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Superior Court of California,
County of San Diego
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Clerk of the Superior Court
By G. Rodriguez ,Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

SAID HASSAN, on behalf of others similarly situated and the State of California under the Private Attorneys General Act,

Plaintiffs,

vs.

ABBOTT CARDIOVASCULAR SYSTEMS, INC. and DOES 1 through 50, inclusive,

Defendants.

Case No. 26CU000653C

REPRESENTATIVE ACTION COMPLAINT

1. Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*)

Action Filed:

Plaintiff SAID HASSAN, on behalf of all others similarly situated and the State of California under the Private Attorneys General Act ("Plaintiff") brings this REPRESENTATIVE ACTION COMPLAINT against Defendants ABBOTT CARDIOVASCULAR SYSTEMS, INC. and DOES 1 through 50, inclusive (collectively "Defendants"), alleging as follows:

INTRODUCTION

1. This is a representative action brought under the California Private Attorneys General Act (Labor Code 2698 *et seq*.).

2. Defendants failed to compensate Plaintiff and the aggrieved employees for all hours suffered or permitted to work in violation of Labor Code section 1197 and the applicable IWC Wage Order.

3. Defendants' wage underpayment was facilitated by their company-wide practices requiring employees to complete work duties while off-the-clock.

4. Additionally, Defendants failed to comply with California's paid sick leave laws with respect to the aggrieved employees.

5. Defendants also failed to provide, authorize, and/or permit the aggrieved employees to take all meal to which they were entitled. However, Defendants did not pay Plaintiff and the aggrieved employees' meal premiums.

6. Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees sign non-solicitation and non-competition agreements prohibited by California law.

7. Defendants' employment policies, practices, and payroll administration systems enabled and facilitated these violations on a company-wide basis with respect to the aggrieved employees.

8. Plaintiff seeks to recover the underpaid damages, plus associated penalties, interest, attorney's fees and costs.

JURISDICTION & VENUE

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

10. The monetary damages and restitution sought exceed the minimal jurisdiction limits of the Superior Court.

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

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

PARTIES

A. Plaintiff Said Hassan

13. Plaintiff Hassan is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about April 2006 to October 2025. Plaintiff worked as an Assembler III.

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

B. Defendants

15. Defendant Abbott Cardiovascular Systems, Inc. is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

16. 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.

17. 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.

18. 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.

19. 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.

GENERAL ALLEGATIONS

20. Plaintiff and the aggrieved employees worked for Defendants as non-exempt employees and were compensated on an hourly basis.

21. Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages.

22. Defendants engaged in an unlawful practice by requiring Plaintiff and other aggrieved employees to clock out for a 30-minute meal period, but only take a 15-minute break, then return to work but remain clocked out for the full 30-minutes. This practice occurred approximately once a month where Defendants provided a company lunch for meeting their goals but failed to pay Plaintiff and the aggrieved employees for all hours worked.

23. Specifically, Defendants directed Plaintiff and other aggrieved employees to clock out for their meal period at 9:00 a.m., but resume work at 9:15 a.m. Then, at 9:30 a.m., Defendants manually clocked them back in to create the false appearance of a compliant 30-minute meal period.

Each time Plaintiff and the aggrieved employees were required to work while they were off-the-clock this resulted in unpaid hours worked.

24. 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.

25. First, Defendants required Plaintiff and the aggrieved employees to engage in off-the-clock work (i.e. working through all or part of their unpaid meal periods). To the extent that these unlawful policies resulted in unpaid hours worked over eight hours in a day or forty hours in a week, this resulted in unpaid overtime.

26. Second, Defendants failed to pay overtime at the "regular rate of pay." Plaintiff and the aggrieved employees would sometimes have to work overtime due to mechanical issues with the machines, increased input because of high demand, or understaffing.

27. Specifically, Defendants paid Plaintiff and the aggrieved employees' bonuses and other forms of additional, non-excludable remuneration. However, Defendants failed to include these additional forms of compensation in their calculation of overtime rates when they were earned during the same pay period they earned overtime.

