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ELECTRONICALLY FILED
Superior Court of California
County of Sacramento
01/26/2026
By: E. Leon Barrientos Deputy

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF SACRAMENTO
11

12 IRENE CASTRO, as an aggrieved
employee pursuant to the Private Attorneys
13 General Act ("PAGA"), on behalf of the
State of California and other non-party
14 Aggrieved Employees,

15 Plaintiff,

16 vs.

17 FIVE STAR BANK, a California
corporation; FIVE STAR BANCORP, a
18 California corporation; and DOES 1
through 10, inclusive,
19

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21 Defendants.
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Case No.: 25CV023182

Hon. Jill Talley, Dept. 23

**FIRST AMENDED COMPLAINT – PAGA
ENFORCEMENT ACTION**

(1) Claim for Civil Penalties for Violations of
California Labor Code, Pursuant to PAGA,
§§ 2698, *et seq.*

Complaint Filed: September 30, 2025

Trial: TBD

1 Plaintiff Irene Castro, as an aggrieved employee and on behalf of the State of
2 California and all other non-party Aggrieved Employees, alleges as follows:

3 JURISDICTION AND VENUE

4 1. This is an enforcement action under the Labor Code Private Attorneys General
5 Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
6 and any other available relief on behalf of Plaintiff, the State of California, and other current
7 and former employees who worked for Defendants in California as a non-exempt, hourly paid
8 employee and received at least one wage statement and against whom one or more violations
9 of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating
10 hours and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage
11 Order were committed, as set forth in this complaint, at any time between one year prior to the
12 filing of the pre-filing written notice to the Labor and Workforce Development Agency
13 (“LWDA”) in this case on October 8, 2025, until judgment (“non-party Aggrieved
14 Employees”). Plaintiff’s share of civil penalties sought in this action does not exceed
15 \$75,000.

16 2. This Court has jurisdiction over this action pursuant to the California
17 Constitution, Article VI, section 10. The statute under which this action is brought does not
18 specify any other basis for jurisdiction.

19 3. This Court has jurisdiction over all Defendants because, on information and
20 belief, Defendants are either citizens of California, have sufficient minimum contacts in
21 California, or otherwise intentionally avail themselves of the California market so as to render
22 the exercise of jurisdiction over them by the California courts consistent with traditional
23 notions of fair play and substantial justice. There is no basis for federal diversity jurisdiction
24 in this action given that the State of California, as the real party in interest in this action, is not
25 a “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*,
26 726 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be
27 aggregated to satisfy the amount in controversy requirement for federal diversity jurisdiction
28 in this action, and that diversity jurisdiction cannot be established when Plaintiff’s share of the

1 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

2 4. Venue is proper in this Court, because Defendant FIVE STAR BANCORP filed
3 Statement of Information forms with the California Secretary of State designating a principal
4 place of business in Rancho Cordova, County of Sacramento, in accordance with California
5 Corporations Code section 2105(a)(3). Cal. Code Civ. P. § 395.5. Venue is also proper in
6 this Court because Defendants employ persons in this county, and employed Plaintiff in this
7 county, and thus a substantial portion of the transactions and occurrences related to this action
8 occurred in this county.

9 5. California Labor Code sections 2698, *et seq.*, the “Labor Code Private
10 Attorneys General Act of 2004,” authorize aggrieved employees to sue as private attorneys
11 general their current or former employers for various civil penalties for violations of various
12 provisions in the California Labor Code.

13 **THE PARTIES**

14 6. Plaintiff Irene Castro is a resident of Rancho Cordova, in Sacramento County,
15 California. Defendants employed Plaintiff as an hourly paid, non-exempt employee from
16 approximately January 2022 to July 2025. Plaintiff worked for Defendants as a Relationship
17 Manager, Relationship Specialist, and Deposit Administration Specialist at their location in
18 Rancho Cordova, California. During her employment, Plaintiff typically worked eight (8)
19 hours or more per day and five (5) days per week. Plaintiff’s primary job duties included,
20 without limitation, auditing new deposit accounts, ensuring documents were accurate and up
21 to date, performing audits, and assisting with reports.

22 7. FIVE STAR BANK was and is, upon information and belief, a California
23 corporation, and at all times hereinafter mentioned, an employer whose employees are
24 engaged throughout this county and the State of California.

25 8. FIVE STAR BANCORP was and is, upon information and belief, a California
26 corporation, and at all times hereinafter mentioned, an employer whose employees are
27 engaged throughout this county and the State of California.

28 9. Plaintiff is unaware of the true names or capacities of the Defendants sued

1 herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to
2 amend the complaint and serve such fictitiously named Defendants once their names and
3 capacities become known.

4 10. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
5 were the partners, agents, owners, or managers of FIVE STAR BANK and FIVE STAR
6 BANCORP at all relevant times.

7 11. Plaintiff is informed and believes, and thereon alleges, that each and all of the
8 acts and omissions alleged herein was performed by, or is attributable to FIVE STAR BANK,
9 FIVE STAR BANCORP, and/or DOES 1 through 10 (collectively, “Defendants” or “FIVE
10 STAR BANK”), each acting as the agent, employee, alter ego, and/or joint venturer of, or
11 working in concert with, each of the other co-Defendants and was acting within the course and
12 scope of such agency, employment, joint venture, or concerted activity with legal authority to
13 act on the others’ behalf. The acts of any and all Defendants were in accordance with, and
14 represent, the official policy of Defendants.

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

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

22 14. Under California law, Defendants are jointly and severally liable as employers
23 for the violations alleged herein because they have each exercised sufficient control over the
24 wages, hours, working conditions, and employment status of Plaintiff and other non-party
25 Aggrieved Employees. Each Defendant had the power to hire and fire Plaintiff and other non-
26 party Aggrieved Employees, supervised and controlled their work schedule and/or conditions
27 of employment, determined their rate of pay, and maintained their employment records.
28 Defendants suffered or permitted Plaintiff and other non-party Aggrieved Employees to work

1 and/or “engaged” Plaintiff and other non-party Aggrieved Employees so as to create a
2 common-law employment relationship. As joint employers of Plaintiff and other non-party
3 Aggrieved Employees, Defendants are jointly and severally liable for the civil penalties and
4 all other relief available to Plaintiff and other non-party Aggrieved Employees under the law.

5 15. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
6 Defendants, and each of them, have acted as joint employers with respect to Plaintiff and other
7 non-party Aggrieved Employees because Defendants have:

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

25 16. Plaintiff is informed and believes, and thereon alleges, that at all relevant times
26 there has existed a unity of interest and ownership between Defendants such that any
27 individuality and separateness between the entities has ceased.

28 17. FIVE STAR BANK, FIVE STAR BANCORP, and DOES 1 through 10 are

1 therefore alter egos of each other.

2 18. Adherence to the fiction of the separate existence of Defendants would permit
3 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
4 from liability for the wrongful acts committed by them under the name “FIVE STAR BANK.”

5 19. Plaintiff further alleges, upon information and belief, that Defendants FIVE
6 STAR BANK and FIVE STAR BANCORP, are alter egos of each other for the following
7 reasons:

8 (a) According to FIVE STAR BANCORP’s SEC Form 10-K filing¹, FIVE
9 STAR BANK is a wholly-owned subsidiary of FIVE STAR
10 BANCORP;

11 (b) According to their most recent forms filed with the California Secretary
12 of State (<https://bizfileonline.sos.ca.gov/>), FIVE STAR BANK and
13 FIVE STAR BANCORP share the officers, including, but not limited to,
14 Secretary Shelley Wetton, Chief Financial Officer Heather Luck, and
15 Chief Executive Officer James Beckwith;

16 (c) On the California Secretary of State’s website, FIVE STAR BANK and
17 FIVE STAR BANCORP share the same agent for service of process,
18 Heather Luck; and

19 (d) On information and belief, FIVE STAR BANK and FIVE STAR
20 BANCORP utilize the same standardized employment forms and issue
21 the same employment policies.

22 **PAGA REPRESENTATIVE ALLEGATIONS**

23 20. Defendants are a community business bank specializing in providing banking
24 services and loans to the local business community with nine (9) locations in Northern
25 California. Upon information and belief, Defendants maintain a single, centralized Human
26 Resources (“HR”) department at their company headquarters in Roseville, California, and/or

27 ¹ 10-K Annual Report 02/28/2025, “SEC Filings | Five Star Bancorp”
28 <https://investors.fivestarbancorp.com/financial-information/sec-filings> (last accessed September 29, 2025).

