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SUPERIOR COURT OF CALIFORNIA
COUNTY OF HUMBOLDT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF HUMBOLDT

CODY DUNCAN, individually, and on
behalf of other members of the general
public similarly situated, and as an
aggrieved employee pursuant to Private
Attorneys General Act ("PAGA"),

Plaintiff,

vs.

REDWOOD OIL COMPANY, INC., a
California corporation; JACKSONS FOOD
STORES, INC., a Nevada corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: CV2502096

**FIRST AMENDED CLASS ACTION
COMPLAINT & ENFORCEMENT
ACTION UNDER THE PRIVATE
ATTORNEYS GENERAL ACT,
CALIFORNIA LABOR CODE §§ 2698, ET
SEQ.**

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages);
- (3) Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods);
- (4) Violation of California Labor Code §§ 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods);
- (5) Violation of California Labor Code §§ 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records);
- (6) Violation of California Labor Code §§ 201 and 202 (Wages Not Timely Paid Upon Termination);
- (7) Violation of California Labor Code § 204 (Failure to Timely Pay Wages During Employment);
- (8) Violation of California Labor Code § 2802 (Unreimbursed Business Expenses);

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- (9) Civil Penalties for Violations of California Labor Code, Pursuant to PAGA, §§ 2698, *et seq.*;
- (10) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unlawful Business Practices); and
- (11) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices)

Jury Trial Demanded

1 Plaintiff Cody Duncan, individually and on behalf of all other members of the public
2 similarly situated, and as an aggrieved employee and on behalf of all aggrieved employees,
3 alleges as follows:

4 JURISDICTION AND VENUE

5 1. This class action is brought pursuant to California Code of Civil Procedure
6 section 382 and California Labor Code sections 2698, *et seq.* ("PAGA") to recover civil
7 penalties and any other available relief on behalf of Plaintiff, the State of California, and other
8 current and former employees who worked for Defendants in California as non-exempt,
9 hourly paid employees and received at least one wage statement and against whom one or
10 more violations of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any
11 provision regulating hours and days of work in the applicable Industrial Welfare Commission
12 ("IWC") Wage Order were committed, as set forth in this complaint. The monetary damages,
13 penalties, and restitution sought by Plaintiff exceeds the minimal jurisdiction limits of the
14 Superior Court and will be established according to proof at trial. This Court has jurisdiction
15 over this action pursuant to the California Constitution, Article VI, section 10. The statutes
16 under which this action is brought do not specify any other basis for jurisdiction. Plaintiff's
17 share of damages, penalties, and other relief sought in this action do not exceed \$75,000.

18 2. This Court has jurisdiction over Defendants because Defendants are either
19 citizens of California, have sufficient minimum contacts in California, or otherwise
20 intentionally avail themselves of the California market so as to render the exercise of
21 jurisdiction over them by the California courts consistent with traditional notions of fair play
22 and substantial justice. There is no basis for federal diversity jurisdiction in this action
23 because there is no complete diversity, and this case falls within the statutory exceptions to
24 "minimal diversity" jurisdiction under the Class Action Fairness Act, 28 U.S.C. § 1332(d)(4).
25 Upon information and belief, two-thirds or more of the class members and Defendants are
26 citizens of California and/or (a) two-thirds of the class members and Defendants are citizens
27 of California; (b) the alleged wage and hour violations occurred in California; (c) significant
28 relief is being sought against Defendants whose violations of California wage and hour laws

1 form a significant basis for Plaintiff's claims; and (d) no other class action has been filed
2 within the past three (3) years on behalf of the same proposed class against Defendants
3 asserting the same or similar factual allegations.

4 3. Venue is proper in this Court because Defendants employ persons in this
5 county, and employed Plaintiff in this county, and thus a substantial portion of the transactions
6 and occurrences related to this action occurred in this county.

7 **THE PARTIES**

8 4. Plaintiff Cody Duncan is a resident of Eureka, in Humboldt County, California.
9 Defendants employed Plaintiff as an hourly paid, non-exempt employee from approximately
10 August 2023 to February 2025. Plaintiff worked as a Customer Service Representative
11 ("CSR") and Store/Station Manager for Defendants at their Redwood Market locations located
12 at 2480 6th Street, Eureka, California 95501, and 1693 Central Avenue, McKinleyville,
13 California 95419. During his employment, Plaintiff typically worked eight (8) hours or more
14 per day, and five (5) days or more per week. At the time Plaintiff's employment with
15 Defendants ended, he was compensated approximately \$20.00 per hour. Plaintiff's primary
16 job duties included, without limitation, stocking store items; operating the cash register;
17 reviewing security camera footage; conducting fuel surveys; entering daily paperwork
18 accurately accounting for the previous day's fuel and lottery sales, cash register transactions,
19 and lottery payouts; and maintaining the cleanliness of the property.

20 5. REDWOOD OIL COMPANY, INC. was and is, upon information and belief, a
21 California corporation, and at all times hereinafter mentioned, an employer whose employees
22 are engaged throughout this county, the State of California.

23 6. JACKSONS FOOD STORES, INC. was and is, upon information and belief, a
24 Nevada corporation, and at all times hereinafter mentioned, an employer whose employees are
25 engaged throughout this county, the State of California.

26 7. Plaintiff is unaware of the true names or capacities of the Defendants sued
27 herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to
28 amend the complaint and serve such fictitiously named Defendants once their names and

1 capacities become known.

2 8. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
3 were the partners, agents, owners, or managers of REDWOOD OIL COMPANY, INC. and/or
4 JACKSONS FOOD STORES, INC., at all relevant times.

5 9. Plaintiff is informed and believes, and thereon alleges, that each and all of the
6 acts and omissions alleged herein was performed by, or is attributable to, REDWOOD OIL
7 COMPANY, INC.; JACKSONS FOOD STORES, INC.; and/or DOES 1 through 10
8 (collectively, "Defendants" or "Redwood Oil"), each acting as the agent, employee, alter ego,
9 and/or joint venturer of, or working in concert with, each of the other co-Defendants and was
10 acting within the course and scope of such agency, employment, joint venture, or concerted
11 activity with legal authority to act on the others' behalf. The acts of any and all Defendants
12 were in accordance with, and represent, the official policy of Defendants.

13 10. At all relevant times, Defendants, and each of them, ratified each and every act
14 or omission complained of herein. At all relevant times, Defendants, and each of them, aided
15 and abetted the acts and omissions of each and all the other Defendants in proximately causing
16 the damages herein alleged.

17 11. Plaintiff is informed and believes, and thereon alleges, that each of said
18 Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts,
19 omissions, occurrences, and transactions alleged herein.

20 12. Under California law, Defendants are jointly and severally liable as employers
21 for the violations alleged herein because they have each exercised sufficient control over the
22 wages, hours, working conditions, and employment status of Plaintiff and class members.
23 Each Defendant had the power to hire and fire Plaintiff and class members, supervised and
24 controlled their work schedule and/or conditions of employment, determined their rate of pay,
25 and maintained their employment records. Defendants suffered or permitted Plaintiff and
26 class members to work and/or "engaged" Plaintiff and class members so as to create a
27 common-law employment relationship. As joint employers of Plaintiff and class members,
28 Defendants are jointly and severally liable for the civil penalties and all other relief available

1 to Plaintiff and class members under the law.

2 13. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
3 Defendants, and each of them, have acted as joint employers with respect to Plaintiff and class
4 members because Defendants have:

- 5 (a) jointly exercised meaningful control over the work performed by
6 Plaintiff and class members;
- 7 (b) jointly exercised meaningful control over Plaintiff's and class members'
8 wages, hours, and working conditions, including the quantity, quality
9 standards, speed, scheduling, and operative details of the tasks
10 performed by Plaintiff and class members;
- 11 (c) jointly required that Plaintiff and class members perform work which is
12 an integral part of Defendants' businesses; and
- 13 (d) jointly exercised control over Plaintiff and class members as a matter of
14 economic reality in that Plaintiff and class members were dependent on
15 Defendants, who shared the power to set the wages of Plaintiff and class
16 members and determined their working conditions, and who jointly
17 reaped the benefits from the underpayment of their wages and
18 noncompliance with other statutory provisions governing their
19 employment.

20 14. Plaintiff is informed and believes, and thereon alleges, that at all relevant times
21 there has existed a unity of interest and ownership between Defendants such that any
22 individuality and separateness between the entities has ceased.

23 15. REDWOOD OIL COMPANY, INC.; JACKSONS FOOD STORES, INC.; and
24 DOES 1 through 10 are therefore alter egos of each other.

25 16. Adherence to the fiction of the separate existence of Defendants would permit
26 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
27 from liability for the wrongful acts committed by them under the name "Redwood Oil."

28 17. Plaintiff further alleges, upon information and belief, that Defendants

1 REDWOOD OIL COMPANY, INC. and/or JACKSONS FOOD STORES, INC. are alter egos
2 of each other for the following reasons:

- 3 (a) According to an August 20, 2025, press release from Matrix Capital
4 Markets Group, Inc. (available for download on its website¹), Matrix
5 Capital Market Group, Inc. advised Defendant REDWOOD OIL
6 COMPANY, INC. and its affiliates on the sale of its convenience retail
7 assets to Defendant JACKSONS FOOD STORES, INC.; and
8 (b) On information and belief, REDWOOD OIL COMPANY, INC. and
9 JACKSONS FOOD STORES, INC. utilize the same standardized
10 employment forms and issue the same employment policies.

11 **GENERAL ALLEGATIONS**

12 18. Defendants operate a chain of at least 24 gas stations and convenience stores
13 across six (6) counties in Northern California. Upon information and belief, Defendants
14 maintain a single, centralized Human Resources ("HR") department at their company
15 headquarters in Rohnert Park, California, or Meridian, Idaho, which is responsible for the
16 recruiting and hiring of new employees, and communicating and implementing Defendants'
17 company-wide policies, including timekeeping policies and meal and rest period policies, to
18 employees throughout California.

19 19. In particular, Plaintiff and class members, on information and belief, received
20 the same standardized documents and/or written policies. Upon information and belief, the
21 usage of standardized documents and/or written policies, including new-hire documents,
22 indicate that Defendants dictated policies at the corporate level and implemented them
23 company-wide, regardless of their employees' assigned locations or positions. Upon
24 information and belief, Defendants set forth uniform policies and procedures in several
25 documents provided at an employee's time of hire.

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27 ¹ "NEWS RELEASE MATRIX ADVISES REDWOOD OIL COMPANY, INC. ON
28 ITS SALE TO JACKSONS FOOD STORES, INC." available at: [https://www.
https://matrixcmg.com/matrix_transactions/redwood-oil-company-inc/](https://www.matrixcmg.com/matrix_transactions/redwood-oil-company-inc/) (last visited Sep. 26,
2025).

1 20. Upon information and belief, Defendants maintain a centralized Payroll
2 department at their company headquarters in Rohnert Park, California, or Meridian, Idaho,
3 which processes payroll for all non-exempt, hourly paid employees working for Defendants at
4 their various locations in California, including Plaintiff and class members. Based upon
5 information and belief, Defendants issue the same formatted wage statements to all non-
6 exempt, hourly paid employees in California, irrespective of their work locations. Upon
7 information and belief, Defendants process payroll for departing employees in the same
8 manner throughout the State of California, regardless of the manner in which each employee's
9 employment ends.

10 21. Defendants continue to employ non-exempt or hourly paid employees in
11 California.

12 22. Plaintiff is informed and believes, and thereon alleges, that at all times herein
13 mentioned, Defendants were advised by skilled lawyers and other professionals, employees
14 and advisors knowledgeable about California labor and wage law, employment and personnel
15 practices, and about the requirements of California law.

16 23. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and class
17 members were not paid for all hours worked because all hours worked were not recorded.

18 24. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
19 should have known that Plaintiff and class members were entitled to receive certain wages for
20 overtime compensation and that they were not receiving certain wages for overtime
21 compensation.

22 25. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and class members were entitled to be paid at a regular rate
24 of pay, and corresponding rates of pay for overtime wages and/or meal and rest period
25 premiums, that included as eligible income all remuneration required by law, including but not
26 limited to, all income derived from incentive pay, nondiscretionary bonuses, and/or other
27 forms of compensation, but failed to include all forms of remuneration in calculating the
28 regular rate of pay for Plaintiff and class members.

1 26. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
2 should have known that Plaintiff and class members were entitled to receive at least minimum
3 wages for compensation and that they were not receiving at least minimum wages for work
4 that was required to be done off-the-clock. In violation of the California Labor Code, Plaintiff
5 and class members were not paid at least minimum wages for work done off-the-clock.

6 27. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
7 should have known that Plaintiff and class members were entitled to meal periods in
8 accordance with the California Labor Code and applicable IWC Wage Order or payment of
9 one (1) additional hour of pay at their regular rates of pay when they were not provided with
10 timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and class members
11 were not provided with all meal periods or payment of one (1) additional hour of pay at their
12 regular rates of pay when they did not receive a timely, uninterrupted, thirty (30) minute meal
13 period.

14 28. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that Plaintiff and class members were entitled to rest periods in
16 accordance with the California Labor Code and applicable IWC Wage Order or payment of
17 one (1) additional hour of pay at their regular rates of pay when they were not authorized and
18 permitted to take a compliant rest period and that Plaintiff and class members were not
19 authorized and permitted to take compliant rest periods or provided with payment of one (1)
20 additional hour of pay at their regular rates of pay when they were not authorized and
21 permitted to take a compliant rest period.

22 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and class members were entitled to receive complete and
24 accurate wage statements in accordance with California law. In violation of the California
25 Labor Code, Plaintiff and class members were not provided complete and accurate wage
26 statements.

27 30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
28 should have known that they had a duty to maintain accurate and complete payroll records in

1 accordance with the California Labor Code and applicable IWC Wage Order, but willfully,
2 knowingly, and intentionally failed to do so.

3 31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
4 should have known that Plaintiff and class members were entitled to timely payment of all
5 wages earned upon termination of employment. In violation of the California Labor Code,
6 Plaintiff and class members did not receive payment of all wages due, including, but not
7 limited to, overtime wages, minimum wages, and/or meal and rest period premiums, within
8 permissible time periods.

9 32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
10 should have known that Plaintiff and class members were entitled to timely payment of wages
11 during their employment. In violation of the California Labor Code, Plaintiff and class
12 members did not receive payment of all wages, including, but not limited to, overtime wages,
13 minimum wages, and/or meal and rest period premiums, within permissible time periods.

14 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that they were prohibited from issuing instruments for the payment of
16 wages that were not payable in cash on demand, without discount and with authorization, but
17 did so, in violation of the California Labor Code.

18 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
19 should have known that Plaintiff and class members were entitled to the portion of wages
20 previously paid and subsequently unlawfully deducted by Defendants.

21 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
22 should have known that Plaintiff and class members were entitled to payment of wages as
23 designated by statute. In violation of the California Labor Code, Defendants secretly paid
24 Plaintiff and class members lower wages than required by statute while purporting to pay
25 them proper wages.

26 36. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
27 should have known that Plaintiff and class members were entitled to one day's rest in seven.
28 In violation of the California Labor Code, Defendants required Plaintiff and class members to

1 work more than six consecutive days without a day of rest, where the total hours worked
2 exceeded 30 hours in any week or six hours in any one day thereof.

3 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
4 should have known that Plaintiff and class members were entitled to receive full
5 reimbursement for all business-related expenses and costs they incurred during the course and
6 scope of their employment and that they did not receive full reimbursement of applicable
7 business-related expenses and costs incurred.

8 38. Plaintiff is informed and believes, and thereon alleges, that at all times herein
9 mentioned, Defendants knew or should have known that Defendants had a duty to provide
10 Plaintiff and class members with written notice of the material terms of their employment with
11 Defendants as required by the California Wage Theft Prevention Act, but failed to do so.

12 39. Plaintiff is informed and believes, and thereon alleges, that at all times herein
13 mentioned, Defendants knew or should have known that they had a duty to compensate
14 Plaintiff and class members for all hours worked, and that Defendants had the financial ability
15 to pay such compensation, but willfully, knowingly, and intentionally failed to do so, and
16 falsely represented to Plaintiff and class members that they were properly denied wages, all in
17 order to increase Defendants' profits.

18 **PAGA REPRESENTATIVE ALLEGATIONS**

19 40. At all times herein set forth, PAGA provides that any provision of law under
20 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
21 assessed and collected by the Labor and Workforce Development Agency ("LWDA") for
22 violations of the California Labor Code and applicable IWC Wage Order may, as an
23 alternative, be recovered by aggrieved employees in a civil action brought on behalf of
24 themselves and other current or former employees pursuant to procedures outlined in
25 California Labor Code section 2699.3.

26 41. PAGA defines an "aggrieved employee" in Labor Code section 2699(c)(1) as
27 "any person who was employed by the alleged violator and personally suffered each of the
28 violations alleged."