28. Defendants unlawfully paid overtime to Plaintiff and the aggrieved employees at 1.5x their straight hourly rate. For each overtime hour worked during the period in which Plaintiff and the putative employees earned the additional forms of remuneration, Defendants should have paid overtime "at a rate no less than one and one-half times the regular rate of pay for an employee" as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

29. For example, during the pay period from March 4, 2024 to March 14, 2024, Plaintiff earned an Award of $27.07 and an Incentive Bonus of $4,133.21 and worked four hours of overtime hours. However, Defendant failed to factor in this additional remuneration into the overtime rate. Instead, Defendant unlawfully paid Plaintiff's overtime at a rate 1.5x his base rate, rather than the increased 1.5x the regular rate of pay, which would have factored in the Award, the Incentive Bonus and any other forms of additional remuneration. On information and belief, Defendant's failure to pay overtime at the regular rate of pay was common to the putative employees.

30. To the extent other aggrieved employees earned bonuses or other forms of

remuneration, each must be factored into the regular rate of pay during the statutory period. Defendants violated the Labor Code accordingly.

31. Defendants failed to compensate Plaintiff and the aggrieved employees for all sick leave accrued.

32. First, Defendants failed to comply with California's paid sick leave laws with respect to the putative employees. Because Defendants failed to record and pay for all hours that Plaintiff and the aggrieved employees worked, Defendants failed to credit them all sick leave hours that they actually accrued.

33. Second, Defendants failed to pay sick leave in accordance with one of the permissible methods in Labor Code §246(l)(1)-(3). Specifically, Defendants failed to pay paid sick leave at the regular rate of pay by failing to factor in Plaintiff's awards, incentive bonuses, and other forms of remuneration into the paid sick leave rate. Plaintiff alleges, based on information and belief, that Defendants' regular rate of pay miscalculation equally applies to standard and supplemental paid sick leave with respect to the aggrieved employees, resulting in underpayments.

34. During the pay period from February 3, 2024, to February 9, 2024, Plaintiff earned an Award of $30.43 and earned 10.32 hours of sick time. However, Defendant failed to factor in this additional remuneration into the sick pay rate. Instead, Defendant unlawfully paid Plaintiff's sick pay at his base rate, rather than the increased regular rate of pay, which would have factored in the Award and any other forms of additional remuneration.

35. On information and belief, Defendant's failure to pay sick pay at the regular rate of pay was common to the aggrieved employees. To the extent other aggrieved employees earned bonuses or other forms of remuneration, each must be factored into the regular rate of pay during the statutory period. Defendants violated the Labor Code accordingly.

36. 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 applied as a matter of common policy and practice to putative employees in those periods where they earned additional payments, incentive bonuses, and other forms of remuneration and also received paid sick leave.

37. Defendants failed to provide Plaintiff and the aggrieved employees with compliant meal periods. First, Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to scheduling and in order to keep up with the demands of the job.

38. Specifically, each time Defendant held company lunches, they required Plaintiff and the aggrieved employees to clock out for their meal periods at 9:00 am. This resulted in a non-compliant meal period each time they were required to return to work after 15 minutes or otherwise experience a non-compliant meal period. The practice of requiring them to clock out at 9:00 am was in place so Defendant could avoid paying meal period premiums for late meal periods, as lunch was not typically provided until 11:00 am and Plaintiff and the aggrieved employees shifts typically began at 5:00 am. The short meal break made it incredibly hard to use the restroom, eat meals, and take required medications. Plaintiff and the aggrieved employees would sometimes have to wait a full seven hours before taking a full thirty-minute break.

39. Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period they were owed a meal period premium.

40. When Defendants did not provide compliant meal periods, Defendants failed to pay Plaintiff and the aggrieved employees meal period premiums. To the extent that these unlawful policies resulted in short, missed, or late meal periods, this resulted in the failure to pay meal premiums.

41. Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees sign non-solicitation agreements prohibited by California law.

42. Specifically, as part of Plaintiff's onboarding paperwork, he was required to sign a non-solicitation and non-competition agreement.

43. Business and Professions Code 16600 provides that "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." Defendants required that Plaintiff and the aggrieved employees sign non-solicitation and non-competition agreements restricting their ability to receive and do business with Defendants' customers.

44. 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.

45. 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 wage statement.

46. 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 the uncompensated time Plaintiff and other putative employees worked due to Defendants’ policy and practice of requiring off-the-clock work.

47. Because of the policies and practices set forth above, 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.

FIRST CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

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

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

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

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

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

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

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

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

56. On or about October 31, 2025, Plaintiff paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants' alleged Labor Code violations, including the facts and theories to support the alleged violations.