1 Rancho Cordova, California, which is responsible for the recruiting and hiring of new
2 employees, and communicating and implementing Defendants' company-wide policies,
3 including timekeeping policies and meal and rest period policies, to employees throughout
4 California.

5 21. In particular, Plaintiff and other non-party Aggrieved Employees, on
6 information and belief, received the same standardized documents and/or written policies.
7 Upon information and belief, the usage of standardized documents and/or written policies,
8 including new-hire documents, indicate that Defendants dictated policies at the corporate level
9 and implemented them company-wide, regardless of their employees' assigned locations or
10 positions. Upon information and belief, Defendants set forth uniform policies and procedures
11 in several documents provided at an employee's time of hire.

12 22. Upon information and belief, Defendants maintain a centralized Payroll
13 department at their company headquarters in Roseville, California, and/or Rancho Cordova,
14 California, which processes payroll for all non-exempt, hourly paid employees working for
15 Defendants at their various locations in California, including Plaintiff and other non-party
16 Aggrieved Employees. Based upon information and belief, Defendants issue the same
17 formatted wage statements to all non-exempt, hourly paid employees in California,
18 irrespective of their work locations. Upon information and belief, Defendants process payroll
19 for departing employees in the same manner throughout the State of California, regardless of
20 the manner in which each employee's employment ends.

21 23. Defendants continue to employ non-exempt or hourly paid employees in
22 California.

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

27 25. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other
28 non-party Aggrieved Employees were not paid for all hours worked because all hours worked

1 were not recorded.

2 26. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
3 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
4 receive certain wages for overtime compensation and that they were not receiving certain
5 wages for overtime compensation.

6 27. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
7 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
8 be paid at a regular rate of pay, and corresponding rates of pay for overtime wages and/or
9 meal and rest period premiums, that included as eligible income all remuneration required by
10 law, including but not limited to, all income derived from incentive pay, nondiscretionary
11 bonuses, and/or other forms of compensation, but failed to include all forms of remuneration
12 in calculating the regular rate of pay for Plaintiff and other non-party Aggrieved Employees.

13 28. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
14 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
15 receive at least minimum wages for compensation and that they were not receiving at least
16 minimum wages for work that was required to be done off-the-clock. In violation of the
17 California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at
18 least minimum wages for work done off-the-clock.

19 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
20 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
21 meal periods in accordance with the California Labor Code and applicable IWC Wage Order
22 or payment of one (1) additional hour of pay at their regular rates of pay when they were not
23 provided with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and
24 other non-party Aggrieved Employees were not provided with all meal periods or payment of
25 one (1) additional hour of pay at their regular rates of pay when they did not receive a timely,
26 uninterrupted, thirty (30) minute meal period.

27 30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
28 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to

1 rest periods in accordance with the California Labor Code and applicable IWC Wage Order or
2 payment of one (1) additional hour of pay at their regular rates of pay when they were not
3 authorized and permitted to take a compliant rest period and that Plaintiff and other non-party
4 Aggrieved Employees were not authorized and permitted to take compliant rest periods or
5 provided with payment of one (1) additional hour of pay at their regular rates of pay when
6 they were not authorized and permitted to take a compliant rest period.

7 31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
8 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
9 receive complete and accurate wage statements in accordance with California law. In
10 violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees
11 were not provided complete and accurate wage statements.

12 32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
13 should have known that they had a duty to maintain accurate and complete payroll records in
14 accordance with the California Labor Code and applicable IWC Wage Order, but willfully,
15 knowingly, and intentionally failed to do so.

16 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
17 should have known that they were required to pay departing employees all vested vacation
18 wages that were owed to them at the end of their employment. In violation of the California
19 Labor Code, Defendants failed to pay Plaintiff and other non-party Aggrieved Employees all
20 vested vacation time at the end of their employment, causing a forfeiture of vested vacation
21 wages.

22 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
24 timely payment of all wages earned upon termination of employment. In violation of the
25 California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive
26 payment of all wages due, including, but not limited to, overtime wages, minimum wages,
27 meal and rest period premiums, vested vacation wages, and/or sick leave pay, within
28 permissible time periods.

1 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
2 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
3 timely payment of wages during their employment. In violation of the California Labor Code,
4 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,
5 including, but not limited to, overtime wages, minimum wages, meal and rest period
6 premiums, and/or sick leave pay, within permissible time periods.

7 36. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
8 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
9 receive sick leave benefits to be paid at a regular rate of pay, that included, as eligible income,
10 all income derived from incentive pay, nondiscretionary bonuses, and/or other forms of
11 compensation. In violation of the California Labor Code, Defendants failed to include all
12 forms of remuneration in calculating the regular rate of pay for sick leave pay.

13 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
14 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
15 receive full reimbursement for all business-related expenses and costs they incurred during the
16 course and scope of their employment and that they did not receive full reimbursement of
17 applicable business-related expenses and costs incurred.

18 38. Plaintiff is informed and believes, and thereon alleges, that at all times herein
19 mentioned, Defendants knew or should have known that they had a duty to compensate
20 Plaintiff and other non-party Aggrieved Employees for all hours worked, and that Defendants
21 had the financial ability to pay such compensation, but willfully, knowingly, and intentionally
22 failed to do so, and falsely represented to Plaintiff and other non-party Aggrieved Employees
23 that they were properly denied wages, all in order to increase Defendants' profits.

24 39. At all times herein set forth, PAGA provides that any provision of law under
25 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
26 assessed and collected by the LWDA for violations of the California Labor Code and
27 applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a
28 civil action brought on behalf of themselves and other current or former employees pursuant

1 to procedures outlined in California Labor Code section 2699.3.

2 40. PAGA defines an “aggrieved employee” in Labor Code section 2699(c)(1) as
3 “any person who was employed by the alleged violator and personally suffered each of the
4 violations alleged.”

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

8 42. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved
9 employee, including Plaintiff, may pursue a civil action arising under PAGA after the
10 following requirements have been met:

- 11 (a) The aggrieved employee shall give written notice by online filing
12 (hereinafter “Employee’s Notice”) to the LWDA and by certified mail
13 to the employer of the specific provisions of the California Labor Code
14 alleged to have been violated, including the facts and theories to support
15 the alleged violations.
- 16 (b) An aggrieved employee’s notice filed with the LWDA pursuant to
17 2699.3(a) and any employer response to that notice shall be
18 accompanied by a filing fee of seventy-five dollars (\$75).
- 19 (c) The LWDA shall provide notice (hereinafter “LWDA Notice”) to the
20 employer and the aggrieved employee by certified mail that it does not
21 intend to investigate the alleged violation within sixty (60) calendar
22 days of the postmark date of the Employee’s Notice. Upon receipt of
23 the LWDA Notice, or if the LWDA Notice is not provided within sixty-
24 five (65) calendar days of the postmark date of the Employee’s Notice,
25 the aggrieved employee may commence a civil action pursuant to
26 California Labor Code section 2699 to recover civil penalties in addition
27 to any other penalties to which the employee may be entitled.

28 43. Pursuant to California Labor Code section 2699.3(c), aggrieved employees,

1 through Plaintiff, may pursue a civil action arising under PAGA for violations of any
2 provision other than those listed in Section 2699.5 after the following requirements have been
3 met:

4 (a) The aggrieved employee or representative shall give written notice by
5 online filing to the LWDA and by certified mail to the employer of the
6 specific provisions of the California Labor Code alleged to have been
7 violated (other than those listed in Section 2699.5), including the facts
8 and theories to support the alleged violation.

9 (b) An aggrieved employee's notice filed with the LWDA pursuant to
10 2699.3(c) and any employer response to that notice shall be
11 accompanied by a filing fee of seventy-five dollars (\$75).

12 (a) The employer may cure the alleged violation within thirty-three (33)
13 calendar days of the postmark date of the notice. The employer shall
14 give written notice by certified mail within that period of time to the
15 aggrieved employee or representative and the agency if the alleged
16 violation is cured, including a description of actions taken, and no civil
17 action pursuant to Section 2699 may commence. If the alleged violation
18 is not cured within the 33-day period, the employee may commence a
19 civil action pursuant to Section 2699.

20 44. On October 8, 2025, Plaintiff provided written notice by online filing to the
21 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
22 Code alleged to have been violated, including facts and theories to support the alleged
23 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
24 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
25 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
26 Plaintiff PAGA Case Number LWDA-CM-1130550-25. A true and correct copy of Plaintiff's
27 written notice to the LWDA and Defendants dated October 8, 2025, is attached hereto as
28 "Exhibit 1."