1 42. Plaintiff and other current and former employees of Defendants are “aggrieved
2 employees” as defined by Labor Code section 2699(c)(1) in that they are all Defendants’
3 current or former employees and each of the alleged violations were committed against them.

4 43. Pursuant to California Labor Code sections 2699.3 and 2699.5, aggrieved
5 employees, including Plaintiff, may pursue a civil action arising under PAGA after the
6 following requirements have been met:

7 (a) The aggrieved employee or representative shall give written notice by
8 online filing with the LWDA and by certified mail to the employer of
9 the specific provisions of the California Labor Code alleged to have
10 been violated, including the facts and theories to support the alleged
11 violation.

12 (b) An aggrieved employee’s notice filed with the LWDA pursuant to
13 2699.3(a) and any employer response to that notice shall be
14 accompanied by a filing fee of seventy-five dollars (\$75).

15 (c) The LWDA shall notify the employer and the aggrieved employee or
16 representative by certified mail that it does not intend to investigate the
17 alleged violation (“LWDA Notice”) within sixty (60) calendar days of
18 the postmark date of the aggrieved employee’s notice. Upon receipt of
19 the LWDA Notice, or if no LWDA Notice is provided within sixty-five
20 (65) calendar days of the postmark date of the aggrieved employee’s
21 notice, the aggrieved employee may commence a civil action pursuant
22 to California Labor Code section 2699 to recover civil penalties.

23 44. Pursuant to California Labor Code sections 2699.3(c), aggrieved employees,
24 through Plaintiff, may pursue a civil action arising under PAGA for violations of any
25 provision other than those listed in Section 2699.5 after the following requirements have been
26 met:

27 (a) The aggrieved employee or representative shall give written notice by
28 online filing with the LWDA and by certified mail to the employer of

1 the specific provisions of the California Labor Code alleged to have
2 been violated (other than those listed in Section 2699.5), including the
3 facts and theories to support the alleged violation.

4 (b) An aggrieved employee's notice filed with the LWDA pursuant to
5 2699.3(c) and any employer response to that notice shall be
6 accompanied by a filing fee of seventy-five dollars (\$75).

7 (c) The employer may cure the alleged violation within thirty-three (33)
8 calendar days of the postmark date of the notice sent by the aggrieved
9 employee or representative. The employer shall give written notice
10 within that period of time by certified mail to the aggrieved employee or
11 representative and by online filing with the LWDA if the alleged
12 violation is cured, including a description of actions taken, and no civil
13 action pursuant to Section 2699 may commence. If the alleged violation
14 is not cured within the 33-day period, the aggrieved employee may
15 commence a civil action pursuant to Section 2699.

16 45. On October 16, 2025, Plaintiff provided written notice by online filing to the
17 LWDA and by Certified Mail to Defendants of the specific provisions of the California Labor
18 Code alleged to have been violated, including facts and theories to support the alleged
19 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
20 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
21 LWDA PAGA Administrator confirmed receipt of Plaintiff's written notice and assigned
22 Plaintiff PAGA Case Number LWDA-CM-1132365-25. A true and correct copy of Plaintiff's
23 written notice to the LWDA and Defendants dated October 16, 2025, is attached hereto as
24 "Exhibit 1".

25 46. As of the filing date of this amended complaint, over 65 days have passed since
26 Plaintiff sent the notice described above to the LWDA, and the LWDA has not responded that
27 it intends to investigate Plaintiff's claims and Defendants have not cured the violations.

28 47. Thus, Plaintiff has satisfied the administrative prerequisites under California

1 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
2 violations of California Labor Code sections 201, 202, 204, 212, 213, 221, 223, 224, 226(a),
3 226.7, 510, 512(a), 516, 551, 552, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and
4 2810.5.

5 48. Labor Code section 558(a) provides “[a]ny employer or other person acting on
6 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
7 provision regulating hours and days of work in any order of the Industrial Welfare
8 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
9 dollars (\$50) for each underpaid employee for each pay period for which the employee was
10 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
11 underpaid employee for each pay period for which the employee was underpaid” Labor
12 Code section 558(c) provides “[t]he civil penalties provided for in this section are in addition
13 to any other civil or criminal penalty provided by law.”

14 49. Defendants, at all times relevant to this complaint, were employers or persons
15 acting on behalf of an employer(s) who violated Plaintiff’s and other aggrieved employees’
16 rights by violating various sections of the California Labor Code as set forth above.

17 50. As set forth below, Defendants have violated numerous provisions of both the
18 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
19 Order.

20 51. Pursuant to PAGA, and in particular, California Labor Code sections 1194.5,
21 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public
22 interest as a private attorney general, seek assessment and collection of civil penalties and
23 injunctive relief for himself, all other aggrieved employees, and the State of California against
24 Defendants for violations of California Labor Code sections 201, 202, 204, 212, 213, 221,
25 223, 224, 226(a), 226.7, 510, 512(a), 516, 551, 552, 1174(d), 1182.12, 1194, 1197, 1197.1,
26 1198, 2802, and 2810.5.

27 **CLASS ACTION ALLEGATIONS**

28 52. Plaintiff brings this action on his own behalf, as well as on behalf of each and

1 all other persons similarly situated, and thus seeks class certification under California Code of
2 Civil Procedure section 382.

3 53. All claims alleged herein arise under California law for which Plaintiff seeks
4 relief authorized by California law.

5 54. Plaintiff's proposed class consists of and is defined as follows:

6 All persons who worked for Defendants as non-exempt, hourly
7 paid employees at any of their "Redwood Market" locations in
8 California, at any time from December 1, 2022, until the date of
trial ("Class").

9 55. Plaintiff's proposed subclass consists of and is defined as follows:

10 All persons who worked for Defendants as non-exempt, hourly
11 paid employees at any of their "Redwood Market" locations in
12 California and who received at least one wage statement within
one (1) year prior to the filing of the initial complaint until the
date of trial ("Subclass").

13 56. Members of the Class and Subclass are referred to herein as "class members."

14 57. Plaintiff reserves the right to redefine the Class and Subclass and to add
15 additional subclasses as appropriate based on further investigation, discovery, and specific
16 theories of liability.

17 58. There are common questions of law and fact as to class members that
18 predominate over questions affecting only individual members, including, but not limited to:

- 19 (a) Whether Defendants required Plaintiff and class members to work over
20 eight (8) hours per day, over twelve (12) hours per day, or over forty
21 (40) hours per week and failed to pay all legally required overtime
22 compensation to Plaintiff and class members;
- 23 (b) Whether Defendants failed to include all forms of remuneration in the
24 regular rate of pay as required by law for purposes of paying overtime
25 wages and/or meal and rest period premiums to Plaintiff and class
26 members;
- 27 (c) Whether Defendants failed to pay Plaintiff and class members at least
28 minimum wages for all hours worked;

- 1 (d) Whether Defendants failed to provide Plaintiff and class members meal
2 periods;
- 3 (e) Whether Defendants failed to authorize and permit Plaintiff and class
4 members to take rest periods;
- 5 (f) Whether Defendants provided Plaintiff and class members with
6 complete and accurate wage statements as required by California Labor
7 Code section 226(a);
- 8 (g) Whether Defendants maintained accurate payroll records as required by
9 California Labor Code section 1174(d);
- 10 (h) Whether Defendants failed to pay earned overtime wages, minimum
11 wages, and/or meal and rest period premiums, due to Plaintiff and class
12 members upon their discharge;
- 13 (i) Whether Defendants failed to timely pay overtime wages, minimum
14 wages, and/or meal and rest period premiums, to Plaintiff and class
15 members during their employment;
- 16 (j) Whether Defendants issued instruments for the payment of wages that
17 were not payable in cash, on demand, without discount, and with prior
18 authorization, in violation of California Labor Code sections 212 and
19 213;
- 20 (k) Whether Defendants unlawfully deducted a portion of wages previously
21 paid to Plaintiff and class members, in violation of California Labor
22 Code sections 221 and 224;
- 23 (l) Whether Defendants secretly paid Plaintiff and class members lower
24 wages than required by statute while purporting to pay the proper
25 wages, in violation of California Labor Code section 223;
- 26 (m) Whether Defendants failed to provide Plaintiff and class members one
27 day's rest in seven;
- 28 (n) Whether Defendants failed to reimburse Plaintiff and class members for

1 necessary and required business-related expenditures and/or losses
2 incurred by them in the scope of their employment;

- 3 (o) Whether Defendants failed to provide written notice of information
4 material to Plaintiff's and class members' employment with Defendants;
- 5 (p) Whether Defendants engaged in unlawful and unfair business practices
6 in violation of California Business & Professions Code sections 17200,
7 *et seq.*; and
- 8 (q) The appropriate amount of damages, restitution, or monetary penalties
9 resulting from Defendants' violations of California law.

10 59. There is a well-defined community of interest in the litigation and the class
11 members are readily ascertainable:

- 12 (a) Numerosity: The class members are so numerous that joinder of all
13 members would be unfeasible and impractical. The membership of the
14 entire class is unknown to Plaintiff at this time; however, the class is
15 estimated to be greater than one hundred (100) individuals and the
16 identity of such membership is readily ascertainable by inspection of
17 Defendants' employment records.
- 18 (b) Typicality: Plaintiff is qualified to, and will, fairly and adequately
19 protect the interests of each class member with whom he has a well-
20 defined community of interest, and Plaintiff's claims (or defenses, if
21 any) are typical of all class members as demonstrated herein.
- 22 (c) Adequacy: Plaintiff is qualified to, and will, fairly and adequately
23 protect the interests of each class member with whom he has a well-
24 defined community of interest and typicality of claims, as demonstrated
25 herein. Plaintiff acknowledges that he has an obligation to make known
26 to the Court any relationship, conflicts or differences with any class
27 member. Plaintiff's attorneys, the proposed class counsel, are versed in
28 the rules governing class action discovery, certification, and settlement.

1 Plaintiff has incurred, and throughout the duration of this action, will
2 continue to incur costs and attorneys' fees that have been, are, and will
3 be necessarily expended for the prosecution of this action for the
4 substantial benefit of each class member.

5 (d) Superiority: The nature of this action makes the use of class action
6 adjudication superior to other methods. A class action will achieve
7 economies of time, effort, and expense as compared with separate
8 lawsuits, and will avoid inconsistent outcomes because the same issues
9 can be adjudicated in the same manner and at the same time for the
10 entire class.

11 (e) Public Policy Considerations: Employers in the State of California
12 violate employment and labor laws every day. Current employees are
13 often afraid to assert their rights out of fear of direct or indirect
14 retaliation. Former employees are fearful of bringing actions because
15 they believe their former employers might damage their future
16 endeavors through negative references and/or other means. Class
17 actions provide the class members who are not named in the complaint
18 with a type of anonymity that allows for the vindication of their rights
19 while simultaneously protecting their privacy.

20 FIRST CAUSE OF ACTION

21 Violation of California Labor Code §§ 510 and 1198—Unpaid Overtime

22 (Against all Defendants)

23 60. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
24 and every allegation set forth above.

25 61. Labor Code section 1198 makes it illegal to employ an employee under
26 conditions of labor that are prohibited by the applicable wage order. California Labor Code
27 section 1198 requires that "... the standard conditions of labor fixed by the commission shall
28 be the ... standard conditions of labor for employees. The employment of any employee ...

1 under conditions of labor prohibited by the order is unlawful.”

2 62. California Labor Code section 1198 and the applicable IWC Wage Order
3 provide that it is unlawful to employ persons without compensating them at a rate of pay
4 either time-and-one-half or two-times that person’s regular rate of pay, depending on the
5 number of hours worked by the person on a daily or weekly basis.

6 63. Specifically, the applicable IWC Wage Order provides that Defendants are and
7 were required to pay Plaintiff and class members working more than eight (8) hours in a day
8 or more than forty (40) hours in a workweek, at the rate of time and one-half (1 ½) for all
9 hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a
10 workweek.

11 64. The applicable IWC Wage Order further provides that Defendants are and were
12 required to pay Plaintiff and class members working more than twelve (12) hours in a day,
13 overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s
14 regular rate of pay includes all remuneration for employment paid to, or on behalf of, the
15 employee, including nondiscretionary bonuses and incentive pay.

16 65. California Labor Code section 510 codifies the right to overtime compensation
17 at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8)
18 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
19 seventh (7th) day of work, and to overtime compensation at twice the employee’s regular rate
20 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
21 in a day on the seventh (7th) day of work.

22 66. During the relevant time period, Defendants willfully failed to pay all overtime
23 wages owed to Plaintiff and class members. During the relevant time period, Plaintiff and
24 class members were not paid overtime premiums for all of the hours they worked in excess of
25 eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40)
26 hours in a week, because all hours worked were not recorded.

27 67. First, during the relevant time period, Defendants had, and continue to have, a
28 company-wide policy and/or practice of requiring Plaintiff and class members to perform

1 work-related tasks off-the-clock after their scheduled shifts. For example, about once per
2 month, Plaintiff was required to unroll the metal security gates, unlock the store and open the
3 store's doors, and deactivate the alarm before he clocked in for his shift, which took about five
4 (5) minutes per instance. Additionally, when working a closing shift, Plaintiff was required to
5 spend a few minutes off-the-clock closing metal security gates, activating the alarm, and
6 locking the store's doors. As another example, Plaintiff was often required to work off-the-
7 clock, for approximately five (5) minutes, to check-in vendors who arrived at the gas station
8 with inventory deliveries shortly after Plaintiff had already clocked out from his shift.

9 68. Moreover, Defendants had, and continue to have, a company-wide policy
10 and/or practice requiring Plaintiff and class members to respond to phone communications
11 before and after their shifts or on their days off. For example, Plaintiff was required to answer
12 work-related phone calls from store employees at least five (5) times per week while off-the-
13 clock, including troubleshooting issues such as fuel pump malfunctions or addressing
14 problems with the EBT system. These calls typically lasted between five (5) and fifteen (15)
15 minutes per instance. Furthermore, about once per week, Plaintiff was required to return to
16 the work premises while off-the-clock to attend to urgent issues such as fuel pump
17 malfunctions or register problems, which could take up to one (1) hour. Thus, Defendants
18 failed to track the time Plaintiff and class members spent working outside of their shifts, and
19 Plaintiff and class members received no compensation for this time.

20 69. Second, Defendants had, and continue to have, a company-wide policy and/or
21 practice of strictly staffing their locations based on the labor hours allocated by each
22 location's labor or payroll budget set by the corporate office. On information and belief, this
23 practice of labor budgeting and/or limited payroll allocation has resulted in chronic
24 understaffing and a lack of adequate meal period coverage, because there were too few
25 employees on duty to attend to customers and handle the workload. Specifically, Plaintiff was
26 pressured to keep up with strict deadlines, which included completing daily fuel pricing
27 surveys of nearby competitor gas stations, submitting daily sales reports, reviewing security
28 camera footage for all medium- and high-risk transactions, and meeting weekly compliance

1 deadlines such as store manager visual inspections, all while managing the day-to-day
2 demands of customer service. Because Defendants did not employ or staff a sufficient
3 number of employees to meet customer demand, there was no one available to relieve
4 employees needing meal period coverage, and Plaintiff and class members were not always
5 afforded uninterrupted 30-minute meal periods during shifts when they were entitled to
6 receive a meal period. Moreover, Defendants had a practice of failing to schedule meal
7 periods and/or adhere to a schedule for meal periods, which further caused Plaintiff and class
8 members to not be relieved of their duties for compliant meal periods. For example, Plaintiff
9 sometimes worked through his meal periods due to the lack of coverage, and to keep up with
10 customer demand and his workload. Additionally, Plaintiff's meal periods were often
11 interrupted by store employees with questions or store issues to address.

12 70. Third, Defendants' management pressured Plaintiff and class members to clock
13 out for meal periods, even when they did not receive a compliant meal period. For example,
14 Plaintiff sometimes clocked out for his meal period but would work through his unpaid meal
15 period, out of fear of being disciplined by Defendants. Moreover, Defendants' company-wide
16 timekeeping system prevented Plaintiff and class members from recording all hours worked
17 when their meal periods were shortened or interrupted, because the system locked out Plaintiff
18 and class members once they clocked out for a meal period, and would not permit them to
19 clock back in from a meal period until 30 minutes elapsed. Thus, Defendants did not record
20 all hours worked during meal periods, and Plaintiff and class members performed work during
21 meal periods for which they were not paid.

22 71. Defendants knew or should have known that, as a result of these company-wide
23 practices and/or policies, Plaintiff and class members were performing their assigned duties
24 off-the-clock and during meal periods, and were suffered or permitted to perform work for
25 which they were not paid. Because Plaintiff and class members worked shifts of eight (8)
26 hours a day or more, or forty (40) hours a week or more, some of this off-the-clock work
27 qualified for overtime premium pay. Therefore, Plaintiff and class members were not paid
28 overtime wages for all of the overtime hours they actually worked.