57. A true and correct copy of Plaintiff's written PAGA notice, entitled "Notice of Labor Code Violations" is attached hereto as Exhibit 1 and incorporated by reference as though fully set forth herein (the "PAGA notice").

58. To date, neither Plaintiff nor Plaintiff's counsel has received a response to Plaintiff's written PAGA notice from the LWDA.

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

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

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

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

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

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

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

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

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

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

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

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

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

PRAYER

Plaintiff prays for judgment as follows:

a. For this action to be maintained as a representative action under the PAGA;

b. 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;

c. For recovery of all civil penalties and other recoverable amounts under the PAGA;

d. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and

e. For such other relief the Court deems just and proper.

Dated: January 8, 2026

Ferraro Vega Employment Lawyers, Inc.

Nicholas J. Ferraro

Nicholas J. Ferraro
Attorneys for Plaintiff Said Hassan

<u>EXHIBIT 1</u>

Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

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October 31, 2025

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

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

Abbott Cardiovascular Systems, Inc.
3200 Lakeside Drive
Santa Clara, California 95054

- 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 **SAID HASSAN** ("Plaintiff(s)") and all other "aggrieved employees" of the following "Defendant(s)":

ABBOTT CARDIOVASCULAR SYSTEMS, INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Assembler III from about April 2006 to Present. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS -

Unpaid 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.

Defendants engaged in an unlawful practice by requiring Plaintiff and other aggrieved employees to clock out for a 30-minute meal period, but only take a 15-minute break, then return to work but remain clocked out for the full 30-minutes, This practice occurred approximately once a month where Defendants provided a company lunch for meeting their goals but failed to pay Plaintiff and the aggrieved employees for all hours worked.

Specifically, Defendants directed Plaintiff and other employees to clock out for their meal period at 9:00 a.m., but resume work at 9:15 a.m. Then, at 9:30 a.m., Defendants manually clocked them back in to create the false appearance of a compliant 30-minute meal period. Each time Plaintiff and the aggrieved employees were required to work while they were off-the-clock this resulted in unpaid 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, up to the maximum amount allowed as set forth under the Labor Code.

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." <u>Labor Code section 1194</u> renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. <u>Labor Code section 1198</u> 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 <u>IWC Wage Orders</u> further require payment of overtime wages for all overtime hours worked, including the "<u>Hours and Days of Work</u>" 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.

First, as stated in the "Unpaid Hours Worked" section, Defendants required Plaintiff and the aggrieved employees to engage in off-the-clock work (i.e. working through all or part of their unpaid meal periods). To the extent that these unlawful policies resulted in unpaid hours worked over eight hours in a day or forty hours in a week, this resulted in unpaid overtime.

Second, Defendants failed to pay overtime at the "regular rate of pay." Plaintiff and the aggrieved employees would sometimes have to work overtime due to mechanical issues with the machines, increased input because of high demand, or understaffing. Specifically, Defendants paid Plaintiff and the aggrieved employees' bonuses and other forms of additional, non-excludable remuneration. However, Defendants failed to include these additional forms of compensation in their calculation of overtime rates when they were earned during the same pay period they earned overtime.

Defendants unlawfully paid overtime to Plaintiff and the aggrieved employees at 1.5x their straight hourly rate. For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendants should have paid overtime ***"at a rate no less than one and one-half times the regular rate of pay for an employee"*** as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

An illustrative example of Defendants' regular rate of pay violation, as it pertains to overtime, is shown below:

Abbott Cardiovascular Sys Inc   3200 LAKESIDE DRIVE SANTA CLARA, CA 95054

Name	Company	Employee ID	Pay Period Begin	Pay Period End	Check Date	Check Number
SAID S HASSAN	Abbott Cardiovascular Sys Inc	[redacted]	03/04/2024	03/10/2024	03/14/2024	

	Hours Worked	Gross Pay	Pre Tax Deductions	Employee Taxes	Post Tax Deductions	Net Pay
Current	0.00	27.07	0.00	2.07	25.00	0.00
YTD	312.20	9,875.62	533.76	1,813.32	1,780.53	5,748.01

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
REGULAR			0		7,068.23
OVERTIME 1--1/2 x RATE			0		412.84
VACATION			0		976.13
HOLIDAY			0		752.70
HOLIDAY CR			0		376.35
PRT SCK			0		235.23
AWARDS	03/04/2024 - 03/10/2024	0	0	27.07	54.14
Earnings				27.07	9,875.62
Earnings				1,081.99	15,090.82