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

4 46. Thus, Plaintiff has satisfied the administrative prerequisites under California
5 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
6 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 227.3, 246, 510,
7 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

8 47. Labor Code section 558(a) provides "[a]ny employer or other person acting on
9 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
10 provision regulating hours and days of work in any order of the Industrial Welfare
11 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
12 dollars (\$50) for each underpaid employee for each pay period for which the employee was
13 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
14 underpaid employee for each pay period for which the employee was underpaid" Labor
15 Code section 558(c) provides "[t]he civil penalties provided for in this section are in addition
16 to any other civil or criminal penalty provided by law." Plaintiff, acting in the public interest
17 as a private attorney general, seeks assessment and collection of civil penalties under Labor
18 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
19 California against Defendants for violations of Labor Code sections 510, 512(a), 516, 1198,
20 and the applicable IWC Wage Order. Plaintiff, acting in the public interest as a private
21 attorney general, does not seek the recovery of unpaid wages under Labor Code section 558
22 from Defendants for violations of Labor Code sections 510, 512(a), 516, 1198, and the
23 applicable IWC Wage Order.

24 48. Defendants, at all times relevant to this complaint, were employers or persons
25 acting on behalf of an employer(s) who violated Plaintiff's and other non-party Aggrieved
26 Employees' rights by violating various sections of the California Labor Code as set forth
27 above.

28 49. As set forth below, Defendants have violated numerous provisions of both the

1 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
2 Order.

3 50. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
4 2699(k), 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public interest
5 as a private attorney general, seeks assessment and collection of civil penalties for herself, all
6 other non-party Aggrieved Employees, and the State of California against Defendants for
7 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 227.3, 246, 510,
8 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

9 **FIRST CAUSE OF ACTION**

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

11 **(Against all Defendants)**

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

14 52. California Labor Code sections 2698, *et seq.* permit Plaintiff to recover civil
15 penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section
16 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 226(a), 1174(d), and
17 1198. Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiff, to
18 recover civil penalties for violations of those Labor Code sections not found in section 2699.5,
19 including sections 226.7, 227.3, 246, 510, 512(a), 516, 1182.12, 1194, 1197, and 2802.

20 53. Defendants' conduct, as alleged herein, violates numerous sections of the
21 California Labor Code, including, but not limited to, the following:

- 22 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC
23 Wage Order for Defendants' failure to compensate Plaintiff and other
24 non-party Aggrieved Employees with all required overtime pay, as set
25 forth below;
- 26 (b) Violation of Labor Code sections 226.7, 510, and 1198, and the
27 applicable IWC Wage Order for Defendants' failure to include all forms
28 of remuneration in the regular rate of pay as required by law for

1 purposes of paying overtime wages and/or meal and rest period
2 premiums to Plaintiff and other non-party Aggrieved Employees, as set
3 forth below;

4 (c) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and
5 the applicable IWC Wage Order for Defendants' failure to compensate
6 Plaintiff and other non-party Aggrieved Employees with at least
7 minimum wages for all hours worked, as set forth below;

8 (d) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
9 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
10 and other non-party Aggrieved Employees with meal periods, as set
11 forth below;

12 (e) Violation of Labor Code sections 226.7, 516, and 1198, and the
13 applicable IWC Wage Order for Defendants' failure to authorize and
14 permit Plaintiff and other non-party Aggrieved Employees to take rest
15 periods, as set forth below;

16 (f) Violation of Labor Code sections 226(a) and 1198, and the applicable
17 IWC Wage Order for failure to provide accurate and complete wage
18 statements to Plaintiff and other non-party Aggrieved Employees, as set
19 forth below;

20 (g) Violation of Labor Code sections 1174(d) and 1198, and the applicable
21 IWC Wage Order for failure to maintain payroll records, as set forth
22 below;

23 (h) Violation of Labor Code section 227.3 for failure to pay Plaintiff and
24 other non-party Aggrieved Employees all vested vacation time upon
25 termination, as set forth below;

26 (i) Violation of Labor Code sections 201 and 202 for failure to pay all
27 earned wages upon termination, as set forth below;

28 (j) Violation of Labor Code sections 204 for failure to pay all earned wages

during employment, as set forth below;

- (k) Violation of Labor Code section 246 for failure to properly calculate the sick leave rate paid to Plaintiff and other non-party Aggrieved Employees, as set forth below; and
- (l) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff and other non-party Aggrieved Employees for all business expenses necessarily incurred, as set forth below.

FAILURE TO PAY OVERTIME

VIOLATION OF LABOR CODE SECTIONS 510 AND 1198

54. Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

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

56. Specifically, the applicable IWC Wage Order provides that Defendants are and were required to pay Plaintiff and other non-party Aggrieved 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) for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

57. The applicable IWC Wage Order further provides that Defendants are and were required to pay Plaintiff and other non-party Aggrieved 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 58. California Labor Code section 510 codifies the right to overtime compensation
2 at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8)
3 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
4 seventh (7th) day of work, and to overtime compensation at twice the employee's regular rate
5 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
6 in a day on the seventh (7th) day of work.

7 59. During the relevant time period, Defendants willfully failed to pay all overtime
8 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time
9 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums
10 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)
11 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were
12 not recorded.

13 60. First, during the relevant time period, Defendants had, and continue to have, a
14 company-wide policy and/or practice of requiring Plaintiff and other non-party Aggrieved
15 Employees to perform work off-the-clock after their scheduled shifts. For example, at least
16 twice per week, after clocking out, Plaintiff was required to answer phone calls and text
17 messages from Defendants' management to discuss work-related matters and progress on
18 outstanding tasks. Plaintiff spent up to 15 minutes each occurrence addressing these
19 communications, time for which she was not paid. Defendants failed to track all of the time
20 that employees spent performing work-related tasks outside of their shifts, and Plaintiff and
21 other non-party Aggrieved Employees received no compensation for this time.

22 61. Second, Defendants had, and continue to have, company-wide policies and/or
23 practices of understaffing their locations and assigning heavy workloads, including
24 implementing productivity goals, which resulted in a failure to provide Plaintiff and other
25 non-party Aggrieved Employees with adequate meal period coverage, because there were too
26 few employees on duty to handle the workload. Because Defendants did not employ or staff a
27 sufficient number of employees, there was no one available to relieve employees needing meal
28 period coverage, and Plaintiff and other non-party Aggrieved Employees were not always

1 afforded uninterrupted 30-minute meal periods during shifts when they were entitled to
2 receive a meal period. Defendants also had a practice of failing to schedule meal periods,
3 which further caused Plaintiff and other non-party Aggrieved Employees to not be relieved of
4 their duties for compliant meal periods. For example, Plaintiff sometimes worked through her
5 meal periods or had her meal periods interrupted by management to discuss work-related
6 matters because there were too few employees to handle the workload. However, Defendants
7 did not compensate Plaintiff and other non-party Aggrieved Employees for the time they spent
8 working off the clock during meal periods.

9 62. Moreover, Defendants had, and continue to have, a policy and/or practice of
10 requiring that Plaintiff and other non-party Aggrieved Employees respond to calls their
11 personal cellular phones within 15 minutes of receiving them at all times, including during
12 meal periods. As a result, Defendants' management contacted Plaintiff and other non-party
13 Aggrieved Employees on their cellular phones during unpaid meal periods to discuss work-
14 related matters. Defendants knew or should have known that Plaintiff and other non-party
15 Aggrieved Employees were performing work while off-the-clock in order to meet Defendants'
16 expectations, but failed to compensate them for this time.

17 63. Third, Defendants' company-wide timekeeping system prevented Plaintiff and
18 other non-party Aggrieved Employees from recording all hours worked when their meal
19 periods were shortened or interrupted, because the system locked out Plaintiff and other non-
20 party Aggrieved Employees once they clocked out for a meal period, and would not permit
21 them to clock back in from a meal period before 30 minutes had elapsed. Thus, Defendants
22 did not record all hours worked during meal periods, and Plaintiff and other non-party
23 Aggrieved Employees performed work during meal periods for which they were not paid.

24 64. Defendants knew or should have known that as a result of these company-wide
25 practices and/or policies, Plaintiff and other non-party Aggrieved Employees were performing
26 their assigned duties off-the-clock after their shifts and during meal periods, and were suffered
27 or permitted to perform work for which they were not paid. Because Plaintiff and other non-
28 party Aggrieved Employees worked shifts of eight (8) hours or more a day, or forty (40) hours

1 a week or more, some of this off-the-clock work qualified for overtime premium pay.
2 Therefore, Plaintiff and other non-party Aggrieved Employees were not paid overtime wages
3 for all of the overtime hours they actually worked.