1 72. Moreover, Defendants did not pay Plaintiff and class members the correct
2 overtime rate for the recorded overtime hours that they generated. In addition to an hourly
3 wage, Defendants paid Plaintiff and class members incentive pay, nondiscretionary bonuses,
4 and/or other forms of remuneration. However, in violation of the California Labor Code,
5 Defendants failed to incorporate all compensation, including incentive pay, nondiscretionary
6 bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for
7 purposes of calculating the overtime wage rate. Therefore, during times when Plaintiff and
8 class members worked overtime and received these other forms of pay, Defendants failed to
9 pay all overtime wages by paying a lower overtime rate than required.

10 73. For example, Defendants paid Plaintiff and class members incentive pay and/or
11 nondiscretionary bonuses which were listed on Plaintiff's and class members' wage
12 statements as "Bonus." During pay periods that Plaintiff and class members were paid
13 overtime wages, Defendants did not incorporate the incentive pay and/or nondiscretionary
14 bonuses into Plaintiff's and class members' regular rate of pay and, as a result, paid them at
15 incorrect and lower rates of pay for overtime hours worked. Specifically, Defendants paid
16 Plaintiff and class members 1.5 times their hourly rate of pay instead of 1.5 times their regular
17 rate of pay. Defendants' failure to properly calculate the overtime rates of pay based on all
18 remuneration paid has resulted in an underpayment of overtime wages to Plaintiff and class
19 members on a company-wide basis.

20 74. Defendants' failure to pay Plaintiff and class members the balance of overtime
21 compensation as required by California law, violates the provisions of California Labor Code
22 sections 510 and 1198. Pursuant to California Labor Code section 1194, Plaintiff and class
23 members are entitled to recover from Defendants their unpaid overtime compensation, as well
24 as interest, costs, and attorneys' fees.

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1 **SECOND CAUSE OF ACTION**

2 **Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198—Unpaid**

3 **Minimum Wages**

4 **(Against all Defendants)**

5 75. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
6 and every allegation set forth above.

7 76. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
8 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage
9 to be paid to employees, and the payment of a wage less than the minimum so fixed is
10 unlawful. Compensable work time is defined in Wage Order No. 7-2001 as “the time during
11 which an employee is subject to the control of an employer, and includes all the time the
12 employee is suffered or permitted to work, whether or not required to do so.” Cal. Code Regs.
13 Tit. 8, § 11070(2)(H) (defining “Hours Worked”).

14 77. First, as set forth above, Defendants had, and continue to have, company-wide
15 policies and/or practices of requiring Plaintiff and class members to perform work-related
16 tasks while off-the-clock. For example, as stated, Plaintiff was required to perform store
17 opening- and closing-shift tasks such as rolling and unrolling security gates, locking and
18 unlocking store doors, and deactivating and activating the alarm before he clocked in for his
19 shift or after he clocked out. As another example, as stated, Plaintiff was required to check-in
20 vendors who arrived at the gas station with inventory deliveries shortly after he had already
21 clocked out.

22 78. Moreover, as also set forth above, Defendants required Plaintiff and class
23 members to respond to phone communications before and after their shifts or on their days
24 off. Plaintiff was required to answer work-related phone calls from store employees while
25 off-the-clock. As stated above, Plaintiff was also required to physically return to the work
26 premises while off-the-clock to attend to urgent issues.

27 79. Second, as set forth above, due to Defendants’ company-wide policies and/or
28 practices of utilizing labor budgets and resultant understaffing of their locations, assigning of

1 heavy workloads, and failing to schedule and/or adhere to a schedule for meal periods,
2 Plaintiff and class members were impeded from taking all uninterrupted meal periods to which
3 they were entitled and were required to work off-the-clock during meal periods, have their
4 meal periods interrupted, and/or were otherwise not relieved of all duties during unpaid meal
5 periods.

6 80. Third, as stated, on information and belief, Defendants pressured Plaintiff and
7 class members to clock out for meal periods, even when meal periods were missed, short,
8 and/or interrupted. Additionally, as stated, Defendants' company-wide timekeeping system
9 prevented Plaintiff and class members from entering time worked during meal periods because
10 the system locked out Plaintiff and class members for a full 30 minutes. Thus, Defendants
11 systematically failed to pay Plaintiff and class members for actual hours worked during unpaid
12 meal periods because these hours were not always correctly recorded.

13 81. Defendants did not pay minimum wages for all hours worked by Plaintiff and
14 class members. To the extent that these off-the-clock hours did not qualify for overtime
15 premium payment, Defendants did not pay at least minimum wages for those hours worked
16 off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and
17 1198.

18 82. Defendants' failure to pay Plaintiff and class members minimum wages violates
19 California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Pursuant to
20 California Labor Code section 1194.2, Plaintiff and class members are entitled to recover from
21 Defendants liquidated damages in an amount equal to the wages unlawfully unpaid and
22 interest thereon.

23 **THIRD CAUSE OF ACTION**

24 **Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198—Meal Period**

25 **Violations**

26 **(Against all Defendants)**

27 83. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
28 and every allegation set forth above.

1 84. At all relevant times herein set forth, the applicable IWC Wage Order and
2 California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and
3 class members' employment by Defendants. At all relevant times herein set forth, California
4 Labor Code section 512(a) provides that an employer may not require, cause, or permit an
5 employee to work for a period of more than five (5) hours per day without providing the
6 employee with a meal period of not less than thirty (30) minutes, except that if the total work
7 period per day of the employee is not more than six (6) hours, the meal period may be waived
8 by mutual consent of both the employer and the employee. Under California law, first meal
9 periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53
10 Cal. 4th 1004, 1041-1042 (2012).

11 85. At all relevant times herein set forth, California Labor Code sections 226.7,
12 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
13 meal period mandated by an applicable order of the IWC.

14 86. At all relevant times herein set forth, Labor Code sections 226.7 and 512(a) and
15 the applicable IWC Wage Order also require employers to provide a second meal period of
16 not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an
17 employee one (1) additional hour of pay at the employee's regular rate, except that if the total
18 hours worked is no more than twelve (12) hours, the second meal period may be waived by
19 mutual consent of the employer and the employee only if the first meal period was not waived.

20 87. First, during the relevant time period, as stated, Defendants had, and continue
21 to have, a company-wide policy and/or practice of understaffing locations due to labor
22 budgeting and/or limited payroll allocation, which has resulted in a lack of meal period
23 coverage and prevented Plaintiff and class members from taking all timely, uninterrupted meal
24 periods to which they were entitled. Further, as stated, Defendants had a company-wide
25 practice and/or policy of failing to schedule meal periods and/or adhere to a schedule for meal
26 periods, which further caused Plaintiff and class members to not be relieved of their duties for
27 compliant meal periods. In addition, as stated, Plaintiff was pressured to keep up with strict
28 deadlines and assigned a heavy workload, which included completing daily fuel pricing

1 surveys of nearby competitor gas stations, submitting daily sales reports, reviewing security
2 camera footage for all medium- and high-risk transactions, and meeting weekly compliance
3 deadlines such as store manager visual inspections, all while managing the demands of
4 customer service.

5 88. For example, as stated, Plaintiff sometimes worked through his meal periods
6 due to the lack of coverage, and to keep up with customer demand and his workload.
7 Additionally, Plaintiff's meal periods were often interrupted by store employees with
8 questions or store issues. As another example, Plaintiff sometimes took his meal periods late,
9 after having worked in excess of five (5) hours into his shift, due to the lack of coverage
10 available and in order to keep up with his heavy workload. Thus, Plaintiff and class members
11 had to work through all or part of their meal periods, had their meal periods interrupted,
12 and/or had to wait extended periods of time before taking meal periods.

13 89. Second, as stated, on information and belief, because Defendants frowned upon
14 employees accruing meal period premiums, Defendants' management pressured Plaintiff and
15 class members to clock out for meal periods, regardless of whether they had received a
16 compliant meal period or not, in order to strictly limit the meal period premiums that would
17 need to be paid by Defendants. Additionally, as set forth above, Defendants' company-wide
18 timekeeping system prevented Plaintiff and class members from recording when their meal
19 periods were shortened or interrupted, because the system locked out Plaintiff and class
20 members once they clocked out for a meal period, and would not permit them to clock back in
21 from a meal period before 30 minutes had elapsed.

22 90. Third, Plaintiff and class members worked shifts in excess of ten (10) hours
23 without receiving an uninterrupted second 30-minute meal period. For example, during his
24 employment, Plaintiff sometimes worked shifts in excess of ten (10) or more hours per day,
25 but was not provided a second 30-minute meal period. Plaintiff and class members did not
26 sign valid meal period waivers on days that they were entitled to meal periods and were not
27 relieved of all duties.

28 91. At all times mentioned herein, Defendants knew or should have known that as a

1 result of their policies, Plaintiff and class members were not actually relieved of all duties to
2 take timely, uninterrupted meal periods. Defendants further knew or should have known that
3 they did not pay Plaintiff and class members meal period premiums when meal periods were
4 late, interrupted, shortened, and/or missed.

5 92. Furthermore, Defendants engaged in a company-wide practice and/or policy of
6 not paying meal period premiums owed when compliant meal periods are not provided.
7 Because of this practice and/or policy, Plaintiff and class members have not received premium
8 pay for missed, late, and interrupted meal periods. Alternatively, to the extent that Defendants
9 did pay Plaintiff and class members premium pay for missed, late, and interrupted meal
10 periods, Defendants did not pay Plaintiff and class members at the correct rate of pay for
11 premiums because Defendants systematically failed to include all forms of compensation,
12 such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the
13 regular rate of pay. As a result, Defendants failed to provide Plaintiff and class members
14 compliant meal periods in violation of California Labor Code sections 226.7, 512(a), and 516
15 and failed to pay the full meal period premiums due.

16 93. Defendants' conduct violates the applicable IWC Wage Order, and California
17 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and class members are therefore
18 entitled to recover from Defendants one (1) additional hour of pay at the employee's regular
19 rate of compensation for each work day that the meal period was not provided.

20 **FOURTH CAUSE OF ACTION**

21 **Violation of California Labor Code §§ 226.7, 516, and 1198—Rest Period Violations** 22 **(Against all Defendants)**

23 94. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
24 and every allegation set forth above.

25 95. At all relevant times herein set forth, the applicable IWC Wage Order and
26 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff's and class
27 members' employment by Defendants.

28 96. At all relevant times, the applicable IWC Wage Order provides that "[e]very

1 employer shall authorize and permit all employees to take rest periods, which insofar as
2 practicable shall be in the middle of each work period” and that the “rest period time shall be
3 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
4 hours or major fraction thereof” unless the total daily work time is less than three and one-half
5 (3 ½) hours.

6 97. At all relevant times, California Labor Code section 226.7 provides that no
7 employer shall require an employee to work during any rest period mandated by an applicable
8 order of the California IWC. To comply with its obligation to authorize and permit rest
9 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
10 employer must “relinquish any control over how employees spend their break time, and
11 relieve their employees of all duties—including the obligation that an employee remain on
12 call. A rest period, in short, must be a period of rest.” *Augustus v. ABM Security Services,*
13 *Inc.*, 2 Cal. 5th 257, 273 (2016).

14 98. During the relevant time period, Defendants regularly failed to authorize and
15 permit Plaintiff and class members to take a ten (10) minute rest period per each four (4) hour
16 period worked or major fraction thereof. As with meal periods, Defendants’ company-wide
17 use of labor budgeting and/or limited payroll allocation, resultant understaffing, and
18 assignment of heavy workloads, has resulted in a lack of rest period coverage and prevented
19 Plaintiff and class members from being relieved of all duty in order to take compliant rest
20 periods. Defendants also failed to schedule rest periods, which, coupled with Defendants’
21 failure to provide adequate rest period coverage, further led to Plaintiff and class members not
22 being authorized and permitted to take rest periods.

23 99. Furthermore, on information and belief, Defendants maintained and
24 implemented a company-wide on-premises rest period policy, which mandated that Plaintiff
25 and class members remain on the work premises during their rest periods. Because Plaintiff
26 and class members were restricted from leaving the premises during rest periods, they were
27 denied the ability to use their rest periods freely for their own purposes, such as running
28 personal errands. Thus, Defendants effectively maintained control over Plaintiff and class

1 members during rest periods.

2 100. As a result of Defendants' practices and policies, Plaintiff and class members
3 worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without
4 receiving all uninterrupted 10-minute rest periods to which they were entitled. For example,
5 Plaintiff often had to forgo his rest periods altogether due to the heavy workload and lack of
6 rest period coverage.

7 101. Defendants also have engaged in a company-wide practice and/or policy of not
8 paying rest period premiums owed when compliant rest periods are not authorized and
9 permitted. Because of this practice and/or policy, Plaintiff and class members have not
10 received premium pay for all missed rest periods. Alternatively, to the extent that Defendants
11 did pay Plaintiff and class members one (1) additional hour of premium pay for missed rest
12 periods, Defendants did not pay Plaintiff and class members at the correct rate of pay for
13 premiums because Defendants failed to include all forms of compensation, such as incentive
14 pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.
15 As a result, Defendants denied Plaintiff and class members rest periods and failed to pay them
16 rest period premiums due, in violation of Labor Code sections 226.7 and 516, and the
17 applicable IWC Wage Order.

18 102. Defendants' conduct violates the applicable IWC Wage Order and California
19 Labor Code sections 226.7, 516, and 1198. Plaintiff and class members are therefore entitled
20 to recover from Defendants one (1) additional hour of pay at the employee's regular rate of
21 compensation for each work day that a compliant rest period was not authorized and
22 permitted.

23 **FIFTH CAUSE OF ACTION**

24 **Violation of California Labor Code §§ 226(a), 1174(d), and 1198—Non-Compliant Wage** 25 **Statements and Failure to Maintain Accurate Payroll Records** 26 **(Against all Defendants)**

27 103. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
28 and every allegation set forth above.

1 104. At all relevant times herein set forth, California Labor Code section 226(a)
2 provides that every employer shall furnish each of his or her employees an accurate and
3 complete itemized wage statement in writing, including, but not limited to, the name and
4 address of the legal entity that is the employer, the inclusive dates of the pay period, total
5 hours worked, and all applicable rates of pay.

6 105. At all relevant times, Defendants have knowingly and intentionally provided
7 Plaintiff and Subclass members with uniform, incomplete, and inaccurate wage statements.
8 For example, Defendants issued uniform wage statements to Plaintiff and Subclass members
9 that fail to correctly list: total hours worked; gross wages earned; net wages earned; and all
10 applicable hourly rates in effect during the pay period, including rates of pay for overtime
11 wages and/or meal and rest period premiums, and the corresponding number of hours worked
12 at each hourly rate. Specifically, Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5),
13 and 226(a)(9).

14 106. Because Defendants did not record the time Plaintiff and Subclass members
15 spent working off the clock and deducted time from their records for meal periods that were
16 interrupted and/or missed (and therefore time for which they should have been paid),
17 Defendants did not list the correct amount of gross wages and net wages earned by Plaintiff
18 and Subclass members in compliance with sections 226(a)(1) and 226(a)(5). For the same
19 reason, Defendants failed to accurately list the total number of hours worked by Plaintiff and
20 Subclass members, in violation of section 226(a)(2), and failed to list the applicable hourly
21 rates of pay in effect during the pay period and the corresponding accurate number of hours
22 worked at each hourly rate, in violation of section 226(a)(9).

23 107. Moreover, because Defendants did not calculate Plaintiff's and Subclass
24 members' regular rate of pay correctly for purposes of paying overtime wages and/or meal and
25 rest period premiums, Defendants did not list the correct amount of gross wages in compliance
26 with section 226(a)(1). For the same reason, Defendants failed to list the correct amount of
27 net wages in violation of section 226(a)(5). Defendants also failed to correctly list all
28 applicable hourly rates in effect during the pay period, namely, correct rates of pay for

1 overtime wages and/or meal and rest period premiums, in violation of section 226(a)(9).

2 108. The wage statement deficiencies also include, among other things, failing to list
3 the number of piece-rate units earned and any applicable piece rate if the employee is paid on
4 a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period
5 for which employees were paid; failing to list the name of the employee and only the last four
6 digits of his or her social security number or an employee identification number other than a
7 social security number; failing to list the name and address of the legal entity that is the
8 employer; and/or failing to state all hours worked as a result of not recording or stating hours
9 worked off-the-clock.

10 109. California Labor Code section 1174(d) provides that “[e]very person employing
11 labor in this state shall . . . [k]eep a record showing the names and addresses of all employees
12 employed and the ages of all minors” and “[k]eep, at a central location in the state or at the
13 plants or establishments at which employees are employed, payroll records showing the hours
14 worked daily by and the wages paid to, and the number of piece-rate units earned by and any
15 applicable piece rate paid to, employees employed at the respective plants or
16 establishments” At all relevant times, and in violation of Labor Code section 1174(d),
17 Defendants willfully failed to maintain accurate payroll records for Plaintiff and Subclass
18 members showing the daily hours they worked and the wages paid thereto as a result of failing
19 to record the off-the-clock hours that they worked.