Employee Taxes		
Description	Amount	YTD
OASDI	1.68	603.56
Medicare	0.39	141.15
Federal Withholding	0.00	800.00
State Tax - CA	0.00	268.61
Employee Taxes	2.07	1,813.32
Employee Taxes	97.56	2,649.91

Abbott Cardiovascular Sys Inc   3200 LAKESIDE DRIVE SANTA CLARA, CA 95054

Name	Company	Employee ID	Pay Period Begin	Pay Period End	Check Date	Check Number
SAID S HASSAN	Abbott Cardiovascular Sys Inc	[redacted]	03/04/2024	03/10/2024	03/14/2024	

	Hours Worked	Gross Pay	Pre Tax Deductions	Employee Taxes	Post Tax Deductions	Net Pay
Current	0.00	4,133.21	0.00	739.03	0.00	3,394.18
YTD	312.20	14,008.83	533.76	2,552.35	1,780.53	9,142.19

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
REGULAR			0		7,068.23
OVERTIME 1--1/2 x RATE			0		412.84
VACATION			0		976.13
HOLIDAY			0		752.70
HOLIDAY CR			0		376.35
PRT SCK			0		235.23
AWARDS			0		54.14
INCT BONUS	03/04/2024 - 03/10/2024	0	0	4,133.21	4,133.21
Earnings				4,133.21	14,008.83

Employee Taxes		
Description	Amount	YTD
OASDI	256.26	859.82
Medicare	59.94	201.09
Federal Withholding	0.00	800.00
State Tax - CA	422.83	691.44
Employee Taxes	739.03	2,552.35

Extracts from Plaintiff's Wage Statement for the Pay Period of 03/04/2024 to 03/14/2024

During the pay period from March 4, 2024 to March 14, 2024, Plaintiff earned an Award of $27.07 and an Incentive Bonus of $4,133.21 and worked four hours of overtime hours. However, Defendant failed to factor in this additional remuneration into the overtime rate. Instead, Defendant unlawfully paid Plaintiff's overtime at a rate 1.5x his base rate, rather than the increased 1.5x the regular rate of pay, which would have factored in the Award, the Incentive Bonus and any other forms of additional remuneration. On information and belief, Defendant's failure to pay overtime at the regular rate of pay was common to the aggrieved employees. To the extent other aggrieved employees earned bonuses or other forms of remuneration, each must be factored into the regular rate of pay during the statutory period. Defendants violated the Labor Code accordingly.

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

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

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

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

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

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

First, Defendants failed to comply with California's paid sick leave laws with respect to the aggrieved employees. Because Defendants failed to record and pay for all hours that Plaintiff and the aggrieved employees worked, Defendants failed to credit them all sick leave hours that they actually accrued.

Second, Defendants failed to pay sick leave in accordance with one of the permissible methods in Labor Code §246(l)(1)-(3). Specifically, Defendants failed to pay paid sick leave at the regular rate of pay by failing to factor in Plaintiff's awards, incentive bonuses, and other forms of remuneration into the paid sick leave rate. Plaintiff alleges, based on information and belief, that Defendants' regular rate of pay miscalculation equally applies to standard and supplemental paid sick leave with respect to the aggrieved employees, resulting in underpayments.

An illustrative example of Defendants' regular rate of pay violation as it pertains to sick pay is shown below:

Abbott Cardiovascular Sys Inc 3200 LAKESIDE DRIVE SANTA CLARA, CA 95054

Name	Company	Employee ID	Pay Period Begin	Pay Period End	Check Date	Check Number
SAID S HASSAN	Abbott Cardiovascular Sys Inc	[redacted]	02/03/2025	02/09/2025	02/13/2025	

	Hours Worked	Gross Pay	Pre Tax Deductions	Employee Taxes	Post Tax Deductions	Net Pay
Current	29.68	974.20	53.83	86.75	199.57	634.05
YTD	141.82	6,852.88	376.93	612.97	1,421.99	4,440.99

Earnings

Description	Dates	Hours	Rate	Amount	YTD
REGULAR	02/03/2025 - 02/09/2025	29.65	24.3447	721.82	3,447.22
OVERTIME 1--1/2 x RATE	02/03/2025 - 02/09/2025	0.033333	36.517	1.22	7.93
VACATION			0		1,558.06
HOLIDAY			0		779.04
HOLIDAY CR			0		584.28
PRT SCK	02/03/2025 - 02/09/2025	10.31667	24.3447	251.16	445.92
LIFE IMPUTED INCOME	02/03/2025 - 02/09/2025	0	0	0.05	0.35
AWARDS			0		30.43
Earnings				974.25	6,853.23