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

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

25 67. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
26 the balance of overtime compensation as required by California law, violates the provisions of
27 California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved
28 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections

1 558 and/or 2699(a), (f), and (k)\.

2 **FAILURE TO PAY MINIMUM WAGES**

3 **VIOLATION OF LABOR CODE SECTIONS 1182.12, 1194, 1197, AND 1198**

4 68. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
5 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage
6 to be paid to employees, and the payment of a wage less than the minimum so fixed is
7 unlawful. Compensable work time is defined in IWC Wage Order No. 4-2001 as “the time
8 during which an employee is subject to the control of an employer, and includes all the time
9 the employee is suffered or permitted to work, whether or not required to do so.” Cal. Code
10 Regs. Tit. 8, § 11040(2)(L) (defining “Hours Worked”).

11 69. As set forth above, during the relevant time period, Defendants had a company-
12 wide policy and/or practice requiring Plaintiff and other non-party Aggrieved Employees to
13 perform work-related tasks while off-the-clock outside of their scheduled shifts, including
14 communicating with Defendants’ management via phone calls and text messages to discuss
15 work-related matters. Defendants failed to track this time Plaintiff and other non-party
16 Aggrieved Employees spent working off-the-clock, and Plaintiff and other non-party
17 Aggrieved Employees received no compensation for this time.

18 70. Further, as also stated, due to Defendants’ policies and/or practices of
19 understaffing their locations while assigning heavy workloads, failing to schedule meal
20 periods, and requiring employees to respond to phone communications, Plaintiff and other
21 non-party Aggrieved Employees were impeded from taking all uninterrupted meal periods to
22 which they were entitled and were required to work off-the-clock during meal periods, have
23 their meal periods interrupted, and/or were otherwise not relieved of all duties during unpaid
24 meal periods.

25 71. Moreover, as stated, Defendants’ company-wide timekeeping system prevented
26 Plaintiff and other non-party Aggrieved Employees from entering time worked during meal
27 periods because the system locked out Plaintiff and other non-party Aggrieved Employees for
28 a full 30 minutes. Thus, Defendants systematically failed to pay Plaintiff and other non-party

1 Aggrieved Employees for actual hours worked during unpaid meal periods because these
2 hours were not always correctly recorded.

3 72. Defendants did not pay minimum wages for all hours worked by Plaintiff and
4 other non-party Aggrieved Employees. To the extent that these off-the-clock hours did not
5 qualify for overtime premium payment, Defendants did not pay at least minimum wages for
6 those hours worked off-the-clock in violation of California Labor Code sections 1182.12,
7 1194, 1197, and 1198.

8 73. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
9 minimum wages as required by California law, violates California Labor Code sections
10 1182.12, 1194, 1197, and 1198. Plaintiff and other non-party Aggrieved Employees are
11 therefore entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and
12 (k).

13 **FAILURE TO PROVIDE AND RECORD MEAL PERIODS**
14 **VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198**

15 74. At all relevant times herein set forth, the applicable IWC Wage Order and
16 California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and
17 other non-party Aggrieved Employees' employment by Defendants.

18 75. At all relevant times herein set forth, California Labor Code section 512(a)
19 provides that an employer may not require, cause, or permit an employee to work for a period
20 of more than five (5) hours per day without providing the employee with a meal period of not
21 less than thirty (30) minutes, except that if the total work period per day of the employee is
22 not more than six (6) hours, the meal period may be waived by mutual consent of both the
23 employer and the employee. Under California law, first meal periods must start after no more
24 than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012).

25 76. At all relevant times herein set forth, California Labor Code sections 226.7,
26 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
27 meal period mandated by an applicable order of the IWC.

28 77. At all relevant times herein set forth, Labor Code sections 226.7 and 512(a),

1 and the applicable IWC Wage Order also require employers to provide a second meal period
2 of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay
3 an employee one (1) additional hour of pay at the employee's regular rate, except that if the
4 total hours worked is no more than twelve (12) hours, the second meal period may be waived
5 by mutual consent of the employer and the employee only if the first meal period was not
6 waived.

7 78. First, as stated, Defendants had, and continue to have, company-wide policies
8 and/or practices of understaffing their locations while assigning heavy workloads, which has
9 resulted in a lack of meal period coverage and prevented Plaintiff and other non-party
10 Aggrieved Employees from taking all timely, uninterrupted meal periods to which they were
11 entitled. Additionally, as stated, Defendants maintained and implemented a company-wide
12 practice of failing to schedule meal periods, which further caused Plaintiff and other non-party
13 Aggrieved Employees to not be relieved of their duties for compliant meal periods.
14 Furthermore, as also stated, Defendants had, and continue to have, a company-wide policy
15 and/or practice of requiring that Plaintiff and other non-party Aggrieved Employees respond
16 to communications on their personal cellular phones, including during meal periods.

17 79. As a result, Plaintiff and other non-party Aggrieved Employees had to work
18 through all or part of their meal periods, had their meal periods interrupted, and/or had to wait
19 extended periods of time before taking meal periods. For example, Plaintiff sometimes
20 missed her meal periods or had her meal periods interrupted by management calling her to
21 discuss work-related matters. Additionally, Plaintiff frequently took her meal periods late,
22 after the fifth hour of work, due to the lack of coverage and heavy workload.

23 80. Second, as stated, Defendants' company-wide timekeeping system prevented
24 Plaintiff and other non-party Aggrieved Employees from recording when their meal periods
25 were shortened or interrupted, because the system locked out Plaintiff and other non-party
26 Aggrieved Employees once they clocked out for a meal period, and would not permit them to
27 clock back in from a meal period before 30 minutes had elapsed.

28 81. Third, Defendants did not provide Plaintiff and other non-party Aggrieved

1 Employees with second 30-minute meal periods on days that they worked in excess of 10
2 hours in one day. For example, during the relevant time period, Plaintiff sometimes worked
3 shifts in excess of 10 hours in one day and did not receive a second meal period. Plaintiff and
4 other non-party Aggrieved Employees did not sign valid meal period waivers on days that
5 they were entitled to meal periods and were not relieved of all duties.

6 82. At all times herein mentioned, Defendants knew or should have known that, as
7 a result of these policies, Plaintiff and other non-party Aggrieved Employees were prevented
8 from being relieved of all duties to take timely, uninterrupted meal periods. Defendants
9 further knew or should have known that Defendants did not pay Plaintiff and other non-party
10 Aggrieved Employees all meal period premiums when meal periods were late, interrupted,
11 shortened, and/or missed.

12 83. Moreover, Defendants engaged in a company-wide practice and/or policy of
13 not paying all meal period premiums owed when compliant meal periods are not provided.
14 Because of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees
15 have not received premium pay for all missed, late, and interrupted meal periods.
16 Alternatively, to the extent that Defendants did pay Plaintiff and other non-party Aggrieved
17 Employees premium pay for missed, late, and interrupted meal periods, Defendants did not
18 pay Plaintiff and other non-party Aggrieved Employees at the correct rate of pay for
19 premiums because Defendants systematically failed to include all forms of compensation,
20 such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the
21 regular rate of pay. As a result, Defendants failed to provide Plaintiff and other non-party
22 Aggrieved Employees compliant meal periods in violation of California Labor Code sections
23 226.7, 512(a), and 516 and failed to pay the full meal period premiums due.

24 84. Defendants' conduct violates the applicable IWC Wage Order, and California
25 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved
26 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
27 558 and/or 2699(a), (f), and (k).

28 //

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS
VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198

85. At all relevant times herein set forth, the applicable IWC Wage Order and California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff's and other non-party Aggrieved Employees' employment by Defendants.

86. At all relevant times, 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.

87. At all relevant times, 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. To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

88. During the relevant time period, Defendants regularly failed to authorize and permit Plaintiff and other non-party 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, Defendants' company-wide policies and/or practices of understaffing and assigning heavy workloads resulted in a lack of rest period coverage and prevented Plaintiff and other non-party Aggrieved Employees from being relieved of all duty in order to take compliant rest periods. Defendants also failed to schedule rest periods, which, coupled with Defendants' failure to provide adequate rest period coverage, further led to Plaintiff and other non-party Aggrieved Employees not being authorized and permitted to take rest periods.

