including overtime premium pay, by the
10 employee's total hours worked in the full pay periods of the prior 90 days of
11 employment.

12 (3) Paid sick time for exempt employees shall be calculated in the same manner
13 as the employer calculates wages for other forms of paid leave time.

14 66. Defendants failed to pay Plaintiff and the Paid Sick Leave Class their paid sick leave
15 wages at one of the lawful rates set forth in the statute because Defendants failed to include in their
16 sick leave calculation the additional remuneration received by Plaintiff and the Paid Sick Leave Class.

17 67. Furthermore, to the extent the paid sick leave paid constitutes Covid-related paid sick
18 leave, Defendants knowingly and intentionally failed in their affirmative obligation to pay Covid-19
19 Supplemental Sick Leave wages to the Paid Sick Leave Class at the correct rate in violation of Labor
20 Code sections 246, 248.1, 248.2, and 248 *et seq.*

21 68. Pursuant to Labor Code section 248.1, Defendants were required to provide up to 80
22 hours of Covid-19 Supplemental Paid Sick Leave to employees for the period of April 20, 2020 to
23 December 31, 2020. Labor Code section 248.2 required Defendants to provide up to 80 hours of
24 Covid-19 Supplemental Paid Sick Leave for the period of January 1, 2021 through at least September
25 30, 2021. Labor Code section 248.6 extended Covid sick leave protections and requires employers to
26 provide up to 80 hours of Covid-19 Supplemental Paid Sick Leave for the period of January 1, 2022
27 to September 30, 2022, and may be extended thereafter.

69. Under Labor Code section 248.1, employees must be paid for Covid-19 Supplemental Paid Sick Leave at the highest of the following: (1) the regular rate of pay for the last pay period, (2) state minimum wage, (3) local minimum wage.

70. Under Labor Code section 248.2, non-exempt employees must be paid supplemental paid sick leave according to the highest of the following four methods:

(I) Calculated in the same manner as the regular rate of pay for the workweek in which the covered employee uses COVID-19 supplemental paid sick leave, whether or not the employee actually works overtime in that workweek.

(II) Calculated by dividing the covered employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment.

(III) The state minimum wage.

(IV) The local minimum wage to which the covered employee is entitled.

71. Labor Code section 248.6 requires employers to pay supplemental sick leave using either method (I) or (II), as identified above.

72. On information and belief, Defendants failed to pay Covid-19 Supplemental Sick Leave in the manner described above because Defendants failed to include in their sick leave calculation the additional remuneration received by the Paid Sick Leave Class.

73. As a result, Defendants violated the Labor Code and are liable to Plaintiff and the Paid Sick Leave Class for underpaid sick leave wages, in addition to interest, attorneys' fees, and costs.

FIFTH CAUSE OF ACTION

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

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

75. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 204, 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay period, and which further provide a private right of action for an employer's failure to comply with

1 this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due
2 under these sections, including Labor Code § 210(c)'s statutory late payment penalties.

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

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

14 **SIXTH CAUSE OF ACTION**

15 **WAGE STATEMENT VIOLATIONS**

16 **Violation of Labor Code § 226**

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

18 79. This cause of action is brought by the Wage Statement Subclass pursuant to Labor Code
19 § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each
20 pay period, and which further provide a private right of action for an employer's failure to comply
21 with this obligation.

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

26 81. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
27 accurate itemized wage statements, causing confusion and concealing wage and premium
28 underpayments.

1 82. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
2 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
3 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in
4 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
5 Code section 226(e).

6 **SEVENTH CAUSE OF ACTION**

7 **WAITING TIME PENALTIES**

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

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

10 84. This cause of action is brought by the Waiting Time Class pursuant to Labor Code
11 §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of
12 employment, and which further provide a private right of action to recover statutory waiting time
13 penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days
14 wages.