Employee Taxes

Description	Amount	YTD
OASDI	59.49	418.46
Medicare	13.91	97.86
State Tax - CA	13.35	96.65
Employee Taxes	86.75	612.97

Pre Tax Deductions

Post Tax Deductions

Abbott Cardiovascular Sys Inc 3200 LAKESIDE DRIVE SANTA CLARA, CA 95054

Name	Company	Employee ID	Pay Period Begin	Pay Period End	Check Date	Check Number
SAID S HASSAN	Abbott Cardiovascular Sys Inc	[redacted]	02/03/2025	02/09/2025	02/13/2025	

	Hours Worked	Gross Pay	Pre Tax Deductions	Employee Taxes	Post Tax Deductions	Net Pay
Current	0.00	30.43	0.00	5.43	25.00	0.00
YTD	112.13	5,878.68	323.10	526.22	1,222.42	3,806.94

Earnings

Description	Dates	Hours	Rate	Amount	YTD
REGULAR			0		2,725.40
OVERTIME 1--1/2 x RATE			0		6.71
VACATION			0		1,558.06
HOLIDAY			0		779.04
HOLIDAY CR			0		584.28
PRT SCK			0		194.76
LIFE IMPUTED INCOME			0		0.30
AWARDS	02/03/2025 - 02/09/2025	0	0	30.43	30.43
Earnings				30.43	5,878.98

Employee Taxes

Description	Amount	YTD
OASDI	1.88	358.97
Medicare	0.44	83.95
State Tax - CA	3.11	83.30
Employee Taxes	5.43	526.22

Extracts from Plaintiff's Wage Statement for the Pay Period of 02/03/2025 to 02/13/2025.

During the pay period from February 3, 2024, to February 9, 2024, Plaintiff earned an Award of $30.43 and earned 10.32 hours of sick time. However, Defendant failed to factor in this additional remuneration into the sick pay rate. Instead, Defendant unlawfully paid Plaintiff's sick pay at his base rate, rather than the increased regular rate of pay, which would have factored in the Award and any other forms of additional remuneration. On information and belief, Defendant's failure to pay sick pay at the regular rate of pay was common to the aggrieved employees. To the extent other aggrieved employees earned bonuses or other forms of remuneration, each must be factored into the regular rate of pay during the statutory period. Defendants violated the Labor Code accordingly.

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 applied as a matter of common policy and practice to aggrieved employees in those periods where they earned additional payments, incentive bonuses, and other forms of remuneration and also received 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, up to the maximum amount allowed as set forth under the Labor Code.

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.

First, Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to scheduling and in order to keep up with the demands of the job.

Specifically, each time Defendant held company lunches, they required Plaintiff and the aggrieved employees to clock out for their meal periods at 9:00 am. This resulted in a non-compliant meal period each time they were required to return to work after 15 minutes or otherwise experience a non-compliant meal period. The practice of requiring them to clock out at 9:00 am was in place so Defendant could avoid paying meal period premiums for late meal periods, as lunch was not typically provided until 11:00 am and Plaintiff and the aggrieved employees shifts typically began at 5:00 am. The short meal break made it incredibly hard to use the restroom, eat meals, and take required medications. Plaintiff and the aggrieved employees would sometimes have to wait a full seven hours before taking a full thirty-minute break.

Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period they were owed a meal period premium.

When Defendants did not provide compliant meal periods, Defendants failed to pay Plaintiff and the aggrieved employee's meal period premiums. To the extent that these unlawful policies resulted in short, missed, or late meal periods, this resulted in the failure to pay meal premiums.

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

Unlawful Employment Condition
Violation of Labor Code § 432.5

Defendant 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."

Non-solicitation and non-competition agreements are illegal under California law. Business and Professions Code 16600 provides that "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." Defendants required that Plaintiff and the aggrieved employees sign non-solicitation agreements restricting their ability to receive business from Defendants' customers. As such, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees sign non-solicitation agreements prohibited by California law. Specifically, as part of Plaintiff's onboarding paperwork, he was required to sign a non-solicitation and non-competition agreement.