1 89. Furthermore, during the relevant time period, on information and belief,
2 Defendants maintained a company-wide on-premises rest period policy, which effectively
3 required that Plaintiff and/or other non-party Aggrieved Employees remain on the work
4 premises during their rest periods. Because Plaintiff and/or other non-party Aggrieved
5 Employees were restricted from leaving the premises during rest periods, they were denied the
6 ability to use their rest periods freely for their own purposes, such as running personal errands.
7 Thus, Defendants effectively maintained control over Plaintiff and/or other non-party
8 Aggrieved Employees during rest periods.

9 90. As a result of Defendants' practices and policies, Plaintiff and other non-party
10 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
11 excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled.
12 For example, Plaintiff regularly had to forgo her rest periods due to the lack of coverage and
13 heavy workload.

14 91. Defendants have also engaged in a company-wide practice and/or policy of not
15 paying rest period premiums owed when compliant rest periods are not authorized and
16 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
17 Employees have not received premium pay for all missed rest periods. Alternatively, to the
18 extent that Defendants did pay Plaintiff and other non-party Aggrieved Employees one (1)
19 additional hour of premium pay for missed rest periods, Defendants did not pay Plaintiff and
20 other non-party Aggrieved Employees at the correct rate of pay for premium wages because
21 Defendants failed to include all forms of compensation, such as incentive pay,
22 nondiscretionary bonuses, and/or other forms of compensation, in the regular rate of pay. As
23 a result, Defendants denied Plaintiff and other non-party Aggrieved Employees rest periods
24 and failed to pay them rest period premiums due, in violation of Labor Code sections 226.7
25 and 516, and the applicable IWC Wage Order.

26 92. Defendants' conduct violates the applicable IWC Wage Order and California
27 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved
28 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections

558 and/or 2699(a), (f), and (k).

FAILURE TO PROVIDE AND MAINTAIN COMPLIANT WAGE STATEMENTS

VIOLATION OF LABOR CODE SECTIONS 226(a), 1174(d), AND 1198

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

94. At all relevant times, Defendants have knowingly and intentionally provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and inaccurate wage statements. For example, Defendants issued uniform wage statements to Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the address of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9).

95. Because Defendants did not record the time Plaintiff and other non-party 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), Defendants did not list the correct amount of gross wages and net wages earned by Plaintiff and other non-party Aggrieved Employees in compliance with sections 226(a)(1) and 226(a)(5). For the same reason, Defendants failed to accurately list the total number of hours worked by Plaintiff and other non-party 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).

96. Moreover, because Defendants did not calculate Plaintiff's and other non-party

1 Aggrieved Employees' regular rate of pay correctly for purposes of paying overtime wages,
2 meal and rest period premiums, and/or paid sick leave, Defendants did not list the correct
3 amount of gross wages in compliance with section 226(a)(1). For the same reason,
4 Defendants failed to list the correct amount of net wages in violation of section 226(a)(5).
5 Defendants also failed to correctly list all applicable hourly rates in effect during the pay
6 period, namely, correct rates of pay for overtime wages, meal and rest period premiums,
7 and/or paid sick leave, in violation of section 226(a)(9).

8 97. In addition, and separate from these violations, Defendants issued uniform
9 wage statements to Plaintiff and other non-party Aggrieved Employees that fail to list the
10 correct name and address of the legal entity of the actual employer in violation of Labor Code
11 section 226(a)(8). The purpose of section 226(a)(8) is to provide California employees with
12 transparency as to the true identity of their employer, to allow the employee to contact their
13 employer during employment or in the future for various reasons, including filing an
14 administrative claim, judicial claim, or other action to seek relief against their employer,
15 obtain unemployment benefits, etc. This includes providing employees with a physical
16 address of the employer and not a Post Office Box. Plaintiff's and other non-party Aggrieved
17 Employees' wage statements incorrectly list the employer's address as "PO Box 779000
18 Rocklin, CA 95677" but, according to the California Secretary of State's website, the correct
19 address is "2240 DOUGLAS BLVD, STE 100, ROSEVILLE, CA 95661."

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

28 99. 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” At all relevant times, and in violation of Labor Code section 1174(d), Defendants willfully failed to maintain accurate payroll records for Plaintiff and other non-party 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.

100. 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, Defendants 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 Plaintiff and other non-party Aggrieved Employees, in violation of section 1198. Also, in light of Defendants’ failure to provide Plaintiff and other non-party Aggrieved Employees with second 30-minute meal periods to which they were entitled, Defendants kept no records of meal start and end times for second meal periods.

101. Defendants’ conduct violates California Labor Code sections 226(a), 1174(d), and 1198. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k)..

FAILURE TO PAY ALL VESTED VACATION TIME UPON TERMINATION

VIOLATION OF LABOR CODE SECTION 227.3

102. At all relevant times herein set forth, California Labor Code section 227.3

1 provides that whenever a contract of employment or employer policy provides for paid
2 vacations, and an employee is terminated without having taken his or her vested vacation
3 time, all vested vacation shall be paid to him or her as wages at his or her final rate in
4 accordance with such contract of employment or employer policy respecting eligibility or time
5 served.

6 103. During the relevant time period, Defendants had a company-wide policy and
7 practice of failing to pay Plaintiff and other non-party Aggrieved Employees vested vacation
8 wages that were owed to them at the end of their employment, in violation of California Labor
9 Code section 227.3. Specifically, Defendants failed to properly calculate and pay all earned
10 vested vacation time due to the hours Plaintiff and other non-party Aggrieved Employees
11 worked off-the-clock pursuant to their company-wide policies and/or practices.

12 104. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
13 all vested vacation wages at the end of their employment has caused a forfeiture of vested
14 vacation wages, in violation of California Labor Code section 227.3. Plaintiff and other non-
15 party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor
16 Code sections 2699(a), (f), and (k).

17 **FAILURE TO PAY WAGES UPON TERMINATION**

18 **VIOLATION OF LABOR CODE SECTIONS 201 AND 202**

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

26 106. Defendants willfully failed to pay Plaintiff and other non-party Aggrieved
27 Employees who are no longer employed by Defendants all their earned wages, including, but
28 not limited to, overtime wages, minimum wages, meal and rest period premiums, vested

1 vacation wages, and/or sick leave pay, either at the time of discharge, or within seventy-two
2 (72) hours of their leaving Defendants' employ.

3 107. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
4 who are no longer employed by Defendants their wages earned and unpaid at the time of
5 discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates
6 Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are
7 therefore entitled to recover civil penalties pursuant to Labor Code sections 256 and/or
8 2699(a), (f), and (k).

9 **FAILURE TO PAY WAGES DURING EMPLOYMENT**

10 **VIOLATION OF LABOR CODE SECTION 204**

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

20 109. At all times relevant herein, Labor Code section 204 provides that all wages
21 earned for labor in excess of the normal work period shall be paid no later than the payday for
22 the next regular payroll period. Alternatively, at all times relevant herein, Labor Code section
23 204 provides that the requirements of this section are deemed satisfied by the payment of
24 wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than
25 seven (7) calendar days following the close of the payroll period.

26 110. During the relevant time period, Defendants willfully failed to pay Plaintiff and
27 other non-party Aggrieved Employees all wages due including, but not limited to, overtime
28 wages, minimum wages, meal and rest period premiums, and/or sick leave pay within the time

1 periods specified by California Labor Code section 204.

2 111. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
3 all wages due violates Labor Code section 204. Plaintiff and other non-party Aggrieved
4 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
5 210 and/or 2699(a), (f), and (k).

6 **FAILURE TO PROPERLY CALCULATE SICK LEAVE RATES OF PAY**

7 **VIOLATION OF LABOR CODE SECTION 246**

8 112. At all relevant times herein, California Labor Code sections 245.5, 246, 246.5,
9 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more
10 days from the commencement of employment with paid sick days, to be accrued at least one
11 hour for every 30 hours worked. California Labor Code section 246(l) provides that an
12 employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time
13 for nonexempt employees shall be calculated in the same manner as the regular rate of pay for
14 the workweek in which the employee uses paid sick time, whether or not the employee
15 actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt
16 employees shall be calculated by dividing the employee's total wages, not including overtime
17 premium pay, by the employee's total hours worked in the full pay periods of the prior 90
18 days of employment."