20 110. California Labor Code section 1198 provides that the maximum hours of work
21 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
22 set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he
23 employment of any employees for longer hours than those fixed by the order or under
24 conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC
25 Wage Order, employers are required to keep accurate time records showing when the
26 employee begins and ends each work period and meal period. During the relevant time
27 period, Defendants engaged in company-wide practices and/or policies of failing to record
28 actual hours worked, and thereby failed to keep accurate records of work period and meal

1 period start and end times for Plaintiff and Subclass members, in violation of section 1198.
2 Also, in light of Defendants' failure to provide Plaintiff and Subclass members with second
3 30-minute meal periods to which they were entitled, Defendants kept no records of meal start
4 and end times for second meal periods.

5 111. Plaintiff and Subclass members are entitled to recover from Defendants the
6 greater of their actual damages caused by Defendants' failure to comply with California Labor
7 Code section 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per
8 employee.

9 **SIXTH CAUSE OF ACTION**

10 **Violation of California Labor Code §§ 201 and 202—Wages Not Timely Paid Upon** 11 **Termination** 12 **(Against all Defendants)**

13 112. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
14 and every allegation set forth above.

15 113. This cause of action is dependent upon, and wholly derivative of, the overtime
16 wages, minimum wages, and/or meal and rest period premiums that were not timely paid to
17 Plaintiff and those class members no longer employed by Defendants upon their termination.

18 114. At all times relevant herein set forth, Labor Code sections 201 and 202 provide
19 that if an employer discharges an employee, the wages earned and unpaid at the time of
20 discharge are due and payable immediately, and that if an employee voluntarily leaves his or
21 her employment, his or her wages shall become due and payable not later than seventy-two
22 (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of
23 his or her intention to quit, in which case the employee is entitled to his or her wages at the
24 time of quitting.

25 115. Defendants willfully failed to pay Plaintiff and class members who are no
26 longer employed by Defendants the earned and unpaid wages set forth above, including but
27 not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, either
28 at the time of discharge, or within seventy-two (72) hours of their leaving Defendants'

1 employ.

2 116. Defendants' failure to pay Plaintiff and class members who are no longer
3 employed by Defendants their wages earned and unpaid at the time of discharge, or within
4 seventy-two (72) hours of their leaving Defendants' employ, violates Labor Code sections 201
5 and 202. Plaintiff and class members are therefore entitled to recover from Defendants the
6 statutory penalty wages for each day they were not paid, at their regular rate of pay, up to a
7 thirty (30) day maximum pursuant to California Labor Code section 203.

8 **SEVENTH CAUSE OF ACTION**

9 **Violation of California Labor Code § 204—Failure to Timely Pay Wages During**
10 **Employment**

11 **(Against all Defendants)**

12 117. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
13 and every allegation set forth above.

14 118. This cause of action is dependent upon, and wholly derivative of, the overtime
15 wages, minimum wages, and/or meal and rest period premiums that were not timely paid to
16 Plaintiff and class members during their employment.

17 119. At all times relevant herein set forth, Labor Code section 204 provides that all
18 wages earned by any person in any employment between the first (1st) and the fifteenth (15th)
19 days, inclusive, of any calendar month, other than those wages due upon termination of an
20 employee, are due and payable between the sixteenth (16th) and the twenty-sixth (26th) day of
21 the month during which the labor was performed. Labor Code section 204 further provides
22 that all wages earned by any person in any employment between the sixteenth (16th) and the
23 last day, inclusive, of any calendar month, other than those wages due upon termination of an
24 employee, are due and payable between the first (1st) and the tenth (10th) day of the following
25 month.

26 120. At all times relevant herein, Labor Code section 204 provides that all wages
27 earned for labor in excess of the normal work period shall be paid no later than the payday for
28 the next regular payroll period. Alternatively, at all times relevant herein, Labor Code section

1 204 provides that the requirements of this section are deemed satisfied by the payment of
2 wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than
3 seven (7) calendar days following the close of the payroll period.

4 121. During the relevant time period, Defendants willfully failed to pay Plaintiff and
5 class members all wages due including, but not limited to, overtime wages, minimum wages,
6 and/or meal and rest period premiums, within the time periods specified by California Labor
7 Code section 204.

8 122. Defendants' failure to pay Plaintiff and class members all wages due violates
9 Labor Code section 204. Plaintiff and class members are therefore entitled to recover from
10 Defendants the statutory penalty wages pursuant to California Labor Code section 210.

11 **EIGHTH CAUSE OF ACTION**

12 **Violation of California Labor Code § 2802—Unpaid Business-Related Expenses** 13 **(Against all Defendants)**

14 123. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
15 and every allegation set forth above.

16 124. At all times herein set forth, California Labor Code section 2802 provides that
17 an employer must reimburse employees for all necessary expenditures and losses incurred by
18 the employee in the performance of his or her job. The purpose of Labor Code section 2802 is
19 to prevent employers from passing off their cost of doing business and operating expenses on
20 to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144
21 (2014). The applicable wage order, IWC Wage Order No. 7-2001, provides that: "[w]hen
22 tools or equipment are required by the employer or are necessary to the performance of a job,
23 such tools and equipment shall be provided and maintained by the employer, except that an
24 employee whose wages are at least two (2) times the minimum wage provided herein may be
25 required to provide and maintain hand tools and equipment customarily required by the trade
26 or craft." IWC Wage Order No. 7-2001 further provides that: "[w]hen uniforms are required
27 by the employer to be worn by the employee as a condition of employment, such uniforms
28 shall be provided and maintained by the employer."

1 125. First, during the relevant time period, Defendants, on a company-wide basis,
2 required Plaintiff and class members to use their personal mobile devices, including, but not
3 limited to, cellular phones, and/or mobile data to carry out their job duties but failed to
4 reimburse them for the costs of their work-related mobile device and/or mobile data expenses.
5 For example, Plaintiff was required to use his personal cellular phone to call or text message
6 with store employees and coworkers regarding work-related issues. As a further example,
7 Plaintiff was required to download Zenput and Paycom mobile applications onto his personal
8 cellular phone in order to complete work-related tasks. Although Defendants required
9 Plaintiff and class members to use their personal mobile devices and/or mobile data to carry
10 out their work-related duties, Defendants failed to reimburse them for their costs incurred.

11 126. Second, during the relevant time period, Defendants had a company-wide
12 policy of requiring Plaintiff and class members to utilize their own personal vehicles to carry
13 out company business, but failed to reimburse them for all costs of travel, including mileage.
14 Specifically, Defendants required Plaintiff and class members to travel to obtain supplies for
15 their job-related duties, but did not reimburse them for their travel expenses. For example,
16 Defendants required Plaintiff to drive his personal vehicle to complete fuel pricing surveys
17 three (3) times per week at nearby gas stations, to travel to Defendants' other store locations
18 to obtain supplies and inventory, and to drive to local hardware stores and grocery stores to
19 purchase supplies, including bathroom supplies and paint for handicap parking spots.
20 Although Defendants required Plaintiff and class members to utilize their own vehicles to
21 carry out their work-related responsibilities, Defendants did not reimburse them for their
22 travel expenses.

23 127. Third, during the relevant time period, Defendants required Plaintiff and class
24 members to wear uniforms bearing the Redwood Market company logo, including t-shirts.
25 However, Defendants did not provide their employees with sufficient uniforms to wear for
26 their shifts throughout the week. For example, Defendants only provided Plaintiff with two
27 (2) shirts at the time of hire. Because Defendants failed to provide their employees with an
28 adequate number of uniforms in relation to their scheduled shifts, Plaintiff and class members

1 were required to wash their uniform items more frequently than their other clothing, thus
2 incurring additional laundry expenses for the upkeep of their uniforms. Plaintiff was required
3 to spend approximately \$7 per week on additional laundry expenses per week for the upkeep
4 of his uniform. Thus, Defendants failed to maintain uniforms they required Plaintiff and class
5 members to wear during their shifts and forced them to incur the cost of maintaining employee
6 uniforms.

7 128. Defendants could have provided Plaintiff and class members with the actual
8 equipment for use on the job, such as company mobile devices and company vehicles, as well
9 as access to laundering services. Or Defendants could have fully reimbursed employees for
10 the costs of their mobile device usage, mileage and travel expenses, and laundering expenses
11 or provided a uniform maintenance allowance. Instead, Defendants passed these operating
12 costs onto Plaintiff and class members. At all relevant times, Plaintiff did not earn at least two
13 (2) times the minimum wage.

14 129. Defendants' company-wide policy and/or practice of not reimbursing
15 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
16 and class members violates California Labor Code section 2802. Defendants have
17 intentionally and willfully failed to reimburse Plaintiff and class members for necessary
18 business-related expenses and costs.

19 130. Pursuant to California Labor Code section 2802, Plaintiff and class members
20 are entitled to recover from Defendants their business-related expenses incurred during the
21 course and scope of their employment, plus interest, costs, and attorneys' fees.

22 **NINTH CAUSE OF ACTION**

23 **For Civil Penalties Pursuant to California Labor Code §§ 2698, *et seq.***

24 **(Against all Defendants)**

25 131. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
26 and every allegation set forth above.

27 132. California Labor Code sections 2698, *et seq.* permit Plaintiff to recover civil
28 penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section

1 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 212, 213, 221, 223,
2 224, 551, 552, 1174(d), and 1198. Labor Code section 2699.3(c) permits aggrieved
3 employees, including Plaintiff, to recover civil penalties for violations of those Labor Code
4 sections not found in section 2699.5, including sections 226(a), 226.7, 510, 512(a), 516,
5 1182.12, 1194, 1197, 1197.1, 2802, and 2810.5.

6 133. Defendants' conduct, as alleged herein, violates numerous sections of the
7 California Labor Code, including, but not limited to, the following:

- 8 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC
9 Wage Order for Defendants' failure to compensate Plaintiff and other
10 aggrieved employees with all required overtime pay, as alleged herein;
- 11 (b) Violation of Labor Code sections 226.7, 510, and 1198, and the
12 applicable IWC Wage Order for Defendants' failure to include all forms
13 of remuneration in the regular rate of pay as required by law for
14 purposes of paying overtime wages and/or meal and rest period
15 premiums to Plaintiff and other aggrieved employees, as alleged herein;
- 16 (c) Violation of Labor Code sections 1182.12, 1194, 1197, 1197.1, and
17 1198, and the applicable IWC Wage Order for Defendants' failure to
18 compensate Plaintiff and other aggrieved employees with at least
19 minimum wages for all hours worked, as alleged herein;
- 20 (d) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
21 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
22 and other aggrieved employees with meal periods, as alleged herein;
- 23 (e) Violation of Labor Code sections 226.7, 516, and 1198, and the
24 applicable IWC Wage Order for Defendants' failure to authorize and
25 permit Plaintiff and other aggrieved employees to take rest periods, as
26 alleged herein;
- 27 (f) Violation of Labor Code sections 226(a) and 1198, and the applicable
28 IWC Wage Order for failure to provide accurate and complete wage

- 1 statements to Plaintiff and other aggrieved employees, as alleged herein;
- 2 (g) Violation of Labor Code sections 1174(d) and 1198, and the applicable
- 3 IWC Wage Order for failure to maintain payroll records, as alleged
- 4 herein;
- 5 (h) Violation of Labor Code sections 201 and 202 for failure to pay all
- 6 earned wages upon termination, as alleged herein;
- 7 (i) Violation of Labor Code section 204 for failure to pay all earned wages
- 8 during employment, as alleged herein;
- 9 (j) Violation of Labor Code sections 212 and 213 for issuing instruments
- 10 for the payment of wages that were not payable in cash on demand,
- 11 without discount, and with prior authorization, as set forth below;
- 12 (k) Violation of Labor Code sections 221 and 224 for unlawfully deducting
- 13 a portion of wages previously paid to Plaintiff and other aggrieved
- 14 employees, as set forth below;
- 15 (l) Violation of Labor Code section 223 for secretly paying Plaintiff and
- 16 other aggrieved employees lower wages than required by statute, while
- 17 purporting to pay the proper wages, as set forth below;
- 18 (m) Violation of Labor Code sections 551 and 552 for failure to provide one
- 19 day's rest in seven to Plaintiff and other aggrieved employees, as set
- 20 forth below;
- 21 (n) Violation of Labor Code section 2802 for failure to reimburse Plaintiff
- 22 and other aggrieved employees for all business expenses necessarily
- 23 incurred, as alleged herein; and
- 24 (o) Violation of Labor Code section 2810.5(a)(1)(A)-(C), for failure to
- 25 provide notice of material terms of employment, as set forth below.

26 134. At all relevant times herein set forth, California Labor Code section 212

27 prohibits employers from issuing any instruments for the payment of wages unless such

28 instruments are negotiable and payable in cash on demand and without discount. California

1 Labor Code section 213 permits employers to pay employees via direct deposit so long as the
2 employee authorizes payment via direct deposit. Under California law, employers are also
3 permitted to fulfill their wage payment obligations to employees by using payroll debit cards,
4 but only under certain circumstances. Employer use of payroll debit cards is permitted only
5 so long as the employee is given the choice as to whether to accept a payroll debit card as a
6 form of payment. *Johnson v. Sunrise Senior Living Management, Inc.*, No. 16 CV 00443
7 BRO RAOx, 2016 WL 8929249, *9 (C.D. Cal. May 5, 2016). In *Johnson*, the court stated
8 that the Division of Labor Standards Enforcement (“DLSE”) decision deeming payroll debit
9 card program permissible relied heavily on:

10 . . . [T]he fact that the pay programs were optional, thereby allowing an
11 employee to either participate in the program or receive his or her pay in
12 some other way, such as direct deposit. Specifically, the DLSE opined
13 that “[t]he success of the described procedure, in practice, will of course
14 require that . . . it is presented as an *alternative* method for wage payment
15 for which [the employees’] participation is optional.” The DLSE also
16 stated, “[i]t is significant that the program does not mandate employee
17 participation in the Money Network Service and that it is designed to
18 provide an alternative for employees receiving their wage payment.
19 Employees are also given the option of having their pay direct deposited
20 into an account of their choosing. . . .” (internal citations omitted).

21 135. In addition, employers can only utilize payroll debit card programs if they
22 provide employees with effective access to their wages without discount. The DLSE has
23 interpreted Labor Code sections 212 and 213 as permitting employer use of payroll debit cards
24 where the following requirements are satisfied:

25 . . . (1) [T]he “wages [are] payable at some established place of business
26 in the state and there be at least 30 days of sufficient funds for payment,”;
27 (2) the employees are “fully informed of the service and procedures and
28 that it is represented as an alternative method for wage payment for which
their participation is optional,”; (3) the employees receive “an itemized
wage statement,”; and (4) “at least one transaction per pay period [is]
without fee.”

29 *Ortiz v. Randstad North America, L.P.*, No. C-13-5050 MMC, 2015 WL 6202298 at 3.

30 136. Further, the DLSE notes that the Labor Code manifests:

31 . . . [A] strong public policy that prohibits an employer (or its agent) from
32 imposing conditions or obstacles which interfere with or prevent an
employee’s (sic) from promptly receiving their due wages in *full*. The

1 imposition of a fee in order to readily *access* one's earned and paid wages
2 under a payroll card program which is designed to discharge the
3 employer's wage payment obligations could impermissibly interfere with
4 an employee's receipt of paid wages by creating a financial condition
which would have the *effect* of reducing or discounting wages because
such fee would be charged against the same account in which wages are
deposited. (emphases in original)

5 *DLSE opinion letter 2008.07.07*. The DLSE has also acknowledged that payroll service
6 providers "effectively act as *agents* of the client employers in discharging the employer's
7 wage payment obligations." *Id.* In a second opinion letter, the DLSE stated that "[w]hile the
8 Labor Code does not purport to regulate the specific arrangements between employers and
9 payroll service providers, both an employer and, under the express language in Labor Code
10 § 212- their *agent*, must comply with its requirements." *DLSE opinion letter 2008.07.07-2*.

11 137. During the relevant time period, Defendants had an agreement with a payroll
12 service provider for the issuance of payroll debit cards to employees, including Plaintiff and
13 other aggrieved employees, to discharge their wage payment obligations to their employees.
14 On information and belief, Defendants had a practice and/or policy of automatically issuing
15 payroll debit cards to departing employees without giving them the option to elect their form
16 of payment for their final wages. For example, Plaintiff received his final wages on a payroll
17 debit card without a choice of an alternate method of payment, such as a written check.
18 Instead, Defendants automatically enrolled Plaintiff in their payroll debit card program for the
19 purpose of issuing Plaintiff's final wages to him without prior, voluntary approval from him.