10. **Non-Solicitation of Employees.** During EMPLOYEE's employment and for twenty-four (24) months after EMPLOYEE's termination for any reason, EMPLOYEE shall not, directly or indirectly, for EMPLOYEE's benefit or others, solicit or assist in soliciting any ABBOTT employee, independent contractor, or partner about whom EMPLOYEE acquired knowledge through EMPLOYEE's employment with ABBOTT (a "Subject Employee") to work for another organization.

In the event that ABBOTT loses the services of a Subject Employee as a result (in whole or in part) of a violation of this Section that occurs before injunctive relief can be issued, then EMPLOYEE shall pay ABBOTT a partial damage payment equal to 30% of the total compensation (which is understood to include all wages, incentive payments and other bonuses) paid to the Subject Employee whose services were lost by ABBOTT in the preceding year, or 30% of the total compensation to be paid to such employee by his/her new employer, whichever is greater; provided, however, that it is understood that this remedy is not a complete remedy and may only cover a portion of the harm caused by such a breach, and shall be in addition to, and not in lieu of, other relief (including but not limited to injunctive relief that shall remain the primary remedy to secure specific performance, avoid further violations and prevent irreparable harm).

During any time EMPLOYEE is not subject to the laws of Illinois by virtue of this Agreement and instead is subject to the laws of California, Section 10 shall be limited to soliciting a Subject Employee to terminate his/her employment with ABBOTT.

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9. **Non-Competition.** EMPLOYEE shall not, during EMPLOYEE's employment and twelve (12) months after EMPLOYEE's termination for any reason, in each country in which ABBOTT conducts business, except as expressly authorized in writing in advance by the ABBOTT Divisional Vice President & Associate General Counsel, Litigation or his/her designee:

(a) participate in, manage, supervise, or provide services to a Competing Business: (i) that are the same as or similar in function or purpose to any services EMPLOYEE provided to ABBOTT during the last two years of EMPLOYEE's employment with ABBOTT; or (ii) that are otherwise likely to result in the use or disclosure of Confidential Information, notwithstanding EMPLOYEE's undertaking to the contrary;

(b) own, finance, control, or hold a material interest in a Competing Business; provided, however, that nothing herein shall prohibit EMPLOYEE from ownership of 2% or less of the publicly traded stock of a Competing Business so long as such ownership is a non-controlling interest, passive in nature (such as through a mutual fund), and EMPLOYEE has no other material involvement with the Competing Business of any kind;

(c) participate in developing or attempting to develop a Competing Product;

(d) directly or indirectly, promote or market any Competing Products to any ABBOTT Customer, or solicit any ABBOTT Customer or Covered Supplier for any purpose related to Competing Product; or

(e) knowingly induce or encourage an ABBOTT Customer or a Covered Supplier to cease, interfere with or reduce business activity conducted with ABBOTT.

EMPLOYEE agrees and acknowledges that subsections (d) and (e) are reasonably limited in geography by their nature to those places or locations where the ABBOTT Customers and Covered Suppliers are located and do business, and if such geographic limit is insufficient under applicable law, then the restrictions in Section 9 shall be considered limited to the EMPLOYEE's assigned location or territory, which depending on EMPLOYEE's position, could extend to the United States and each additional country where ABBOTT does business.

Nothing in the foregoing restrictions is intended to prohibit EMPLOYEE from engaging in conduct that is

authorized as part of EMPLOYEE's job duties for ABBOTT and is undertaken for ABBOTT's benefit. These restrictions are reasonable and necessary in order to protect ABBOTT's Confidential Information, training, business goodwill, and other legitimate business interests.

Notwithstanding the foregoing, in the event EMPLOYEE is not subject to Illinois law by virtue of this Agreement (and in Sections 9(f)-(h), if EMPLOYEE is subject to the laws of one of the following geographies), then Section 9 is modified accordingly:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct "gross wages earned" or "net wages earned," as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of "gross wages earned" on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

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

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

<u>Failure to Maintain Accurate Records</u>
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.

<u>Labor Code section 1174</u> 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." <u>Section 7(A)</u> of the <u>IWC Wage Orders</u>, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

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

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

<u>Attorneys' Fees and Costs</u>
Labor Code § 2699(k)(1)

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

- LITIGATION HOLD NOTICE –

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

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

- 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,

Elyssa Martinez

Cc Plaintiff Said Hassan
Lisa A. Dreishmire; Counsel, Labor and Employment; lisa.dreishmire@abbott.com