15 85. Defendants willfully failed and continue to fail in their affirmative obligation to pay all
16 wages earned and unpaid to Plaintiff and members of the Waiting Time Class immediately upon
17 termination of employment or within 72 hours thereafter for employees who did not provide at least
18 72 hours prior notice of his or her intention to quit, and further failed to pay those sums for 30 days
19 thereafter in violation of Labor Code sections 201 through 203 and the IWC Wage Orders.

20 86. Plaintiff and the Waiting Time Class are entitled to recover to a waiting time penalty
21 for a period of up to 30 days, in addition to interest, attorneys' fees, and costs to the extent permitted
22 by law.

1 **EIGHTH CAUSE OF ACTION**

2 **UNFAIR COMPETITION**

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

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

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

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

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

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

22 92. Plaintiff and class members are entitled to injunctive relief against Defendants,
23 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
24 an ownership interest and to prevent future damage and the public interest under Business and
25 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,
26 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
27 § 1021.5.

1 **NINTH CAUSE OF ACTION**

2 **FAILURE TO REIMBURSE BUSINESS EXPENSES**

3 **Violation of Labor Code § 2802**

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

5 94. Defendants willfully failed in their affirmative obligation to reimburse Plaintiff and a
6 reimbursement subclass for all necessary expenditures, losses, expenses, and costs incurred by them
7 in direct discharge of the duties of their employment, in violation of Labor Code section 2802.

8 95. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
9 lawful reimbursements for business expenses in amounts to be determined at trial. Plaintiff and class
10 members are entitled to recover the amount unreimbursed expenses of Plaintiff and class members in
11 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
12 Code section 2802.

13 **TENTH CAUSE OF ACTION**

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

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

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

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

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

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

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

26 99. The State of California, via the Labor and Workforce Development Agency
27 ("LWDA"), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*
28

1 *Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
2 files suit is always the real party in interest.”])

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

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

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

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

20 104. On or about March 1, 2023, Plaintiff paid the requisite PAGA filing fee and provided
21 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
22 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
23 violations. Plaintiff subsequently amended the PAGA Notice to add additional facts and allegations.

24 105. A true and correct copy of Plaintiff’s written PAGA notice, entitled “Notice of Labor
25 Code Violations” is attached hereto as Exhibit 1 and incorporated by reference as though fully set
26 forth herein (the “PAGA notice”).

27 106. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
28 written PAGA notice from the LWDA

1 107. Within 33 calendar days of the postmark date of the notice sent by Plaintiff, neither
2 Plaintiff nor Plaintiff's counsel has received written notice by certified mail from any defendant
3 providing a description of any actions taken to cure the alleged violations.

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

8 109. As set forth in the PAGA notice, as amended, attached as Exhibit 1 and incorporated
9 into this Complaint, Defendants committed the following violations and are liable for all
10 corresponding civil penalties:

- 11 a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,
12 1197, 1198; IWC Wage Orders.
- 13 a. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage
14 Orders.
- 15 b. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- 16 c. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
17 1198; IWC Wage Orders.
- 18 d. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516,
19 1198; IWC Wage Orders.
- 20 e. ***Failure to Provide Suitable Seating and Resting Facilities.*** Violation of Labor
21 Code §§ 1198; IWC Wage Orders.
- 22 f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code
23 §§ 204, 204b, 210.
- 24 g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of
25 Labor Code §§ 201, 202, 203, 256.
- 26 h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- 27 i. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC
28 Wage Orders.

j. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.

k. ***Unlawful Employment Condition.*** Violation of Labor Code § 432.5.

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

PRAYER

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of damages in amount according to proof;
- f. For all recoverable pre- and post-judgment interest;
- g. For recovery of all civil and statutory penalties and liquidated damages;
- h. For disgorgement of all amounts wrongfully obtained;
- i. For this action to be maintained as a representative action under the PAGA;
- j. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- k. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- l. For restitution and injunctive relief;
- m. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802, 2699, and Code of Civil Procedure section 1021.5; and
- n. For such other relief the Court deems just and proper.

1 Dated: September 19, 2023

Ferraro Vega Employment Lawyers, Inc.