20 138. Moreover, under Defendants' payroll debit card program, Plaintiff and other
21 aggrieved employees did not have easy access to the entirety of their wages without incurring
22 a fee. For example, Plaintiff and other aggrieved employees were unable to withdraw their
23 entire wages in at least one transaction without incurring a fee, which resulted in a discount in
24 their pay. For example, Plaintiff was subjected to transaction fees when withdrawing his
25 wages from ATMs. Thus, Defendants' payroll debit card program was, and continues to be,
26 unlawful as it did not give Plaintiff and other aggrieved employees access to their entire
27 wages without discount and without delay.

28 139. California courts recognize a policy favoring the full and prompt payment of

1 wages to employees. Defendants' payroll card program is inconsistent with this policy.
2 Because Defendants' company-wide payroll debit card program is involuntary and denies
3 Plaintiff and other aggrieved employees easy access to the entirety of their wages. Thus,
4 Defendants' company-wide payroll debit card program violates California Labor Code
5 sections 212 and 213.

6 140. Plaintiff and other aggrieved employees are therefore entitled to recover civil
7 penalties pursuant to Labor Code sections 225.5 and/or 2699(a), (f), and (k).

8 141. At all times relevant herein, California Labor Code section 221 provides that it
9 shall be unlawful for any employer to collect or receive from an employee any part of wages
10 theretofore paid by said employer to said employee. California Labor Code section 224 also
11 provides in pertinent part that it is lawful to withhold a portion of the employee's wages if "a
12 deduction is expressly authorized in writing by the employee."

13 142. During the relevant time period, Defendants unlawfully deducted a portion of
14 wages previously paid to Plaintiff and other aggrieved employees in violation of California
15 Labor Code section 221. On information and belief, Defendants systematically, on a
16 company-wide basis, provided Plaintiff and other aggrieved employees with payroll debit
17 cards as payment of their wages and/or final wages. Under Defendants' payroll debit card
18 program, Plaintiff and other aggrieved employees were assessed various fees in connection
19 with their use of the payroll debit cards. For example, as described above, Plaintiff and other
20 aggrieved employees were required to pay out-of-network ATM withdrawal fees and/or other
21 fees to obtain and/or spend their earned and due wages. The fees charged to Plaintiff and
22 other aggrieved employees resulted in a discount of their wages.

23 143. Defendants' practice, which resulted in a discount of wages to employees, is
24 tantamount to taking deductions from Plaintiff's and other aggrieved employees' paychecks
25 without their written authorization and therefore constitutes an unlawful deduction of wages,
26 in violation of Labor Code sections 221 and 224. Plaintiff and other aggrieved employees are
27 therefore entitled to recover civil penalties pursuant to Labor Code sections 225.5 and/or
28 2699(a), (f), and (k).

1 144. At all times relevant herein, California Labor Code section 223 makes it
2 unlawful for an employer to secretly pay wages lower than required by statute while
3 purporting to pay legal wages.

4 145. During the relevant time period, Defendants willfully and systematically issued
5 payroll debit cards to Plaintiff and other aggrieved employees that discounted their wages by
6 charging various fees in connection with the use of the payroll debit cards. Defendants'
7 payroll debit card program resulted in the payment of less than statutorily required wages to
8 Plaintiff and other aggrieved employees. Thus, Defendants paid Plaintiff and other aggrieved
9 employees lower wages than those they were entitled to while purporting that Plaintiff and
10 other aggrieved employees were properly paid.

11 146. Defendants' failure to pay Plaintiff and other aggrieved employees the correct
12 designated wage, while purporting to pay legal wages, is a violation of California Labor Code
13 section 223. Plaintiff and other aggrieved employees are therefore entitled to recover civil
14 penalties pursuant to Labor Code sections 225.5 and/or 2699(a), (f), and (k).

15 147. At all relevant times herein, California Labor Code section 551 provides that
16 every person employed in any occupation of labor is entitled to one day's rest in seven.
17 Additionally, California Labor Code section 552 prohibits employers from requiring
18 employees to work more than six consecutive days without a day of rest.

19 148. At all relevant times herein set forth, California Labor Code section 556
20 exempts an employer from the day-of-rest requirement when the total hours worked by an
21 employee do not exceed 30 hours in any week or six hours in any one day thereof.

22 149. During the relevant time period, on information and belief, Defendants
23 scheduled Plaintiff and other aggrieved employees to work six (6) or more hours per day and
24 seven (7) consecutive days in a workweek. Because Plaintiff and other aggrieved employees
25 worked over 30 hours per week and over six (6) hours per day in any one day in a workweek,
26 they were not exempt from the day-of-rest requirement. To the extent that Plaintiff and other
27 aggrieved employees may have signed purported waivers of their right to a day's rest in seven,
28 such waivers are invalid.

1 150. Thus, during the relevant time period, and in violation of California Labor
2 Code sections 551 and 552, Defendants caused Plaintiff and other aggrieved employees to
3 work more than six days in seven. Plaintiff and other aggrieved employees are therefore
4 entitled to recover civil penalties pursuant to Labor Code sections 558 and/or 2699(a), (f), and
5 (k).

6 151. At all relevant times herein, California's Wage Theft Prevention Act was
7 enacted to ensure that employers provide employees with basic information material to their
8 employment relationship at the time of hiring, and to ensure that employees are given written
9 and timely notice of any changes to basic information material to their employment. Codified
10 at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the
11 time of hiring, an employer must provide written notice to employees containing basic and
12 material payroll information, including, among other things, the rate(s) of pay and basis
13 thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise,
14 including any rates for overtime, the regular payday designated by the employer, and any
15 allowances claims as part of the minimum wage, including meal or lodging allowances. Labor
16 Code § 2810.5(a)(1)(A)-(C).

17 152. At all relevant times, Defendants failed, on a company-wide basis, to provide
18 written notice to Plaintiff and other aggrieved employees that lists the requisite information
19 set forth in Labor Code section 2810.5(a)(1)(A)-(C).

20 153. Defendants' failure to provide Plaintiff and other aggrieved employees with
21 written notice of basic information regarding their employment with Defendants is in violation
22 of California Labor Code section 2810.5. Plaintiff and other aggrieved employees are
23 therefore entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and
24 (k).

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1 **TENTH CAUSE OF ACTION**

2 **Violation of California Business & Professions Code §§ 17200, *et seq.* –**

3 **Unlawful Business Practices**

4 **(Against all Defendants)**

5 154. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
6 and every allegation set forth above.

7 155. Defendants are “persons” as defined by California Business & Professions
8 Code section 17201, as they are corporations, firms, partnerships, joint stock companies,
9 and/or associations.

10 156. Defendants’ conduct, as alleged herein, has been, and continues to be, unfair,
11 unlawful and harmful to Plaintiff, class members, and to the general public. Plaintiff has
12 suffered injuries in fact and has lost money as a result of Defendants’ unlawful business
13 practices. Plaintiff seeks to enforce important rights affecting the public interest within the
14 meaning of Code of Civil Procedure section 1021.5.

15 157. Defendants’ activities, as alleged herein, are violations of California law, and
16 constitute unlawful business acts and practices in violation of California Business &
17 Professions Code sections 17200, *et seq.*

18 158. A violation of California Business & Professions Code sections 17200, *et seq.*
19 may be predicated on the violation of any state or federal law. In the instant case, Defendants’
20 policies and practices have violated state law in at least the following respects:

- 21 (a) Requiring non-exempt, hourly paid employees, including Plaintiff and
22 class members, to work overtime without paying them proper
23 compensation in violation of California Labor Code sections 510 and
24 1198, and the applicable IWC Wage Order, as alleged herein;
- 25 (b) Failing to include all forms of remuneration in the regular rate of pay as
26 required by law for purposes of paying overtime wages and/or meal and
27 rest period premiums to Plaintiff and class members, in violation of
28 California Labor Code sections 226.7, 510, and 1198, and the applicable

1 IWC Wage Order, as alleged herein;

2 (c) Failing to pay at least minimum wage to Plaintiff and class members in
3 violation of California Labor Code sections 1182.12, 1194, 1197,
4 1197.1, and 1198, and the applicable IWC Wage Order, as alleged
5 herein;

6 (d) Failing to provide all meal periods to Plaintiff and class members in
7 violation of California Labor Code sections 226.7, 512(a), 516, and
8 1198, and the applicable IWC Wage Order, as alleged herein;

9 (e) Failing to authorize and permit Plaintiff and class members to take all
10 rest periods in violation of California Labor Code sections 226.7, 516,
11 and 1198, and the applicable IWC Wage Order, as alleged herein;

12 (f) Failing to provide Plaintiff and class members with accurate wage
13 statements and failing to maintain accurate payroll records in violation
14 of California Labor Code sections 226(a), 1174(d), and 1198, and the
15 applicable IWC Wage Order, as alleged herein;

16 (g) Failing timely to pay all earned wages to Plaintiff and class members in
17 violation of California Labor Code sections 204, as alleged herein;

18 (h) Issuing instruments to Plaintiff and class members for the payment of
19 wages that were not payable in cash, on demand, without discount, and
20 with prior authorization, in violation of California Labor Code sections
21 212 and 213, as set forth below;

22 (i) Collecting or receiving wages already paid from Plaintiff and class
23 members in violation of California Labor Code sections 221 and 224, as
24 set forth below;

25 (j) Failing to pay the statutorily designated wage scale in violation of
26 California Labor Code section 223, as set forth below;

27 (k) Failing to provide one day's rest in seven to Plaintiff and class members
28 in violation of California Labor Code sections 551 and 552, as set forth

below;

- (l) Failing to reimburse Plaintiff and class members for all business expenses necessarily incurred in violation of California Labor Code section 2802, as alleged herein; and
- (m) Failing to provide written notice of information material to Plaintiff's and class members' employment with Defendants in violation of California Labor Code section 2810.5(a)(1)(A)-(C), as set forth below.

159. At all relevant times herein, California Labor Code section 212 prohibits employers from issuing any instruments for the payment of wages unless such instruments are negotiable and payable in cash on demand and without discount. California Labor Code section 213 permits employers to pay employees via direct deposit so long as the employee authorizes payment via direct deposit. Under California law, employers are also permitted to fulfill their wage payment obligations to employees by using payroll debit cards, but only under certain circumstances. Employer use of payroll debit cards is permitted only so long as the employee is given the choice as to whether to accept a payroll debit card as a form of payment. *Johnson v. Sunrise Senior Living Management, Inc.*, No. 16 CV 00443 BRO RAOx, 2016 WL 8929249, *9 (C.D. Cal. May 5, 2016). In *Johnson*, the court stated that the Division of Labor Standards Enforcement ("DLSE") decision deeming payroll debit card program permissible relied heavily on:

... [T]he fact that the pay programs were optional, thereby allowing an employee to either participate in the program or receive his or her pay in some other way, such as direct deposit. Specifically, the DLSE opined that "[t]he success of the described procedure, in practice, will of course require that . . . it is presented as an *alternative* method for wage payment for which [the employees'] participation is optional." The DLSE also stated, "[i]t is significant that the program does not mandate employee participation in the Money Network Service and that it is designed to provide an alternative for employees receiving their wage payment. Employees are also given the option of having their pay direct deposited into an account of their choosing. . . ." (internal citations omitted).

160. In addition, employers can only utilize payroll debit card programs if they provide employees with effective access to their wages without discount. The DLSE has interpreted Labor Code sections 212 and 213 as permitting employer use of payroll debit cards

1 where the following requirements are satisfied:

2 . . . (1) [T]he “wages [are] payable at some established place of business
3 in the state and there be at least 30 days of sufficient funds for payment,”;
4 (2) the employees are “fully informed of the service and procedures and
5 that it is represented as an alternative method for wage payment for which
their participation is optional,”; (3) the employees receive “an itemized
wage statement,”; and (4) “at least one transaction per pay period [is]
without fee.”

6 *Ortiz v. Randstad North America, L.P.*, No. C-13-5050 MMC, 2015 WL 6202298 at 3.

7 161. Further, the DLSE notes that the Labor Code manifests:

8 . . . [A] strong public policy that prohibits an employer (or its agent) from
9 imposing conditions or obstacles which interfere with or prevent an
employee’s (sic) from promptly receiving their due wages in *full*. The
10 imposition of a fee in order to readily *access* one’s earned and paid wages
under a payroll card program which is designed to discharge the
11 employer’s wage payment obligations could impermissibly interfere with
an employee’s receipt of paid wages by creating a financial condition
12 which would have the *effect* of reducing or discounting wages because
such fee would be charged against the same account in which wages are
13 deposited. (emphases in original)

14 *DLSE opinion letter* 2008.07.07. The DLSE has also acknowledged that payroll service
15 providers “effectively act as agents of the client employers in discharging the employer’s
16 wage payment obligations.” *Id.* In a second opinion letter, the DLSE stated that “[w]hile the
17 Labor Code does not purport to regulate the specific arrangements between employers and
18 payroll service providers, both an employer and, under the express language in Labor Code
19 § 212- their agent, must comply with its requirements.” *DLSE opinion letter* 2008.07.07-2.

20 162. During the relevant time period, Defendants had an agreement with a payroll
21 service provider for the issuance of payroll debit cards to employees, including Plaintiff and
22 class members, to discharge their wage payment obligations to their employees. On
23 information and belief, Defendants had a practice of and/or policy of automatically issuing
24 payroll debit cards to departing employees without giving them the option to elect their form
25 of payment for their final wages. For example, Plaintiff received his final wages on a payroll
26 debit card without a choice of an alternate method of payment, such as a written check.
27 Instead, Defendants automatically enrolled Plaintiff in their payroll debit card program for the
28 purpose of issuing Plaintiff’s final wages to him without prior, voluntary approval from

1 Plaintiff.

2 163. Moreover, under Defendants' payroll debit card program, Plaintiff and class
3 members did not have easy access to the entirety of their wages without incurring a fee.
4 Plaintiff and class members were unable to withdraw their entire wages in at least one
5 transaction without incurring a fee, which resulted in a discount in their pay. For example,
6 Plaintiff was subjected to transaction fees when withdrawing his wages from ATMs. Thus,
7 Defendants' payroll debit card program was, and continues to be, unlawful as it did not give
8 Plaintiff and class members access to their entire wages without discount and without delay.

9 164. California courts recognize a policy favoring the full and prompt payment of
10 wages to employees. Defendants' payroll card program is inconsistent with this policy
11 because Defendants' program is involuntary and presents a number of obstacles and hurdles
12 that, together, make it difficult for Plaintiff and class members to access their entire wages
13 without discount and without delay, in violation of California Labor Code sections 212 and
14 213.

15 165. At all times relevant herein, California Labor Code section 221 provides that it
16 shall be unlawful for any employer to collect or receive from an employee any part of wages
17 theretofore paid by said employer to said employee. California Labor Code section 224 also
18 provides in pertinent part that it is lawful to withhold a portion of the employee's wages if "a
19 deduction is expressly authorized in writing by the employee."

20 166. During the relevant time period, upon information and belief, Defendants
21 unlawfully deducted a portion of wages previously paid to Plaintiff and class members in
22 violation of California Labor Code section 221. On information and belief, Defendants
23 systematically, and on a company-wide basis, provided Plaintiff and class members with
24 payroll debit cards as payment of their wages and/or final wages. Under Defendants' payroll
25 debit card program, Plaintiff and class members were assessed various fees in connection with
26 their use of the payroll debit cards. For example, as described above, Plaintiff and class
27 members were required to pay out-of-network ATM withdrawal fees and/or other fees to
28 obtain and/or spend their earned and due wages. The fees charged to Plaintiff and class

1 members resulted in a discount of their wages.

2 167. Defendants' practice which resulted in a discount of wages to employees, is
3 tantamount to taking deductions from Plaintiff's and class members' paychecks without their
4 written authorization and therefore constitutes an unlawful deduction of wages, in violation of
5 Labor Code sections 221 and 224.

6 168. At all times, California Labor Code section 223 makes it unlawful for an
7 employer to secretly pay wages lower than required by statute while purporting to pay legal
8 wages.

9 169. During the relevant time period, Defendants willfully and systematically issued
10 payroll debit cards to Plaintiff and class members that discounted their wages by charging
11 various fees in connection with the use of the payroll debit cards. Defendants' payroll debit
12 card program resulted in the payment of less than statutorily required wages to Plaintiff and
13 class members. Thus, Defendants paid Plaintiff and class members lower wages than those
14 they were entitled to while purporting that Plaintiff and class members were properly paid.

15 170. Defendants' failure to pay Plaintiff and class members the correct designated
16 wage, while purporting to pay legal wages, is a violation of California Labor Code section
17 223.

18 171. At all relevant times herein, California Labor Code section 551 provides that
19 every person employed in any occupation of labor is entitled to one day's rest in seven.
20 Additionally, California Labor Code section 552 prohibits employers from requiring
21 employees to work more than six consecutive days without a day of rest.

22 172. At all relevant times herein set forth, California Labor Code section 556
23 exempts an employer from the day-of-rest requirement when the total hours worked by an
24 employee do not exceed 30 hours in any week or six hours in any one day thereof.