19 113. During the relevant time period, Defendants did not pay Plaintiff and other non-
20 party Aggrieved Employees the correct sick leave rates of pay. Defendants failed to correctly
21 use either method of calculation under Labor Code section 246(l) to determine Plaintiff's and
22 other non-party Aggrieved Employees' sick leave rates of pay. As stated, in addition to an
23 hourly wage, Defendants paid Plaintiff and other non-party Aggrieved Employees incentive
24 pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of
25 the California Labor Code, Defendants failed to incorporate all remunerations, including
26 incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay
27 for purposes of calculating the sick leave pay rate. Therefore, during times when Plaintiff and
28 other non-party Aggrieved Employees took sick leave and received these other forms of pay,

Defendants failed to pay all sick leave benefits by paying a lower sick leave pay rate than required. Specifically, Defendants paid Plaintiff and other non-party Aggrieved Employees sick leave based on their hourly rate of pay instead of their regular rate of pay.

114. Defendants' failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to Plaintiff and other non-party Aggrieved Employees on a company-wide basis in violation of California Labor Code section 246(l).

115. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 248.5 and/or 2699(a), (f), and (k).

FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES

VIOLATION OF LABOR CODE SECTION 2802

116. At all times herein set forth, California Labor Code section 2802 provides that an employer must reimburse employees 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. 4-2001, 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."

117. During the relevant time period, Defendants, on a company-wide basis, required that Plaintiff and other non-party Aggrieved Employees use their own personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties, but failed to fully reimburse them for all of the costs of their work-related mobile device expenses. For example, Plaintiff and other non-party Aggrieved Employees were required to use their personal mobile devices for work-related tasks, including

1 communicating with management regarding work-related issues, and downloading and using
2 various mobile applications such as “Outlook” and “Microsoft Teams.” Although Defendants
3 required Plaintiff and other non-party Aggrieved Employees to utilize their personal mobile
4 devices and/or mobile data to carry out their work-related responsibilities, Defendants failed
5 to fully reimburse them for these costs.

6 118. Defendants could have provided Plaintiff and other non-party Aggrieved
7 Employees with actual equipment for use on the job, such as company mobile devices; or
8 Defendants could have reimbursed employees for the costs of their mobile device usage.
9 Instead, Defendants passed these operating costs onto Plaintiff and other non-party Aggrieved
10 Employees.

11 119. Defendants’ company-wide policy and/or practice of not reimbursing
12 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
13 and other non-party Aggrieved Employees violates California Labor Code section 2802.

14 120. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
15 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (k).

16 **PRAYER FOR RELIEF**

17 Plaintiff, on behalf of all other non-party Aggrieved Employees, prays for relief and
18 judgment against Defendants, jointly and severally, as follows:

19 1. For damages, civil penalties, injunctive relief, and attorneys’ fees in excess of
20 thirty-five thousand dollars (\$35,000). Plaintiff reserves the right to amend her prayer for
21 relief to seek a different amount.

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

23 2. That the Court declare, adjudge and decree that Defendants violated the
24 following California Labor Code provisions as to Plaintiff and/or other non-party Aggrieved
25 Employees: 510 and 1198 (by failing to pay all overtime compensation); 226.7, 510, and 1198
26 (by failing to include all forms of remuneration in the regular rate of pay for purposes of paying
27 overtime wages and/or meal and rest period premiums); 1182.12, 1194, 1197, and 1198 (by
28 failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516, and 1198 (by

1 failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and permit all
2 rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage statements and
3 maintain accurate payroll records); 227.3 (by failing to pay all vested vacation time upon
4 termination); 201 and 202 (by failing to timely pay all earned wages upon termination); 204 (by
5 failing to timely pay all earned wages during employment); 246 (by failing to properly calculate
6 sick leave pay); and 2802 (by failing to reimburse business expenses);

7 3. For civil penalties, pursuant to California Labor Code sections 210, 226.3,
8 248.5, 256, 558, 1174.5, 2699(a), (f), and (k), for violations of California Labor Code sections
9 201, 202, 204, 226(a), 226.7, 227.3, 246, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197,
10 1198, and 2802;

11 4. For injunctive relief pursuant to California Labor Code sections 1194.5 and/or
12 2699(k) to bring Defendants into compliance with the requirements of California Labor Code
13 sections 201, 202, 204, 226(a), 226.7, 227.3, 246, 510, 512(a), 516, 1174(d), 1182.12, 1194,
14 1197, 1198, and 2802;

15 5. For attorneys' fees and costs pursuant to California Labor Code section
16 2699(k)(1), and any and all other relevant statutes, for Defendants' violations of California
17 Labor Code sections 201, 202, 204, 226(a), 226.7, 227.3, 246, 510, 512(a), 516, 1174(d),
18 1182.12, 1194, 1197, 1198, and 2802;

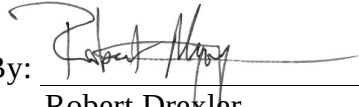
19 6. For pre-judgment and post-judgment interest as provided by law; and

20 7. For such other and further relief as the Court may deem equitable and
21 appropriate.

22
23 Dated: January 26, 2026

Respectfully submitted,

Capstone Law APC

24
25
26 By: 

Robert Drexler
Jonathan Lee
Robert Myong

27
28 Attorneys for Plaintiff Irene Castro

EXHIBIT “1”

MAO SHIOKURA
310.712.8030 Direct
Mao.Shiokura@capstonelawyers.com

October 8, 2025

VIA ONLINE SUBMISSION

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

Subject: *Irene Castro v. Five Star Bank, et al.*

Dear PAGA Administrator:

This office represents Irene Castro in connection with her claims under the California Labor Code. Ms. Castro was an employee of FIVE STAR BANK and/or FIVE STAR BANCORP. For the purpose of this letter, Ms. Castro collectively refers to these entities as “FIVE STAR.”

The employers may be contacted directly at the addresses below:

FIVE STAR BANK
2240 DOUGLAS BLVD STE 100
ROSEVILLE, CA 95661

FIVE STAR BANCORP
3100 ZINFANDEL DR STE 650
RANCHO CORDOVA, CA 95670

Ms. Castro 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”). Ms. Castro seeks relief on behalf of herself, the State of California, and other persons who are or were employed by FIVE STAR 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.

FIVE STAR employed Ms. Castro as an hourly paid, non-exempt employee from approximately January 2022 to July 2025. Ms. Castro worked for FIVE STAR as a Relationship Manager, Relationship Specialist, and Deposit Administration Specialist at their location in Rancho Cordova, California. During her employment, Ms. Castro typically worked eight (8) hours or more per day and five (5) days per week. At the time Ms. Castro’s employment with FIVE STAR ended, she earned approximately \$41.52 per hour. Her job duties included, without limitation, auditing new deposit accounts, ensuring documents were accurate and up to date, performing audits, and assisting with reports.

FIVE STAR has committed each of the following Labor Code violations against Ms. Castro, the facts and theories of which follow, making her an “aggrieved employee” pursuant to California Labor Code section 2699(c)(1):¹

FIVE STAR’s Company-Wide and Uniform Payroll and HR Practices

FIVE STAR BANK and FIVE STAR BANCORP are California corporations. Together, they are a community business bank specializing in providing banking services and loans to the local business community with nine (9) locations in Northern California. Upon information and belief, FIVE STAR maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Roseville, California, and/or Rancho Cordova, California, for all non-exempt, hourly paid employees working for FIVE STAR in California, including Ms. Castro and other aggrieved employees. At all relevant times, FIVE STAR issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Castro and other aggrieved employees, regardless of their location or position.

Upon information and belief, FIVE STAR maintains a centralized Payroll department at its corporate headquarters in Roseville, California, and/or Rancho Cordova, California, which processes payroll for all non-exempt, hourly paid employees working for FIVE STAR in California, including Ms. Castro and other aggrieved employees. Further, FIVE STAR issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees in California, including Ms. Castro and other aggrieved employees, irrespective of their location, position, or manner in which each employee’s employment ended. In other words, FIVE STAR utilized the same methods and formulas when calculating wages due to Ms. Castro 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 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.

FIVE STAR willfully failed to pay all overtime wages owed to Ms. Castro and other aggrieved employees. During the relevant time period, Ms. Castro and other aggrieved employees were not

¹ These facts, theories, and claims are based on Ms. Castro’s experience and counsel’s review of those records currently available relating to Ms. Castro’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, Ms. Castro reserves the right to supplement this letter with additional facts, theories, and claims if she becomes aware of them subsequent to the submission of this letter.