2 

3 Nicholas J. Ferraro

4 *Attorneys for Plaintiff Jesus Aramburo*

EXHIBIT 1

Amended Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3160 Camino del Rio South, Suite 308
San Diego, California 92108

619-693-7727
619-350-6855 fax
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September 19, 2023

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

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

Jacksons Food Stores, Inc.
3450 E Commercial Court
Meridian, Idaho 83642

Jackson Energy Logistics, LLC.
3540 E Commercial Court
Meridian, Idaho 83642

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

Dear LWDA Officer and Company Representatives:

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

JACKSONS FOOD STORES, INC.; JACKSON ENERGY LOGISTICS, LLC

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the positions of Cashier and Customer Sales Representative from about August 2021 to October 2022. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS -

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

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

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed,

short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal. 5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal. 5th 444, 459.

Plaintiff and other employees experienced missed, late, short, and interrupted meal periods due to understaffing and to keep up with the high demand of the job. When Plaintiff and other aggrieved employees experienced these missed, late, short, and interrupted meal periods, Defendants failed to pay meal period premiums at the regular rate as required by Labor Code section 226.7.

To the extent paid, Defendants underpaid Plaintiff and other aggrieved employees who earned a meal period premium in the same pay period where they earned a store bonus (or other non-excludable forms of remuneration). These premiums were not paid at the "regular rate of compensation" as the premiums paid did not factor in all forms of remuneration including commissions, bonuses, or other types of remuneration, instead electing to pay aggrieved employees at an approximate of the base blended rate.

An illustrative example of the regular rate of pay violation is found on Plaintiff's wage statement below:

	Current 9/24/2022 - 9/30/2022		
	Hours/Units	Rate	Amount
Earnings	50.00		\$1,169.48
Regular Hourly	18.70	16.7500	\$313.22
Regular Nightshift	21.30	17.5000	\$372.75
Holiday Worked			
Sick			
COVID SPSL Posi			
Overtime	2.68	25.3178	\$67.94
Overtime	1.32	26.0678	\$34.32
OT Nightshift			
Retro OT - No Hours			
Bonus			
Store Bonus			\$273.55
Year Bonus			
Retro Base - No Hours			
FLSA OT			\$4.80
Meal Penalty	6.00	17.1495	\$102.90
Meal Penalty			
Retro - Overtime			
Retro - Regular Hourly			
Retro - Regular Nightshift			
Bereavement			

Extract from Plaintiff's Wage Statement from the Pay Period 9/24/2022-9/30/2022

Plaintiff's records show that Plaintiff earned a \$273.55 bonus in the same period he earned 6 one-hour meal premium payments. Defendants failed to pay meal premiums at the lawful rate by electing to pay an approximate of the blended rate rather than at the regular rate of pay. Plaintiff was paid \$17.1495 which is an approximate number of the blended rate between the "Regular Hourly" and "Regular Nightshift" rates (calculated by the taking the average of the two rates). Defendants failed to pay Plaintiff his meal period premium at the regular rate of pay, which in this pay period was approximately \$23.96 (or higher). The failure to pay meal period premiums at the regular rate resulted in an underpayment of meal period premium wages pursuant to Labor Code § 226.7's obligation to pay premiums at the "regular rate of compensation," rather than the base hourly rate. *See Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862. Defendants similarly failed to consistently provide, and compensate for, deficient second meal periods.

Defendants committed the same regular rate of pay violations against Plaintiff and other aggrieved employees as a matter of common payroll administration and company policy in a manner susceptible to common proof.