25 173. During the relevant time period, on information and belief, Defendants
26 scheduled Plaintiff and class members to work six (6) or more hours per day and seven (7)
27 consecutive days in a workweek. Because Plaintiff and class members worked over 30 hours
28 per week and over six (6) hours per day in any one day in a workweek, they were not exempt

1 from the day-of-rest requirement. To the extent that Plaintiff and class members may have
2 signed purported waivers of their right to a day's rest in seven, such waivers are invalid.
3 Thus, Defendants willfully caused Plaintiff and class members to work more than six days in
4 seven, in violation of Labor Code sections 551 and 552.

5 174. At all relevant times herein, California's Wage Theft Prevention Act was
6 enacted to ensure that employers provide employees with basic information material to their
7 employment relationship at the time of hiring, and to ensure that employees are given written
8 and timely notice of any changes to basic information material to their employment. Codified
9 at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the
10 time of hiring, an employer must provide written notice to employees containing basic and
11 material payroll information, including, among other things, the rate(s) of pay and basis
12 thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise,
13 including any rates for overtime, the regular payday designated by the employer, and any
14 allowances claims as part of the minimum wage, including meal or lodging allowances. Labor
15 Code § 2810.5(a)(1)(A)-(C).

16 175. At all relevant times, on information and belief, Defendants failed, on a
17 company-wide basis, to provide written notice to Plaintiff and class members that lists the
18 requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). Defendants' failure
19 to provide Plaintiff and class members with written notice of basic information regarding their
20 employment with Defendants is in violation of California Labor Code section 2810.5.

21 176. As a result of the violations of California law herein described, Defendants
22 unlawfully gained an unfair advantage over other businesses. Plaintiff and class members
23 have suffered pecuniary loss by Defendants' unlawful business acts and practices alleged
24 herein.

25 177. Pursuant to California Business & Professions Code sections 17200, *et seq.*,
26 Plaintiff and class members are entitled to restitution of the wages withheld and retained by
27 Defendants during a period that commences four years prior to the filing of the initial
28 complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to

1 Plaintiff and class members; and an award of attorneys' fees pursuant to California Code of
2 Civil Procedure section 1021.5 and other applicable laws; and an award of costs.

3 **ELEVENTH CAUSE OF ACTION**

4 **Violation of California Business & Professions Code §§ 17200, *et seq.* –**

5 **Unfair Business Practices**

6 **(Against all Defendants)**

7 178. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
8 and every allegation set forth above.

9 179. Defendants are "persons" as defined by California Business & Professions
10 Code section 17201, as they are corporations, firms, partnerships, joint stock companies,
11 and/or associations.

12 180. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,
13 and harmful to Plaintiff, class members, and to the general public. Plaintiff has suffered
14 injuries in fact and has lost money as a result of Defendants' unfair business practices.
15 Plaintiff seeks to enforce important rights affecting the public interest within the meaning of
16 Code of Civil Procedure section 1021.5.

17 181. Defendants' activities, namely Defendants' company-wide practice and/or
18 policy of not paying Plaintiff and class members all meal and rest period premiums due to
19 them under Labor Code section 226.7, deprived Plaintiff and class members of the
20 compensation guarantee and enhanced enforcement implemented by section 226.7. The
21 statutory remedy provided by section 226.7 is a "'dual-purpose' remedy intended primarily to
22 compensate employees, and secondarily to shape employer conduct." *Safeway, Inc. v.*
23 *Superior Court*, 238 Cal. App 4th 1138, 1149 (2015). The statutory benefits of section 226.7
24 were guaranteed to Plaintiff and class members as part of their employment with Defendants,
25 and thus Defendants' practice and/or policy of denying these statutory benefits constitutes an
26 unfair business practice in violation of California Business & Professions Code sections
27 17200, *et seq.* (*Id.*)

28 182. A violation of California Business & Professions Code sections 17200, *et seq.*

1 may be predicated on any unfair business practice. In the instant case, Defendants' policies
2 and practices have violated the spirit of California's meal and rest period laws and constitute
3 acts against the public policy behind these laws.

4 183. Pursuant to California Business & Professions Code sections 17200, *et seq.*,
5 Plaintiff and class members are entitled to restitution for the class-wide loss of the statutory
6 benefits implemented by section 226.7 withheld and retained by Defendants during a period
7 that commences four years prior to the filing of the initial complaint; a permanent injunction
8 requiring Defendants to pay all statutory benefits implemented by section 226.7 due to
9 Plaintiff and class members; an award of attorneys' fees pursuant to California Code of Civil
10 Procedure section 1021.5 and other applicable laws; and an award of costs.

11 **REQUEST FOR JURY TRIAL**

12 Plaintiff requests a trial by jury.

13 **PRAYER FOR RELIEF**

14 Plaintiff, on behalf of all others similarly situated, prays for relief and judgment
15 against Defendants, jointly and severally, as follows:

16 1. For damages, unpaid wages, penalties, injunctive relief, and attorneys' fees in
17 excess of thirty-five thousand dollars (\$35,000), exclusive of interest and costs. Plaintiff
18 reserves the right to amend his prayer for relief to seek a different amount.

19 **Class Certification**

- 20 2. That this case be certified as a class action;
21 3. That Plaintiff be appointed as the representatives of the Class and Subclass;
22 4. That counsel for Plaintiff be appointed as class counsel.

23 **As to the First Cause of Action**

24 5. That the Court declare, adjudge and decree that Defendants violated California
25 Labor Code sections 510 and 1198, and the applicable IWC Wage Order by willfully failing to
26 pay all overtime wages due to Plaintiff and class members;

27 6. For general unpaid wages at overtime wage rates and such general and special
28 damages as may be appropriate;

1 7. For pre-judgment interest on any unpaid overtime compensation commencing
2 from the date such amounts were due, or as otherwise provided by law;

3 8. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
4 California Labor Code section 1194(a); and

5 9. For such other and further relief as the Court may deem equitable and
6 appropriate.

7 **As to the Second Cause of Action**

8 10. That the Court declare, adjudge and decree that Defendants violated California
9 Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, and the applicable IWC Wage
10 Order by willfully failing to pay minimum wages to Plaintiff and class members;

11 11. For general unpaid wages and such general and special damages as may be
12 appropriate;

13 12. For pre-judgment interest on any unpaid compensation from the date such
14 amounts were due, or as otherwise provided by law;

15 13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
16 California Labor Code section 1194(a);

17 14. For liquidated damages pursuant to California Labor Code section 1194.2; and

18 15. For such other and further relief as the Court may deem equitable and
19 appropriate.

20 **As to the Third Cause of Action**

21 16. That the Court declare, adjudge and decree that Defendants violated California
22 Labor Code sections 226.7, 512(a), 516, and 1198, and the applicable IWC Wage Order by
23 willfully failing to provide all meal periods to Plaintiff and class members;

24 17. That the Court make an award to the Plaintiff and class members of one (1)
25 hour of pay at each employee's regular rate of pay for each workday that a meal period was
26 not provided;

27 18. For all actual, consequential, and incidental losses and damages, according to
28 proof;

19. For premiums pursuant to California Labor Code section 226.7(c);

20. For pre-judgment interest on any unpaid meal period premiums from the date such amounts were due, or as otherwise provided by law;

21. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

22. For such other and further relief as the Court may deem equitable and appropriate.

As to the Fourth Cause of Action

23. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order by willfully failing to authorize and permit Plaintiff and class members to take all rest periods;

24. That the Court make an award to the Plaintiff and class members of one (1) hour of pay at each employee's regular rate of pay for each workday that a rest period was not authorized and permitted;

25. For all actual, consequential, and incidental losses and damages, according to proof;

26. For premiums pursuant to California Labor Code section 226.7(c);

27. For pre-judgment interest on any unpaid rest period premiums from the date such amounts were due, or as otherwise provided by law;

28. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

29. For such other and further relief as the Court may deem equitable and appropriate.

As to the Fifth Cause of Action

30. That the Court declare, adjudge and decree that Defendants violated the recordkeeping provisions of California Labor Code section 226(a) and the applicable IWC Wage Order as to Plaintiff and Subclass members, and willfully failed to provide accurate itemized wage statements thereto;

1 31. For all actual, consequential, and incidental losses and damages, according to
2 proof;

3 32. For injunctive relief pursuant to California Labor Code section 226(h);

4 33. For statutory penalties pursuant to California Labor Code section 226(e);

5 34. For attorneys' fees and costs pursuant to California Labor Code section
6 226(e)(1); and

7 35. For such other and further relief as the Court may deem equitable and
8 appropriate.

9 **As to the Sixth Cause of Action**

10 36. That the Court declare, adjudge and decree that Defendants violated California
11 Labor Code sections 201 and 202 by willfully failing to pay overtime wages, minimum wages,
12 and/or meal and rest period premiums owed at the time of termination of the employment of
13 Plaintiff and other terminated class members;

14 37. For all actual, consequential and incidental losses and damages, according to
15 proof;

16 38. For waiting time penalties according to proof pursuant to California Labor
17 Code section 203 for all employees who have left Defendants' employ;

18 39. For pre-judgment interest on any unpaid wages from the date such amounts
19 were due, or as otherwise provided by law;

20 40. For attorneys' fees pursuant to California Code of Civil Procedure section
21 1021.5, or as otherwise provided by law; and

22 41. For such other and further relief as the Court may deem equitable and
23 appropriate.

24 **As to the Seventh Cause of Action**

25 42. That the Court declare, adjudge and decree that Defendants violated California
26 Labor Code section 204 by willfully failing to timely pay Plaintiff and class members
27 overtime wages, minimum wages, and/or meal and rest period premiums during their
28 employment;

1 43. For all actual, consequential and incidental losses and damages, according to
2 proof;

3 44. For statutory penalties according to proof pursuant to California Labor Code
4 section 210;

5 45. For pre-judgment interest on any unpaid wages from the date such amounts
6 were due, or as otherwise provided by law;

7 46. For attorneys' fees pursuant to California Code of Civil Procedure section
8 1021.5, or as otherwise provided by law; and

9 47. For such other and further relief as the Court may deem equitable and
10 appropriate.

11 **As to the Eighth Cause of Action**

12 48. That the Court declare, adjudge and decree that Defendants violated California
13 Labor Code section 2802 by willfully failing to reimburse and/or indemnify all business-
14 related expenses and costs incurred by Plaintiff and class members.

15 49. For unpaid business-related expenses and such general and special damages as
16 may be appropriate;

17 50. For pre-judgment interest on any unpaid business-related expenses from the
18 date such amounts were due pursuant to California Labor Code section 2802(b), or as
19 otherwise provided by law;

20 51. For all actual, consequential, and incidental losses and damages, according to
21 proof;

22 52. For attorneys' fees and costs pursuant to California Labor Code section
23 2802(c), or as otherwise provided by law; and

24 53. For such other and further relief as the Court may deem equitable and
25 appropriate.

26 **As to the Ninth Cause of Action**

27 54. That the Court declare, adjudge and decree that Defendants violated the
28 following California Labor Code provisions as to Plaintiff and other aggrieved employees:

1 510 and 1198 (by failing to pay all overtime compensation); 226.7, 510, and 1198 (by failing
2 to include all forms of remuneration in the regular rate of pay for purposes of paying overtime
3 wages and/or meal and rest period premiums); 1182.12, 1194, 1197, 1197.1, and 1198 (by
4 failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516, and 1198 (by
5 failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and permit
6 all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage statements
7 and maintain accurate payroll records); 201 and 202 (by failing to timely pay all earned wages
8 upon termination); 204 (by failing to timely pay all earned wages during employment); 212
9 and 213 (by failing to make earned wages accessible without discount and with authorization);
10 221 and 224 (by collecting and/or receiving wages already paid); 223 (by secretly paying
11 wages lower than required by statute); 551 and 552 (by failing to provide one day's rest in
12 seven); 2802 (by failing to reimburse business expenses); and 2810.5 (by failing to provide
13 notice of material terms of employment);

14 55. For civil penalties pursuant to the California Labor Code, including sections
15 210, 225.5, 226.3, 256, 558, 1174.5, 2699(a), (f), and (k), for violations of California Labor
16 Code sections 201, 202, 204, 212, 213, 221, 223, 224, 226(a), 226.7, 510, 512(a), 516, 551,
17 552, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5;

18 56. For injunctive relief pursuant to California Labor Code sections 1194.5 and/or
19 2699(k) to bring Defendants into compliance with the requirements of California Labor Code
20 sections 201, 202, 204, 212, 213, 221, 223, 224, 226(a), 226.7, 510, 512(a), 516, 551, 552,
21 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5;

22 57. For attorneys' fees and costs pursuant to California Labor Code section
23 2699(k)(1), and any and all other relevant statutes, for Defendants' violations of California
24 Labor Code sections 201, 202, 204, 212, 213, 221, 223, 224, 226(a), 226.7, 510, 512(a), 516,
25 551, 552, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5;

26 58. For pre-judgment and post-judgment interest as provided by law; and

27 59. For such other and further relief as the Court may deem equitable and
28 appropriate.

1 **As to the Tenth Cause of Action**

2 60. That the Court declare, adjudge and decree that Defendants' conduct of failing
3 to provide Plaintiff and class members all overtime wages due to them; failing to include all
4 forms of remuneration in the regular rate of pay for purposes of paying overtime wages and/or
5 meal and rest period premiums to Plaintiff and class members; failing to provide Plaintiff and
6 class members all minimum wages due to them; failing to provide Plaintiff and class members
7 all meal periods; failing to authorize and permit Plaintiff and class members to take all rest
8 periods; failing to provide Plaintiff and class members accurate and complete wage
9 statements; failing to maintain accurate payroll records for Plaintiff and class members; failing
10 to timely pay Plaintiff and class members all earned wages during employment; failing to
11 provide access to wages upon demand, without discount, and with authorization; unlawfully
12 deducting a portion of wages previously paid; secretly paying a lower wage; failing to provide
13 one day's rest in seven; failing to reimburse Plaintiff and class members for business-related
14 expenses; and failing to provide written notice of material terms of employment, constitutes
15 an unlawful business practice in violation of California Business and Professions Code
16 sections 17200, *et seq.*;

17 61. For restitution of unpaid wages to Plaintiff and all class members and
18 prejudgment interest from the day such amounts were due and payable;

19 62. For the appointment of a receiver to receive, manage and distribute any and all
20 funds disgorged from Defendants and determined to have been wrongfully acquired by
21 Defendants as a result of violations of California Business & Professions Code sections
22 17200, *et seq.*;

23 63. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
24 California Code of Civil Procedure section 1021.5; and

25 64. For such other and further relief as the Court may deem equitable and
26 appropriate.

27 **As to the Eleventh Cause of Action**

28 65. That the Court declare, adjudge and decree that Defendants' conduct of denying

1 Plaintiff and class members the statutory benefits guaranteed under section 226.7 constitutes
2 an unfair business practice in violation of California Business and Professions Code sections
3 17200, *et seq.*;

4 66. For restitution of the statutory benefits under section 226.7 unfairly withheld
5 from Plaintiff and class members and prejudgment interest from the day such amounts were
6 due and payable;

7 67. For the appointment of a receiver to receive, manage and distribute any and all
8 funds disgorged from Defendants and determined to have been wrongfully acquired by
9 Defendants as a result of violations of California Business & Professions Code sections
10 17200, *et seq.*;

11 68. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
12 California Code of Civil Procedure section 1021.5;

13 69. For pre-judgment and post-judgment interest as provided by law; and

14 70. For such other and further relief as the Court may deem equitable and
15 appropriate.

16
17 Dated:

Respectfully submitted,

Capstone Law APC

18
19
20 By: _____

Roxanna Tabatabaeepour

Ryan Tish

Alexander Wallin

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22
23 Attorneys for Plaintiff Cody Duncan
24
25
26
27
28

EXHIBIT “1”



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ALEXANDER LIMA
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October 16, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.govfa.net/411>)

Subject: *Cody Duncan v. Redwood Oil Company, Inc., et al.*

Dear PAGA Administrator:

This office represents Cody Duncan in connection with his claims under the California Labor Code. Mr. Duncan was an employee of REDWOOD OIL COMPANY, INC. and/or JACKSONS FOOD STORES, INC. For the purpose of this letter, Mr. Duncan collectively refers to these entities as "REDWOOD OIL."

The employers may be contacted directly at the addresses below:

REDWOOD OIL COMPANY, INC.
50 PROFESSIONAL CENTER DRIVE, 100
ROHNERT PARK, CA 94928

JACKSONS FOOD STORES, INC.
3450 E COMMERCIAL CT
MERIDIAN, ID 83642

Mr. Duncan intends to seek civil penalties, attorneys' fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Mr. Duncan seeks relief on behalf of himself, the State of California, and other persons who are or were employed by REDWOOD OIL as a non-exempt, hourly paid employee in California and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

REDWOOD OIL employed Mr. Duncan as an hourly paid, non-exempt employee from approximately August 2023 to February 2025. Mr. Duncan worked as a Customer Service Representative ("CSR") and Store/Station Manager for REDWOOD OIL at its Redwood Market locations located at 2480 6th Street, Eureka, California 95501, and 1693 Central Avenue, McKinleyville, California 95419. During his employment, Mr. Duncan typically worked eight (8) hours or more per day, and five (5) days or more per week. By the end of his employment, Mr. Duncan was compensated approximately \$20.00 per hour. His job duties included, without limitation, stocking store items; operating the cash register; reviewing security camera footage; conducting fuel surveys; entering daily paperwork accurately accounting for the previous day's fuel

and lottery sales, cash register transactions, and lottery payouts; and maintaining the cleanliness of the property.