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, FIVE STAR had, and continues to have, a company-wide policy and/or practice of requiring Ms. Castro and other aggrieved employees to perform work off-the-clock after their scheduled shifts. For example, at least twice per week, after clocking out, Ms. Castro was required to answer phone calls and text messages from FIVE STAR's management to discuss work-related matters and progress on outstanding tasks. Ms. Castro spent up to 15 minutes each occurrence addressing these communications, time for which she was not paid. FIVE STAR failed to track all of the time that employees spent performing work-related tasks outside of their shifts, and Ms. Castro and other aggrieved employees received no compensation for this time.

Second, FIVE STAR had, and continues to have, company-wide policies and/or practices of understaffing its locations and assigning heavy workloads, including implementing productivity goals, which resulted in a failure to provide Ms. Castro and other aggrieved employees with adequate meal period coverage, because there were too few employees on duty to handle the workload. Because FIVE STAR did not employ or staff a sufficient number of employees, there was no one available to relieve employees needing meal period coverage, and Ms. Castro and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. FIVE STAR also had a practice of failing to schedule meal periods, which further caused Ms. Castro and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Ms. Castro sometimes worked through her meal periods or had her meal periods interrupted by management to discuss work-related matters because there were too few employees to handle the workload. However, FIVE STAR did not compensate Ms. Castro and other aggrieved employees for the time they spent working off the clock during unpaid meal periods.

Moreover, FIVE STAR had, and continues to have, a policy and/or practice of requiring that Ms. Castro and other aggrieved employees carry their personal cellular phones at all times and respond to calls within 15 minutes of receiving them. As a result, FIVE STAR's management contacted Ms. Castro and other aggrieved employees on their cellular phones during unpaid meal periods to discuss work-related matters. FIVE STAR knew or should have known that Ms. Castro and other aggrieved employees were performing work while off-the-clock in order to meet FIVE STAR's expectations, but failed to compensate them for this time.

Third, FIVE STAR's company-wide timekeeping system prevented Ms. Castro and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Ms. Castro 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. Thus, FIVE STAR did not record all hours worked during meal periods, and Ms. Castro and other aggrieved employees performed work during meal periods for which they were not paid.

FIVE STAR knew or should have known that as a result of these company-wide practices and/or policies, Ms. Castro and other aggrieved employees were performing their assigned duties off-the-clock after their scheduled shifts and during meal periods, and were suffered or permitted to perform work for which they were not paid. Because Ms. Castro 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, Ms. Castro and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Moreover, FIVE STAR did not pay Ms. Castro and other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, FIVE STAR paid Ms. Castro and other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, FIVE STAR 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 Ms. Castro and other aggrieved employees worked overtime and received these other forms of pay, FIVE STAR failed to pay all overtime wages by paying a lower overtime rate than required.

For example, FIVE STAR paid Ms. Castro and other aggrieved employees incentive pay and/or nondiscretionary bonuses which were listed on Ms. Castro's and other aggrieved employees' wage statements as "Bonus." During pay periods that Ms. Castro and other aggrieved employees were paid overtime wages, FIVE STAR did not incorporate the incentive pay and/or nondiscretionary bonuses into Ms. Castro'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, FIVE STAR paid Ms. Castro and other aggrieved employees 1.5 times their hourly rate of pay instead of 1.5 times their regular rate of pay. FIVE STAR's failure to properly calculate the overtime rates of pay based on all remuneration paid has resulted in an underpayment of overtime wages to Ms. Castro and other aggrieved employees on a company-wide basis.

FIVE STAR's failure to pay Ms. Castro 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. Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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 IWC Wage Order No. 4-2001 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, whether or not required to do so." Cal. Code Regs. Tit. 8, § 11040(2)(L) (defining "Hours Worked").

As set forth above, during the relevant time period, FIVE STAR had a company-wide policy and/or practice requiring Ms. Castro and other aggrieved employees to perform work-related tasks while off-the-clock outside of their scheduled shifts, including communicating with FIVE STAR's management via phone calls and text messages to discuss work-related matters. FIVE STAR failed to track this time Ms. Castro and other aggrieved employees spent working off-the-clock, and Ms. Castro and other aggrieved employees received no compensation for this time.

Further, as also stated, due to FIVE STAR's policies and/or practices of understaffing its locations while assigning heavy workloads, failing to schedule meal periods, and requiring employees to respond to phone communications, Ms. Castro 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.

Moreover, as stated, FIVE STAR's company-wide timekeeping system prevented Ms. Castro and other aggrieved employees from entering time worked during meal periods because the system locked out Ms. Castro and other aggrieved employees for a full 30 minutes. Thus, FIVE STAR systematically failed to pay Ms. Castro and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

FIVE STAR did not pay at least minimum wages for all hours worked by Ms. Castro and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, FIVE STAR 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, FIVE STAR regularly failed to pay at least minimum wages to Ms. Castro 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. Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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, as stated, FIVE STAR had, and continues to have, company-wide policies and/or practices of understaffing its locations while assigning heavy workloads, which has resulted in a lack of meal period coverage and prevented Ms. Castro and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. Additionally, as stated, FIVE STAR

maintained and implemented a company-wide practice of failing to schedule meal periods, which further caused Ms. Castro and other aggrieved employees to not be relieved of their duties for compliant meal periods. Furthermore, as also stated, FIVE STAR had, and continues to have, a company-wide policy and/or practice of requiring that Ms. Castro and other aggrieved employees respond to communications on their personal cellular phones, including during meal periods.

As a result, Ms. Castro 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. For example, Ms. Castro sometimes missed her meal periods or had her meal periods interrupted by management calling her to discuss work-related matters. Additionally, Ms. Castro frequently took her meal periods late, after the fifth hour of work, due to the lack of coverage and heavy workload.

Second, as stated, FIVE STAR's company-wide timekeeping system prevented Ms. Castro and other aggrieved employees from recording when their meal periods were shortened or interrupted, because the system locked out Ms. Castro 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, FIVE STAR did not provide Ms. Castro and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of 10 hours in one day. For example, during the relevant time period, Ms. Castro sometimes worked shifts in excess of 10 hours in one day and did not receive a second meal period. Ms. Castro 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, FIVE STAR knew or should have known that, as a result of these policies, Ms. Castro and other aggrieved employees were prevented from being relieved of all duties and were required to perform some of their assigned duties during meal periods. FIVE STAR further knew or should have known that FIVE STAR did not pay Ms. Castro and other aggrieved employees meal period premiums when meal periods were missed, shortened, interrupted, and/or late.

Furthermore, FIVE STAR 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, Ms. Castro and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods. Alternatively, to the extent that FIVE STAR did pay Ms. Castro and other aggrieved employees premium pay for missed, late, and interrupted meal periods, FIVE STAR did not pay Ms. Castro and other aggrieved employees at the correct rate of pay for premiums because FIVE STAR 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, FIVE STAR failed to provide Ms. Castro 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, FIVE STAR failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, FIVE STAR regularly failed to authorize and permit Ms. Castro 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, FIVE STAR's company-wide policies and/or practices of understaffing and assigning heavy workloads resulted in a lack of rest period coverage and prevented Ms. Castro and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. FIVE STAR also failed to schedule rest periods, which, coupled with FIVE STAR's failure to provide adequate rest period coverage, further led to Ms. Castro and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, upon information and belief, during the relevant time period, FIVE STAR maintained a company-wide on-premises rest period policy, which effectively required that Ms. Castro and/or other aggrieved employees remain on the work premises during their rest periods. Because Ms. Castro and/or 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, FIVE STAR effectively maintained control over Ms. Castro and/or aggrieved employees during rest periods.

As a result of FIVE STAR's practices and policies, Ms. Castro and/or 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, Ms. Castro regularly had to forgo her rest periods due to the lack of coverage and heavy workload.

FIVE STAR has also 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, Ms. Castro and other aggrieved employees have not received premium pay for non-compliant rest periods. Alternatively, to the extent that FIVE STAR did pay Ms. Castro and other aggrieved employees one (1) additional hour of premium pay for missed rest periods, FIVE STAR did not pay Ms. Castro and other aggrieved employees at the correct rate of pay for premiums because FIVE STAR 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, FIVE STAR denied Ms. Castro and other aggrieved employees rest periods and failed to pay them rest period premiums due, in violation of Labor Code sections 226.7 and 516, and the applicable IWC Wage Order.

Accordingly, FIVE STAR failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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. FIVE STAR has not provided Ms. Castro 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, FIVE STAR has knowingly and intentionally provided Ms. Castro and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, FIVE STAR issued uniform wage statements to Ms. Castro and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the address of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, FIVE STAR violated sections 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9).