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

Unpaid Hours Worked/Minimum Wage
Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the "Hours and

Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.” Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The “Minimum Wages” sections of the applicable IWC Wage Order provide that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.” The foregoing California wage laws require payment of “not less than the applicable minimum wage *for all hours worked* in the payroll period” and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal. App. 3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Plaintiff and aggrieved employees often suffered deficient meal periods where the employees worked through part or all of their uncompensated meal periods. During this on-duty portion of the employees’ meal period, Defendants failed to pay Plaintiff and aggrieved employees at least the lawful minimum wage for those hours worked.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code sections 558 (\$50/\$100), 1197.1 (\$100/\$250), 1199 / “Penalties” section of the IWC Wage Orders (\$50/\$100), and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

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

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee’s “regular rate” of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11

Cal. 5th 858, 862 (“We hold that the terms are synonymous: “regular rate of compensation” under section 226.7(c), like “regular rate of pay” under section 510(a), encompasses all nondiscretionary payments, not just hourly wages”). Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee’s regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Plaintiff and other employees experienced interrupted and missed rest periods due to understaffing by the Defendants and because of Defendants unlawful policies. When Plaintiff and other aggrieved employees experienced these missed and interrupted rest periods, Defendants failed to pay rest period premiums at the regular rate as required by Labor Code section 226.7. This practice was particularly heightened during night shifts where aggrieved employees were not afforded coverage to duly take all 10-minute rest breaks.

On information and belief, Defendants had a policy and practice of not paying rest period premiums to employees who were unable to take rest periods. To the extent Defendants ever paid a rest period premium, Defendants violated Labor Code section 226.7 because such premiums were not paid at the correct regular rate of compensation to aggrieved employees, which would have factored in bonuses and other forms of compensation. As discussed throughout this correspondence, Defendants had a non-compliant policy and practice of miscalculating and underpaying the regular rate of pay applicable to overtime and other premiums. Based on this practice, Plaintiff alleges the rest period premiums were equally deficient with respect to payments made to the aggrieved employees.

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

Suitable Seating Violations **Violation of Labor Code §§ 1198; IWC Wage Orders**

When 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, including during rest and recover periods. California Labor Code section 1198 provides that: “The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for

longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful and provides for civil penalties.

Here, Defendants failed to provide suitable seating and resting facilities for aggrieved employees to use during their meal and rest periods. Despite maintaining the capacity to do so, Defendants failed to provide suitable resting facilities and suitable seating, furthering aggrieved employees' inability to take uninterrupted, timely, off-duty meal and rest periods.

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

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages.

When Plaintiff and other aggrieved employees worked overtime, Defendants failed to pay overtime at the "regular rate of pay." Defendants paid Plaintiff and other aggrieved employees "Store Bonuses" and other forms of remuneration that Defendants failed to include in the overtime rate when employees worked overtime hours. Defendants paid overtime to Plaintiff and the aggrieved employees at a rate less than 1.5x the regular rate which would have factored in remuneration payments. For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned store bonuses, or other forms of non-excludable

remuneration. Defendants should have (but failed to) pay overtime “at a rate of no less than *one and one-half the regular rate of pay* for an employee” and “*twice* the regular rate of pay” for double time hours are required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

An illustrative example of the regular rate of pay violation is found on Plaintiff’s wage statement below:

	Current 9/17/2022 - 9/23/2022		
	Hours/Units	Rate	Amount
Earnings	54.28		\$1,369.82
Regular Hourly	2.33	16.7500	\$39.08
Regular Nightshift	37.67	17.5000	\$659.17
Holiday Worked			
Sick			
COVID SPSL Posi			
Overtime	0.55	25.4776	\$14.01
Overtime	7.73	26.2276	\$202.83
OT Nightshift			
Retro OT - No Hours			
Bonus			
Store Bonus			
Year Bonus			\$350.00
Retro Base - No Hours			
FLSA OT			
Meal Penalty	6.00	17.4550	\$104.73
Meal Penalty			
Retro - Overtime			
Retro - Regular Hourly			
Retro - Regular Nightshift			
Bereavement			

Extract from Plaintiff’s Wage Statement from the Pay Period 9/17/2022 to 9/23/2022

Plaintiff’s records show that Plaintiff was paid a store bonus of \$350.00 in the same period he worked overtime. Plaintiff’s overtime rates were calculated based on 1.5x Plaintiff’s approximate blended rate, but failed to factor in the bonus Plaintiff earned in the amount of \$350. As such, Defendants failed to pay overtime at a 1.5x (or 2x, as applicable) multiple of the regular rate of pay. The failure to pay overtime at the regular rate resulted in an underpayment of meal period premium wages pursuant to Labor Code § 510’s obligation to pay overtime at one and one-half times the regular rate of pay.