REDWOOD OIL committed each of the following Labor Code violations against Mr. Duncan, the facts and theories of which follow, making him an "aggrieved employee" pursuant to California Labor Code section 2699(c)(1):¹

REDWOOD OIL's Company-Wide and Uniform Payroll and HR Practices

REDWOOD OIL LABORATORIES, INC. operates a chain of at least 24 gas stations and convenience stores across six (6) counties in Northern California. Upon information and belief, REDWOOD OIL maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Rohnert Park, California, or Meridian, Idaho, for all non-exempt, hourly paid employees working for REDWOOD OIL in California, including Mr. Duncan and other aggrieved employees. At all relevant times, REDWOOD OIL issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Duncan and other aggrieved employees, regardless of their location or position.

Upon information and belief, REDWOOD OIL maintains a centralized Payroll department at its corporate headquarters Rohnert Park, California, or Meridian, Idaho, which processes payroll for all non-exempt, hourly paid employees working for REDWOOD OIL in California, including Mr. Duncan and other aggrieved employees. Further, REDWOOD OIL issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Mr. Duncan and other aggrieved employees, irrespective of their location, position, or manner in which each employee's employment ended. In other words, REDWOOD OIL utilized the same methods and formulas when calculating wages due to Mr. Duncan and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

¹ These facts, theories, and claims are based on Mr. Duncan's experience and counsel's review of those records currently available relating to Mr. Duncan's employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law's requirements, the employer misinformed its employee of the law's requirements, or because the employer effectively hid the violations). Thus, Mr. Duncan reserves the right to supplement this letter with additional facts, theories, and claims if he becomes aware of them subsequent to the submission of this letter.

REDWOOD OIL willfully failed to pay all overtime wages owed to Mr. Duncan and other aggrieved employees. During the relevant time period, Mr. Duncan and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, during the relevant time period, REDWOOD OIL had, and continues to have, a company-wide policy and/or practice of requiring Mr. Duncan and other aggrieved employees to perform work-related tasks off-the-clock after their scheduled shifts. For example, about once per month, Mr. Duncan was required to unroll the metal security gates, unlock the store and open the store's doors, and deactivate the alarm before he clocked in for his shift, which took about five (5) minutes per instance. Additionally, when working a closing shift, Mr. Duncan was required to spend a few minutes off-the-clock closing metal security gates, activating the alarm, and locking the store's doors. As another example, Mr. Duncan was often required to work off-the-clock, for approximately five (5) minutes, to check-in vendors who arrived at the gas station with inventory deliveries shortly after Mr. Duncan had already clocked out from his shift.

Moreover, REDWOOD OIL had, and continues to have, a company-wide policy and/or practice requiring Mr. Duncan and other aggrieved employees to respond to phone communications before and after their shifts or on their days off. For example, Mr. Duncan was required to answer work-related phone calls from store employees at least five (5) times per week while off-the-clock, including troubleshooting issues such as fuel pump malfunctions or addressing problems with the EBT system. These calls typically lasted between five (5) and fifteen (15) minutes per instance. Furthermore, about once per week, Mr. Duncan was required to return to the work premises while off-the-clock to attend to urgent issues such as fuel pump malfunctions or register problems, which could take up to one (1) hour. Thus, REDWOOD OIL failed to track the time Mr. Duncan and other aggrieved employees spent working outside of their shifts, and Mr. Duncan and other aggrieved employees received no compensation for this time.

Second, REDWOOD OIL had, and continues to have, a company-wide policy and/or practice of strictly staffing its locations based on the labor hours allocated by each location's labor or payroll budget set by the corporate office. On information and belief, this practice of labor budgeting and/or limited payroll allocation has resulted in chronic understaffing and a lack of adequate meal period coverage, because there were too few employees on duty to attend to customers and handle the workload. Specifically, Mr. Duncan was pressured to keep up with strict deadlines, which included completing daily fuel pricing surveys of nearby competitor gas stations, submitting daily sales reports, reviewing security camera footage for all medium- and high-risk transactions, and meeting weekly compliance deadlines such as store manager visual inspections, all while managing the day-to-day demands of customer service. Because REDWOOD OIL did not employ or staff a sufficient number of employees to meet customer demand, there was no one available to relieve employees needing meal period coverage, and Mr. Duncan and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. Moreover, REDWOOD OIL had a practice of failing to schedule meal periods and/or adhere to a schedule for meal periods, which further caused Mr. Duncan and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Mr. Duncan sometimes worked through his meal periods due to the lack of coverage, and to keep up with customer demand and his workload. Additionally, Mr. Duncan's meal periods were often interrupted by store employees with questions or store issues to address.

Third, REDWOOD OIL's management pressured Mr. Duncan and other aggrieved employees to clock out for meal periods, even when they did not receive a compliant meal period. For example, Mr. Duncan sometimes clocked out for his meal period but would work through his unpaid meal period, out of fear of being disciplined by REDWOOD OIL. Moreover, REDWOOD OIL's company-wide timekeeping system prevented Mr. Duncan and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Duncan and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes elapsed. Thus, REDWOOD OIL did not record all hours worked during meal periods, and Mr. Duncan and other aggrieved employees performed work during meal periods for which they were not paid.

REDWOOD OIL knew or should have known that as a result of these company-wide practices and/or policies, Mr. Duncan and other aggrieved employees were performing their assigned duties off-the-clock and during meal periods, and were suffered or permitted to perform work for which they were not paid. Because Mr. Duncan and other aggrieved employees worked shifts of eight (8) hours or more a day, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Mr. Duncan and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Moreover, REDWOOD OIL did not pay Mr. Duncan and other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, REDWOOD OIL paid Mr. Duncan and other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, REDWOOD OIL failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Mr. Duncan and other aggrieved employees worked overtime and received these other forms of pay, REDWOOD OIL failed to pay all overtime wages by paying a lower overtime rate than required.

For example, REDWOOD OIL paid Mr. Duncan and other aggrieved employees incentive pay and/or nondiscretionary bonuses which were listed on Mr. Duncan's and other aggrieved employees' wage statements as "Bonus." During pay periods that Mr. Duncan and other aggrieved employees were paid overtime wages, REDWOOD OIL did not incorporate the incentive pay and/or nondiscretionary bonuses into Mr. Duncan's and other aggrieved employees' regular rate of pay and, as a result, paid them at incorrect and lower rates of pay for overtime hours worked. Specifically, REDWOOD OIL paid Mr. Duncan and other aggrieved employees 1.5 times their hourly rate of pay instead of 1.5 times their regular rate of pay. REDWOOD OIL's failure to properly calculate the overtime rates of pay based on all remuneration paid has resulted in an underpayment of overtime wages to Mr. Duncan and other aggrieved employees on a company-wide basis.

REDWOOD OIL's failure to pay Mr. Duncan and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with the applicable IWC Wage Order and Labor Code sections 510 and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 7-2001 as “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work for the employer, whether or not required to do so.” Cal. Code Regs. Tit. 8, § 11070(2)(H) (defining “Hours Worked”).

First, as set forth above, REDWOOD OIL had and continues to have, company-wide policies and/or practices of requiring Mr. Duncan and other aggrieved employees to perform work-related tasks while off-the-clock. For example, as stated, Mr. Duncan was required to perform store opening- and closing-shift tasks such as rolling and unrolling security gates, locking and unlocking store doors, and deactivating and activating the alarm before he clocked in for his shift or after he clocked out. As another example, as stated, Mr. Duncan was required to check-in vendors who arrived at the gas station with inventory deliveries shortly after he had already clocked out.

Moreover, as also set forth above, REDWOOD OIL required Mr. Duncan and other aggrieved employees to respond to phone communications before and after their shifts or on their days off. Mr. Duncan was required to answer work-related phone calls from store employees while off-the-clock. As stated above, Mr. Duncan was also required to physically return to the work premises while off-the-clock to attend to urgent issues.

Second, as set forth above, due to REDWOOD OIL’s company-wide policies and/or practices of utilizing labor budgets and resultant understaffing of its locations, assigning of heavy workloads, and failing to schedule and/or adhere to a schedule for meal periods, Mr. Duncan and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock during meal periods, have their meal periods interrupted, and/or were otherwise not relieved of all duties during unpaid meal periods.

Third, as stated, on information and belief, REDWOOD OIL pressured Mr. Duncan and other aggrieved employees to clock out for meal periods, even when meal periods were missed, short, and/or interrupted. Additionally, as stated, REDWOOD OIL’s company-wide timekeeping system prevented Mr. Duncan and other aggrieved employees from entering time worked during meal periods because the system locked out Mr. Duncan and other aggrieved employees for a full 30 minutes. Thus, REDWOOD OIL systematically failed to pay Mr. Duncan and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

REDWOOD OIL did not pay at least minimum wages for all hours worked by Mr. Duncan and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, REDWOOD OIL did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, REDWOOD OIL regularly failed to pay at least minimum wages to Mr. Duncan and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive

relief to bring REDWOOD OIL into compliance with the applicable IWC Wage Order and Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

First, during the relevant time period, as stated, REDWOOD OIL had, and continues to have, a company-wide policy and/or practice of understaffing locations due to labor budgeting and/or limited payroll allocation, which has resulted in a lack of meal period coverage and prevented Mr. Duncan and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. Further, as stated, REDWOOD OIL had a company-wide practice and/or policy of failing to schedule meal periods and/or adhere to a schedule for meal periods, which further caused Mr. Duncan and other aggrieved employees to not be relieved of their duties for compliant meal periods. In addition, as stated, Mr. Duncan was pressured to keep up with strict deadlines and assigned a heavy workload, which included completing daily fuel pricing surveys of nearby competitor gas stations, submitting daily sales reports, reviewing security camera footage for all medium- and high-risk transactions, and meeting weekly compliance deadlines such as store manager visual inspections, all while managing the demands of customer service.

For example, as stated, Mr. Duncan sometimes worked through his meal periods due to the lack of coverage, and to keep up with customer demand and his workload. Additionally, Mr. Duncan's meal periods were often interrupted by store employees with questions or store issues. As another example, Mr. Duncan sometimes took his meal periods late, after having worked in excess of five (5) hours into his shift, due to the lack of coverage available and in order to keep up with his heavy workload. Thus, Mr. Duncan and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods.

Second, as stated, on information and belief, because REDWOOD OIL frowned upon employees accruing meal period premiums, REDWOOD OIL's management pressured Mr. Duncan and other aggrieved employees to clock out for meal periods, regardless of whether they had received a compliant meal period or not, in order to strictly limit the meal period premiums that would need to

be paid by REDWOOD OIL. Additionally, as set forth above, REDWOOD OIL's company-wide timekeeping system prevented Mr. Duncan and other aggrieved employees from recording when their meal periods were shortened or interrupted, because the system locked out Mr. Duncan and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed.

Third, Mr. Duncan and other aggrieved employees worked shifts in excess of ten (10) hours without receiving an uninterrupted second 30-minute meal period. For example, during his employment, Mr. Duncan sometimes worked shifts in excess of ten (10) or more hours per day, but was not provided a second 30-minute meal period. Mr. Duncan and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

At all times herein mentioned, REDWOOD OIL knew or should have known that, as a result of these policies, Mr. Duncan and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. REDWOOD OIL further knew or should have known that REDWOOD OIL did not pay Mr. Duncan and other aggrieved employees meal period premiums when meal periods were missed, shortened, interrupted, and/or late.

Furthermore, REDWOOD OIL engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Duncan and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods. Alternatively, to the extent that REDWOOD OIL did pay Mr. Duncan and other aggrieved employees premium pay for missed, late, and interrupted meal periods, REDWOOD OIL did not pay Mr. Duncan and other aggrieved employees at the correct rate of pay for premiums because REDWOOD OIL systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay. As a result, REDWOOD OIL failed to provide Mr. Duncan and other aggrieved employees compliant meal periods in violation of California Labor Code sections 226.7, 512(a), and 516 and failed to pay the full meal period premiums due.

Accordingly, REDWOOD OIL failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 512(a), 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)

hours or major fraction thereof” unless the total daily work time is less than three and one-half (3 ½) hours.

During the relevant time period, REDWOOD OIL regularly failed to authorize and permit Mr. Duncan and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, REDWOOD OIL’s company-wide use of labor budgeting and/or limited payroll allocation, resultant understaffing, and assignment of heavy workloads, has resulted in a lack of rest period coverage and prevented Mr. Duncan and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. REDWOOD OIL also failed to schedule rest periods, which, coupled with REDWOOD OIL’s failure to provide adequate rest period coverage, further led to Mr. Duncan and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, on information and belief, REDWOOD OIL maintained and implemented a company-wide on-premises rest period policy, which mandated that Mr. Duncan and other aggrieved employees remain on the work premises during their rest periods. Because Mr. Duncan and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, REDWOOD OIL effectively maintained control over Mr. Duncan and other aggrieved employees during rest periods.

As a result of REDWOOD OIL’s practices and policies, Mr. Duncan and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled. For example, Mr. Duncan often had to forgo his rest periods altogether due to the heavy workload and lack of rest period coverage.

REDWOOD OIL also has engaged in a company-wide practice and/or policy of not paying rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. Duncan and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that REDWOOD OIL did pay Mr. Duncan and other aggrieved employees one (1) additional hour of premium pay for missed rest periods, REDWOOD OIL did not pay Mr. Duncan and other aggrieved employees at the correct rate of pay for premiums because REDWOOD OIL failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, REDWOOD OIL failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. REDWOOD OIL has not provided Mr. Duncan and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides

that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, REDWOOD OIL has knowingly and intentionally provided Mr. Duncan and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, REDWOOD OIL issued uniform wage statements to Mr. Duncan and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages and/or meal and rest period premiums, and the corresponding number of hours worked at each hourly rate. Specifically, REDWOOD OIL violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because REDWOOD OIL did not accurately record the time Mr. Duncan and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), REDWOOD OIL did not list the correct amount of gross wages and net wages earned by Mr. Duncan and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, REDWOOD OIL failed to accurately list the total number of hours worked by Mr. Duncan and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

Moreover, because REDWOOD OIL did not calculate Mr. Duncan's and other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages and/or meal and rest period premiums, REDWOOD OIL did not list the correct amount of gross wages in compliance with section 226(a)(1). For the same reason, REDWOOD OIL failed to list the correct amount of net wages in violation of section 226(a)(5). REDWOOD OIL also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages and/or meal and rest period premiums, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that "[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors" and "[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, 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" Labor Code section 1174.5 provides that

employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), REDWOOD OIL willfully failed to maintain accurate payroll records for Mr. Duncan and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that "[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, REDWOOD OIL engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Mr. Duncan and other aggrieved employees, in violation of section 1198. Also, in light of REDWOOD OIL's failure to provide Mr. Duncan and other aggrieved employees with second 30-minute meal periods to which they were entitled, REDWOOD OIL kept no records of meal start and end times for second meal periods.

Because REDWOOD OIL failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Duncan and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Mr. Duncan and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with the applicable IWC Wage Order and Labor Code sections 226(a), 1174(d), and 1198, pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, REDWOOD OIL failed to pay Mr. Duncan and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages,

and/or meal and rest period premiums, within any time period specified by California Labor Code section 204.

Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code section 204, pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

REDWOOD OIL willfully failed to pay Mr. Duncan and other aggrieved employees who are no longer employed by REDWOOD OIL the earned and unpaid wages set forth above, including but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, either at the time of discharge, or within seventy-two (72) hours of their leaving REDWOOD OIL's employ.

Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code sections 201 and 202, pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 212 and 213 – Unlawful Direct Deposit and Discount of Wages

California Labor Code section 212 prohibits employers from issuing any instruments for the payment of wages unless such instruments are negotiable and payable in cash on demand and without discount. California Labor Code section 213 permits employers to pay employees via direct deposit so long as the employee authorizes payment via direct deposit. Under California law, employers are also permitted to fulfill their wage payment obligations to employees by using payroll debit cards, but only under certain circumstances. Employer use of payroll debit cards is permitted only so long as the employee is given the choice as to whether to accept a payroll debit card as a form of payment. *Johnson v. Sunrise Senior Living Management, Inc.*, No. 16 CV 00443 BRO RAOx, 2016 WL 8929249, *9 (C.D. Cal. May 5, 2016). In *Johnson*, the court stated that the Division of Labor Standards Enforcement ("DLSE") decision deeming payroll debit card program permissible relied heavily on:

... [T]he fact that the pay programs were optional, thereby allowing an employee to either participate in the program or receive his or her pay in some other way, such as direct deposit. Specifically, the DLSE opined that "[t]he success of the described procedure, in practice, will of course require that . . . it is presented as an *alternative* method for wage payment for which [the employees'] participation is optional." The DLSE also stated, "[i]t is significant that the program does not mandate employee participation in the Money Network Service and that it is designed to provide an alternative for

employees receiving their wage payment. Employees are also given the option of having their pay direct deposited into an account of their choosing” (internal citations omitted).