Because FIVE STAR did not record the time Ms. Castro 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), FIVE STAR did not list the correct amount of gross wages and net wages earned by Ms. Castro and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, FIVE STAR failed to accurately list the total number of hours worked by Ms. Castro 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 FIVE STAR did not calculate Ms. Castro's and other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, meal and rest period premiums, and/or paid sick leave, FIVE STAR did not list the correct amount of gross wages in compliance with section 226(a)(1). For the same reason, FIVE STAR failed to list the correct amount of net wages in

violation of section 226(a)(5). FIVE STAR also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, in violation of section 226(a)(9).

In addition, and separate from these violations, FIVE STAR issued uniform wage statements to Ms. Castro and other aggrieved employees that fail to list the correct name and address of the legal entity of the actual employer in violation of Labor Code section 226(a)(8). The purpose of section 226(a)(8) is to provide California employees with transparency as to the true identity of their employer, to allow the employee to contact their employer during employment or in the future for various reasons, including filing an administrative claim, judicial claim, or other action to seek relief against their employer, obtain unemployment benefits, etc. This includes providing employees with a physical address of the employer and not a Post Office Box. Ms. Castro's and other aggrieved employees' wage statements incorrectly list the employer's address as "PO Box 779000 Rocklin, CA 95677" but, according to the California Secretary of State's website, the correct address is "2240 DOUGLAS BLVD, STE 100, ROSEVILLE, CA 95661." *See example paystub below.*

Five Star Bank PO Box 779000 Rocklin, CA 95677 916-626-5000 | FEIN: [REDACTED] | CA: [REDACTED]

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 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), FIVE STAR willfully failed to maintain accurate payroll records for Ms. Castro 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, FIVE STAR engaged in company-wide practices and/or policies of failing to keep accurate records of work period and meal period start and end times for Ms. Castro and other aggrieved employees, in violation of section 1198. Furthermore, in light of FIVE STAR's

failure to provide Ms. Castro and other aggrieved employees with second 30-minute meal periods to which they were entitled, FIVE STAR kept no records of meal start and end times for second meal periods.

Because FIVE STAR failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Castro 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, Ms. Castro 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.

Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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, FIVE STAR failed to pay Ms. Castro and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, within any time period specified by California Labor Code section 204.

Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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.

FIVE STAR willfully failed to pay Ms. Castro and other aggrieved employees who are no longer employed by FIVE STAR all their earned wages, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, vested vacation wages, and/or sick leave pay, either at the time of discharge, or within seventy-two (72) hours of their leaving FIVE STAR's employ.

Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR 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 § 227.3 – Failure to Pay Vested Vacation Wages

California Labor Code section 227.3 provides that if a contract of employment or employer policy provides for paid vacations and an employer terminates an employee, all vested vacation shall be paid to the employee at the employee's final rate of pay, in accordance with such contract of employment or employer policy respecting eligibility or time served. Vacation time vests on a pro-rata basis and, upon termination, an employee is entitled to a pro rata share of vested vacation pay. An employer may not require an employee to forfeit earned but unused vacation pay.

During the relevant time period, FIVE STAR had a company-wide policy and practice of failing to pay Ms. Castro and other aggrieved employees all vested vacation wages that were owed to them at the end of their employment, in violation of California Labor Code section 227.3. Specifically, FIVE STAR failed to properly calculate and pay all earned vested vacation time due to the hours Ms. Castro and other aggrieved employees worked off-the-clock pursuant to their company-wide policies and/or practices.

FIVE STAR's failure to pay other Ms. Castro and other aggrieved employees all vested vacation wages at the end of their employment has caused a forfeiture of vested vacation wages in violation of California Labor Code section 227.3. Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR into compliance with Labor Code section 227.3, pursuant to Labor Code sections 2699(a), (f), and (k).

Violation of California Labor Code § 246 – Failure to Properly Calculate Paid Sick Leave

At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. California Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

During the relevant time period, FIVE STAR did not pay Ms. Castro and other aggrieved employees the correct sick leave rates of pay. In addition to an hourly wage, FIVE STAR paid Ms. Castro and other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of

remuneration. However, in violation of the California Labor Code, FIVE STAR failed to incorporate all remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave pay rate. Therefore, during times when Ms. Castro and other aggrieved employees took sick leave and received these other forms of pay, FIVE STAR failed to pay all sick leave benefits by paying a lower sick leave pay rate than required. Specifically, FIVE STAR paid Ms. Castro and other aggrieved employees sick leave based on their hourly rate of pay instead of their regular rate of pay.

FIVE STAR's failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to Ms. Castro and other aggrieved employees on a company-wide basis in violation of Labor Code section 246(l).

Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR into compliance with Labor Code section 246, pursuant to Labor Code sections 248.5 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. 4-2001, 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."

During the relevant time period, FIVE STAR, on a company-wide basis, required Ms. Castro and other aggrieved employees to 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 fully reimburse them for the costs of their work-related mobile device and/or mobile data expenses. For example, Ms. Castro was required to use her personal mobile devices for work-related tasks, including communicating with management regarding work-related issues, and downloading and using various mobile applications such as "Outlook" and "Microsoft Teams." Although FIVE STAR required Ms. Castro and other aggrieved employees to use their personal mobile devices and/or mobile data to carry out their work-related duties, FIVE STAR failed to reimburse them for their costs incurred.

FIVE STAR could have provided Ms. Castro and other aggrieved employees with company mobile devices, or, FIVE STAR could have reimbursed employees for the costs of their mobile device usage. Instead, FIVE STAR passed these operating costs onto Ms. Castro and other aggrieved employees.

Thus, FIVE STAR 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. Ms. Castro and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring FIVE STAR into compliance with the applicable IWC Wage Order and Labor Code section 2802, 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.” FIVE STAR, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Castro’s and other aggrieved employees’ rights by violating various sections of the California Labor Code.

Accordingly, Ms. Castro seeks the remedies set forth in Labor Code section 558 for herself, 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, Ms. Castro, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for herself, all other aggrieved employees, and the State of California against FIVE STAR for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 227.3, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Ms. Castro 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:

Mao Shiokura
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 "Mao Shiokura", with a stylized flourish at the end.

Mao Shiokura

Copy: FIVE STAR BANK (via U.S. Certified Mail); FIVE STAR BANCORP (via U.S. Certified Mail)

CERTIFIED MAIL



20 E0T5 2T52 0225 0T20 6956

**FIVE STAR BANK
2240 DOUGLAS BLVD STE 100
ROSEVILLE, CA 95661**

FIVE STAR BANK
2240 DOUGLAS BLVD STE 100
ROSEVILLE, CA 95661

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.



9590 9402 8803 4005 5622 21

Transfer from service label)

9589 0710 5270 2512 5103 02

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

COMBINE THIS SECTION ON DELIVERY

A. Signature

☐ Address☐ Addressee

Received by (Printed Name)

C. Date of Delivery

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

☐ Yes ☐ No

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

FIVE STAR BANK
2240 DOUGLAS BLVD STE 100
ROSEVILLE, CA 95661



9590 9402 8803 4005 5622 21

(Transfer from service label)

9589 0710 5270 2512 5103 02

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

D. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

☐ Mail 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 **January 26, 2026**, I served the document described as **FIRST AMENDED COMPLAINT – PAGA ENFORCEMENT ACTION** 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:

Matthew Wayne
mwayne@grsm.com

Attorneys for Defendants
FIVE STAR BANK, et al.

Mandeep Sanghera
msanghera@grsm.com

GORDON REES SCULLY MANSUKHANI
315 Pacific Avenue,
San Francisco, CA 94111

☐ **BY MAIL (ENCLOSED IN A SEALED ENVELOPE):** I deposited the envelope(s) for mailing in the ordinary course of business at Los Angeles, California. I am “readily familiar” with this firm’s practice of collection and processing correspondence for mailing. Under that practice, sealed envelopes are deposited with the U.S. Postal Service that same day in the ordinary course of business with postage thereon fully prepaid at Los Angeles, California.

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

☐ **BY OVERNIGHT DELIVERY:** I am “readily familiar” with this firm’s practice of collection and processing correspondence for overnight delivery. Under that practice, overnight packages are enclosed in a sealed envelope with a packing slip attached thereto fully prepaid. The packages are picked up by the carrier at our offices or delivered by our office to a designated collection site.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on **January 26, 2026**, at Los Angeles, California.

Sophia Flores

Type/Print Name



Signature