Defendants committed the same regular rate of pay violations against Plaintiff and other aggrieved employees as a matter of common payroll administration and company policy in a manner susceptible to common proof.

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

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

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

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 24 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

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

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

To the extent aggrieved employees earned paid sick leave, Defendants violated Labor Code section 246(l) because sick leave was not paid at the lawful regular rate of pay throughout the relevant period. The lawful regular rate of pay must factor in bonuses, commissions, and all other forms of non-excludable remuneration. Based on Defendants’ noncompliance with the regular rate of pay requirements applicable to overtime and meal /rest period premiums, Plaintiff alleges on information and belief that the regular rate miscalculation equally applied to paid sick leave with respect to the aggrieved employees, resulting in underpayments.

The failure to calculate and pay paid sick leave at one of the lawful rates set forth in Labor Code § 246(l)(1)-(3) and 247 *et seq.* was applies as a matter of common policy and practice to aggrieved employees in those periods where they earned additional payments, commissions, bonuses, or other forms of non-excludable remuneration and also paid sick leave.

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

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

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

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

First, Defendants had a policy and practice of paying Plaintiff and, on information and belief, other aggrieved employees at the incorrect rate of pay for the shifts they worked. Defendants offered Plaintiff and aggrieved employees different rates for day and night shifts, where night shifts were to be paid out at a higher rate.

On multiple occasions, Plaintiff noticed and informed Defendants he was being underpaid as he was being paid day rates for night shifts. On information and belief, Defendants failed to pay Plaintiff and other aggrieved employees all wages at the correct rate for all night shifts they completed during their employment.

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

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, and Labor Code section 210 (\$100/\$200) per violation per pay period, along with all other civil penalties permitted by law.

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

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

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

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

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

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

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

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

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

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

Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees’ “total hours worked,” as the wage statements did not accurately include uncompensated time. Plaintiff and other aggrieved employees worked due to Defendants policy and practice of requiring employees to work off-the-clock during uncompensated meal periods.

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

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

Unreimbursed Employee Expenses **Violation of Labor Code §§ 2802, 2804**

Defendants violated Labor Code section 2802 with respect to the aggrieved employees by failing to reimburse the aggrieved employees for all necessary expenditures or losses incurred as part of their job duties.

Labor Code section 2802 requires an employer to “indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

Labor Code section 2804 affirms that “[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State.”

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. Defendants expected Plaintiff and aggrieved employees to utilize their personal cell phone to complete necessary work tasks, and to provide themselves with the required uniforms. Defendants did not provide reimbursement for the use of personal cell phones, the cost of necessary certifications, employee uniforms or the laundering of employee uniforms. Instead, Plaintiff and aggrieved employees bore the cost of these requirements, without reimbursement.

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

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

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

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

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

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

Unlawful Employment Condition
Violation of Labor Code § 432.5

Defendants violated Labor Code section 432.5 with respect to Plaintiff and other aggrieved employees by requiring that they agree to an unlawful term or condition in writing during their employment.

Labor Code section 432.5 states that “[n]o employer, or agent, manager, superintendent, or officer thereof, shall require any employee or applicant for employment to agree, in writing,

to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law.”

As identified in this PAGA Notice, Defendants have subjected Plaintiff and aggrieved employees to a series of unlawful employment conditions, which violate California law. As such, Defendants are liable for civil penalties.

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

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

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

- LITIGATION HOLD NOTICE -

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

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

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved employees seeking civil penalties for

violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

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

Sincerely,



Nicholas J. Ferraro

Cc Plaintiff Jesus Aramburo