In addition, employers can only utilize payroll debit card programs if they provide employees with effective access to their wages without discount. The DLSE has interpreted Labor Code sections 212 and 213 as permitting employer use of payroll debit cards where the following requirements are satisfied:

- (1) [T]he “wages [are] payable at some established place of business in the state and there be at least 30 days of sufficient funds for payment,”
- (2) the employees are “fully informed of the service and procedures and that it is represented as an alternative method for wage payment for which their participation is optional,”
- (3) the employees receive “an itemized wage statement,” and
- (4) “at least one transaction per pay period [is] without fee.”

Ortiz v. Randstad North America, L.P., No. C-13-5050 MMC, 2015 WL 6202298 at 3.

Further, the DLSE notes that the Labor Code manifests:

. . . [A] strong public policy that prohibits an employer (or its agent) from imposing conditions or obstacles which interfere with or prevent an employee’s (*sic*) from promptly receiving their due wages *in full*. The imposition of a fee in order to readily *access* one’s earned and paid wages under a payroll card program which is designed to discharge the employer’s wage payment obligations could impermissibly interfere with an employee’s receipt of paid wages by creating a financial condition which would have the *effect* of reducing or discounting wages because such fee would be charged against the same account in which wages are deposited. (emphases in original)

DLSE opinion letter 2008.07.07. The DLSE has also acknowledged that payroll service providers “effectively act as *agents* of the client employers in discharging the employer’s wage payment obligations.” *Id.* In a second opinion letter, the DLSE stated that “[w]hile the Labor Code does not purport to regulate the specific arrangements between employers and payroll service providers, both an employer and, under the express language in Labor Code § 212- their *agent*, must comply with its requirements.” *DLSE opinion letter 2008.07.07-2*.

During the relevant time period, REDWOOD OIL had an agreement with a payroll service provider for the issuance of payroll cards to employees, including Mr. Duncan and other aggrieved employees, to discharge its wage payment obligations to its employees. On information and belief, REDWOOD OIL had a practice of and/or policy of automatically issuing payroll debit cards to departing employees without giving them the option to elect their form of payment for their final wages. For example, Mr. Duncan received his final wages on a payroll debit card without a choice of an alternate method of payment, such as a written check. Instead, REDWOOD OIL automatically enrolled Mr. Duncan in its payroll debit card program for the purpose of issuing Mr. Duncan’s final wages to her without prior, voluntary approval from Mr. Duncan.

Moreover, under REDWOOD OIL's payroll debit card program, Mr. Duncan and other aggrieved employees did not have easy access to the entirety of their wages without incurring a fee. Mr. Duncan and other aggrieved employees were unable to withdraw their entire wages in at least one transaction without incurring a fee, which resulted in a discount in their pay. For example, Mr. Duncan was subjected to transaction fees when withdrawing his wages from ATMs. Thus, REDWOOD OIL's payroll debit card program was and continues to be unlawful as it did not give Mr. Duncan and other aggrieved employees access to their entire wages without discount and without delay.

California courts recognize a policy favoring the full and prompt payment of wages to employees. REDWOOD OIL's payroll card program is inconsistent with this policy because REDWOOD OIL's program is involuntary and denies Mr. Duncan and other aggrieved employees of easy access to their wages. Thus, REDWOOD OIL's company-wide payroll debit card program violates California Labor Code sections 212 and 213. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code sections 212 and 213, pursuant to Labor Code sections 225.5 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 221 and 224 – Unlawful Deductions

California Labor Code section 221 provides that it shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee. California Labor Code section 224 also provides in pertinent part that it is lawful to withhold a portion of the employee's wages if "a deduction is expressly authorized in writing by the employee."

During the relevant time period, upon information and belief, REDWOOD OIL unlawfully deducted a portion of wages previously paid to Mr. Duncan and other aggrieved employees in violation of California Labor Code section 221. On information and belief, REDWOOD OIL systematically, and on a company-wide basis, provided Mr. Duncan and other aggrieved employees with payroll debit cards as payment of their wages and/or final wages. Under REDWOOD OIL's payroll debit card program, Mr. Duncan and other aggrieved employees were assessed various fees in connection with their use of the payroll debit cards. For example, as described above, Mr. Duncan and other aggrieved employees were required to pay out-of-network ATM withdrawal fees and/or other fees to obtain and/or spend their earned and due wages. The fees charged to Mr. Duncan and other aggrieved employees resulted in a discount of their wages.

REDWOOD OIL's practice, which resulted in a discount of wages to employees, is tantamount to taking deductions from Mr. Duncan's and other aggrieved employees' paychecks without their written authorization and therefore constitutes an unlawful deduction of wages, in violation of Labor Code sections 221 and 224. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code sections 221 and 224, pursuant to Labor Code sections 225.5 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 223 – Secret Payment of Lower Wages

California Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

During the relevant time period, REDWOOD OIL willfully and systematically issued payroll debit cards to Mr. Duncan and other aggrieved employees that discounted their wages by charging various fees in connection with the use of the payroll debit cards. REDWOOD OIL's payroll debit card program resulted in the payment of less than statutorily required wages to Mr. Duncan and other aggrieved employees. Thus, REDWOOD OIL paid Mr. Duncan and other aggrieved employees lower wages than those they were entitled to while purporting that Mr. Duncan and other aggrieved employees were properly paid.

REDWOOD OIL's failure to pay Mr. Duncan and other aggrieved employees the correct designated wage, while purporting to pay legal wages, is a violation of California Labor Code section 223. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code section 223, pursuant to Labor Code sections 225.5 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 551 and 552 – Failure to Provide One Day's Rest in Seven

California Labor Code section 551 provides that every person employed in any occupation of labor is entitled to one day's rest in seven. California Labor Code section 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. California Labor Code section 556 exempts an employer from the day-of-rest requirement when the total hours worked by an employee do not exceed 30 hours in any week or six (6) hours in any one day thereof.

During the relevant period, REDWOOD OIL scheduled Mr. Duncan and other aggrieved employees to work six (6) or more hours per day and seven (7) consecutive days in a workweek. Because Mr. Duncan and other aggrieved employees worked over 30 hours per week and over six (6) hours per day in any one day in a workweek, they were not exempt from the day-of-rest requirement. To the extent that Mr. Duncan and other aggrieved employees may have signed purported waivers of their right to a day's rest in seven, such waivers are invalid.

Thus, REDWOOD OIL caused Mr. Duncan and other aggrieved employees to work more than six days in seven, in violation of Labor Code sections 551 and 552. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 7-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft." IWC Wage Order No. 7-2001 further provides that: "[w]hen uniforms are required by the employer to be worn by the

employee as a condition of employment, such uniforms shall be provided and maintained by the employer.”

First, during the relevant time period, REDWOOD OIL, on a company-wide basis, required that Mr. Duncan and other aggrieved employees use their personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties but failed to reimburse them for the costs of their work-related mobile device and/or mobile data expenses. For example, Mr. Duncan was required to use his personal cellular phone to call or text message with store employees and coworkers regarding work-related issues. As a further example, Mr. Duncan was required to download Zenput and Paycom mobile applications onto his personal cellular phone in order to complete work-related tasks. Although REDWOOD OIL required Mr. Duncan and other aggrieved employees to use their personal mobile devices and/or mobile data to carry out their work-related duties, REDWOOD OIL failed to reimburse them for their costs incurred.

Second, during the relevant time period, REDWOOD OIL had a company-wide policy of requiring Mr. Duncan and other aggrieved employees to utilize their own personal vehicles to carry out company business, but failed to reimburse them for all costs of travel, including mileage. Specifically, REDWOOD OIL required Mr. Duncan and other aggrieved employees to travel to obtain supplies for their job-related duties, but did not reimburse them for their travel expenses. For example, REDWOOD OIL required Mr. Duncan to drive his personal vehicle to complete fuel pricing surveys three (3) times per week at nearby gas stations, to travel to REDWOOD OIL's other store locations to obtain supplies and inventory, and to drive to local hardware stores and grocery stores to purchase supplies, including bathroom supplies and paint for handicap parking spots. Although REDWOOD OIL required Mr. Duncan and other aggrieved employees to utilize their own vehicles to carry out their work-related responsibilities, REDWOOD OIL did not reimburse them for their travel expenses.

Third, during the relevant time period, REDWOOD OIL required Mr. Duncan and other aggrieved employees to wear uniforms bearing the Redwood Market company logo, including t-shirts. However, REDWOOD OIL did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. For example, REDWOOD OIL only provided Mr. Duncan with two (2) shirts at the time of hire. Because REDWOOD OIL failed to provide their employees with an adequate number of uniforms in relation to their scheduled shifts, Mr. Duncan and other aggrieved employees were required to wash their uniform items more frequently than their other clothing, thus incurring additional laundry expenses for the upkeep of their uniforms. Mr. Duncan was required to spend approximately \$7 per week on additional laundry expenses per week for the upkeep of his uniform. Thus, REDWOOD OIL failed to maintain uniforms they required Mr. Duncan and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

REDWOOD OIL could have provided Mr. Duncan and other aggrieved employees with the actual equipment for use on the job, such as company mobile devices and company vehicles, as well as access to laundering services. Or, REDWOOD OIL could have fully reimbursed employees for the costs of their mobile device usage, mileage and travel expenses, and laundering expenses or provided a uniform maintenance allowance. Instead, REDWOOD OIL passed these operating costs off onto Mr. Duncan and other aggrieved employees. At all relevant times, Mr. Duncan did not earn at least two (2) times the minimum wage.

Thus, REDWOOD OIL had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with the applicable IWC Wage Order and Labor Code section 2802, pursuant to Labor Code sections 2699(a), (f), and (k).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

REDWOOD OIL failed to provide Mr. Duncan and other aggrieved employees written notice that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). REDWOOD OIL's failure to provide Mr. Duncan and other aggrieved employees with written notice of basic information regarding their employment with REDWOOD OIL is in violation of Labor Code section 2810.5.

Mr. Duncan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring REDWOOD OIL into compliance with Labor Code section 2810.5, pursuant to Labor Code sections 2699(a), (f), and (k).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid" Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." REDWOOD OIL, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. Duncan's and other aggrieved employees' rights by violating various sections of the California Labor Code.

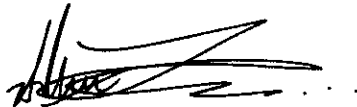
Accordingly, Mr. Duncan seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and 558, Mr. Duncan, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for himself, all other aggrieved employees, and the State of California against REDWOOD OIL for violations of California Labor Code sections 201, 202, 204, 212, 213, 221, 223, 224, 226(a), 226.7, 510, 512(a), 516, 551, 552, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

Therefore, on behalf of all aggrieved employees, Mr. Duncan seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Alexander Lima
Capstone Law APC
1875 Century Park East, Suite 1860
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

A handwritten signature in black ink, appearing to read 'Alexander Lima', with a stylized flourish extending to the right.

Alexander Lima

Copy: REDWOOD OIL COMPANY, INC. (via U.S. Certified Mail); JACKSONS FOOD STORES, INC. (via U.S. Certified Mail)

CAPSTONE LAW, APC
1875 Century Park East
Suite #1860
Los Angeles, CA 90067

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
■ Print your name and address on the reverse
on this side (see customer flow card for 1994)

**REDWOOD OIL
COMPANY, INC.**
50 Professional Center Drive
Suite #100
Rohnert Park, CA 94928

1. Signature
X ☒ Agent
☐ Addressee

2. Article Number (Transfer from service label)
9590 9402 8803 4005 5619 10

3. Service Type
☐ Priority Mail Signature®
☐ Adult Signature
☐ Registered Mail®
☐ Registered Mail Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Signature Confirmation®
☐ Restricted Delivery

4. Delivery Address
Is delivery address different from item 1? ☐ Yes
If Yes, enter delivery address below: ☐ No

5. Date of Delivery

6. Received by (Printed Name)

7. Tracking Number (Transfer from service label)
9590 0720 5270 0211 5970 20

8. PS Form 3811, July 2020 PSN 7530-02-000-9003

**REDWOOD OIL
COMPANY, INC.**
50 Professional Center Drive
Suite #100
Rohnert Park, CA 94928

CERTIFIED MAIL

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Receipt for the Only

For more information, visit our website at www.usps.com

Checked Mail Fee

Return Receipt & Fees (check box, add fee as appropriate)

☒ Return Receipt (hardcopy) **1**

☐ Return Receipt (electronic) **1**

☐ Certified Mail

☐ Registered Mail

☐ Signature Required

☐ Signature Restricted

☐ Signature Confirmation

☐ Insurance

Redwood Oil Company, Inc.
Postmark

REDWOOD OIL COMPANY, INC.

50 Professional Center Drive
Suite #100
Rohnert Park, CA 94928

Date of Mailing 05/08/2003
Time of Mailing 10:00 AM

Post Office San Francisco, CA 94102

PS Form 3800, 10/2002

SENDER, COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

**JACKSONS FOOD
STORES, INC.**
3450 E. Commercial Court
Meridian, ID 83642

POSTNET™ MAIL™ PROFILE™

A. Signature ☒ B. Received by (Printed Name) ☐ Agent ☐ Addressee ☐
C. Date of Delivery ☐ Yes ☐ No

In delivery address different from item 1? ☐ Yes ☐ No
If Yes, enter delivery address below:



9590 9402 8803 4005 5820 16

2. Article Number (Transfer from service tag)

9589 0710 5270 2655 0122 44

PS Form 3811, July 2000 PSN 7530-02-000-9003

Service Type
☐ Adult Signature Restricted Delivery
☐ Certified Mail
☐ Collect on Delivery Restricted Delivery
☐ Collect on Delivery Restricted Delivery
☐ Registered Mail
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail™ Restricted Delivery

Domestic Return Receipt

CAPSTONE LAW, APC
1875 Century Park East
Suite #1860
Los Angeles, CA 90067

CERTIFIED MAIL



9589 0710 5270 2655 0122 44
9589 0710 5270 2655 0122 44

U.S. Postal Service
CERTIFIED MAIL RECEIPT
Domestic Mail Only

Postmark: *Meridian, ID 83642*

**JACKSONS FOOD
STORES, INC.**
3450 E. Commercial Court
Meridian, ID 83642

**JACKSONS FOOD
STORES, INC.**
3450 E. Commercial Court
Meridian, ID 83642

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.

**REDWOOD OIL
 COMPANY, INC.**
 50 Professional Center Drive
 Suite #100
 Rohnert Park, CA 94928



9590 9402 8803 4005 5619 10

2. Article Number (Transfer from service label)

9589 0710 5270 0211 5970 20

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

C. Rohde

☐ Agent☒ Addressee

B. Received by (Printed Name)

C. Rohde

C. Date of Delivery

10-20-25

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

C. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.

**JACKSONS FOOD
 STORES, INC.**
 3450 E. Commercial Court
 Meridian, ID 83642



9590 9402 8803 4005 5620 16

2. Article Number (Transfer from service label)

9589 0710 5270 2655 0122 44

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

D. Richman

☐ Agent☒ Addressee

B. Received by (Printed Name)

D. Richman

C. Date of Delivery

10/20/25

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

C. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PROOF OF SERVICE

I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party to the within suit; my business address is 1875 Century Park East, Suite 1860 Los Angeles, California 90067.

On February 2, 2026, I served the document described as: **FIRST AMENDED CLASS ACTION COMPLAINT & ENFORCEMENT ACTION UNDER THE PRIVATE ATTORNEYS GENERAL ACT, CALIFORNIA LABOR CODE §§ 2698, ET SEQ.** on the interested parties in this action by sending ☐ the original [or] ☒ a true copy thereof ☒ to interested parties as follows [or] ☐ as stated on the attached service list:

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ameyers@littler.com

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(949) 208-8205

Attorneys for Defendants:
Redwood Oil Company, Inc.

☒ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in this action.

☐ **BY PERSONAL SERVICE:** I delivered the document, enclosed in a sealed envelope, by hand to the counsel for Defendant.

☒ **BY ELECTRONIC SERVICE:** I caused the document(s) to be transmitted electronically via One Legal eService to the individuals listed above, as they exist on that database. This will constitute service of the document(s).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on **February 2, 2026**, at Los Angeles, California.

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Stacy Winberg
Type/Print Name

Stacy Winberg
Signature