

Rick A. Waltman (State Bar No. 306463)
Ricardo De Leon (State Bar No. 365493)
Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 facsimile
rick@ferrarovega.com / ricardo@ferrarovega.com
nick@ferrarovega.com / lauren@ferrarovega.com

Attorneys for Plaintiff Michelle Bolt

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

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

Plaintiffs,

vs.

CRN SOLUTIONS, LLC and DOES 1 through
50, inclusive,

Defendant.

Case No. **CVRI 2600809**

Hon:

Dept:

CLASS ACTION

**REPRESENTATIVE ACTION
COMPLAINT**

1. Failure to Pay All Overtime Wages
2. Paid Sick Leave Violations
3. Untimely Payment of Wages
4. Wage Statement Violations
5. Unfair Competition
6. Retaliation
7. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed:

1 Plaintiff MICHELLE BOLT, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this REPRESENTATIVE
3 ACTION COMPLAINT against Defendant CRN SOLUTIONS, LLC and DOES 1 through 50,
4 inclusive (collectively “Defendant”), alleging as follows:

5 **INTRODUCTION**

6 1. This is a class action for wage and hour violations of the California Labor Code.

7 2. Defendant failed to compensate Plaintiff and class members for all hours suffered or
8 permitted to work in violation of the applicable Industrial Welfare Commission (IWC) Wage Orders.

9 3. Defendant also underpaid the class members’ wages by failing to include all forms of
10 remuneration, including bonuses, into the regular rate of pay calculation for overtime, sick pay, and
11 premiums.

12 4. In addition, Plaintiff was subjected to unlawful retaliation for engaging in protected
13 activity, including the proper utilization of unpaid military spousal leave under California law, which
14 resulted in disparate treatment by management.

15 5. Defendant’ employment policies, practices, and payroll administration systems enabled
16 and facilitated these violations on a company-wide basis with respect to the class members.

17 6. Defendant are further liable for derivative claims for wage statements, untimely
18 payment, and other associated violations.

19 7. Plaintiff seeks to recover the underpaid damages, plus associated penalties, interests,
20 attorney’s fees and costs.

21 **JURISDICTION & VENUE**

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

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

26 10. This Court has jurisdiction over Defendant because, upon information and belief,
27 Defendant have sufficient minimum contacts in California, or otherwise intentionally avail themselves
28

1 to the California economy so as to render the exercise of jurisdiction over them by the California courts
2 consistent with traditional notions of fair play and substantial justice.

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

6 **PARTIES**

7 **A. Plaintiff Michelle Bolt**

8 12. Plaintiff Bolt is an individual over 18 years of age who worked for Defendant in
9 California as a non-exempt employee from about March 2025 to October 2025. Plaintiff worked as a
10 PPC Manager.

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

18 **B. Defendant**

19 14. Defendant CRN Solutions, LLC is a California limited liability company that maintains
20 operations and conducts business throughout the State of California, including in this county.

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

1 **CLASS ALLEGATIONS**

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

- 4 a. All current and former non-exempt employees who worked for Defendant in
5 California at any time from four years prior to the filing of this action through
6 date of class certification.

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

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

- 11 a. Numerosity: The class is estimated to exceed 50 individuals, although the
12 precise membership of the entire class is unknown at this time. The class is so
13 numerous that joinder of all class members is impracticable. The identities of
14 class members are ascertainable by inspection of Defendant' employment and
15 payroll records.
- 16 b. Typicality: Plaintiff's claims are typical of the claims of the other class
17 members. They were subject to the same policies and practices of Defendant,
18 which resulted in losses to the class. Proof of common unlawful business
19 practices, which Plaintiff experienced, will establish the right of the class to
20 recover on the causes of action alleged herein.
- 21 c. Adequacy: Plaintiff is an adequate class representative; will take all necessary
22 steps to protect the class members' interests adequately and fairly; has no
23 interest antagonistic to other class members; and is represented by attorneys
24 who have substantial experience prosecuting, defending, resolving, and
25 litigating wage and hour class, collective, and representative actions in
26 California state and federal courts.
- 27 d. Superiority: A class action is superior to other means for adjudicating this
28 dispute. Individual joinder is impractical. Class treatment will allow for

common issues to be resolved in a single forum, simultaneously, and without duplication of effort and expense.

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

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

GENERAL ALLEGATIONS

20. Defendant failed to properly compensate Plaintiff and the class members for all overtime hours worked. Specifically, Defendant adopted a uniform policy and practice of calculating Plaintiff's and the class members' regular rate of pay for overtime purposes without including non-discretionary remuneration, such as regularly-earned bonuses. By failing to incorporate all components of earned compensation into the regular rate, Defendant paid overtime wages at a rate less than the lawfully required 1.5 times the regular rate of pay, resulting in systematically unpaid overtime wages.

21. Defendant failed to comply with California's paid sick leave laws with respect to the class members. First, Defendant failed to provide notice of the amount of sick leave available. Specifically, Defendant did not include an accurate accounting of sick leave available on Plaintiff's wage statements. Furthermore, Defendant did not include an accurate accounting of the paid sick leave accrued on Plaintiff's time-keeping app. As a result, Plaintiff was not aware of the amount of paid leave available at every point of her employment.

22. Second, Defendant failed to properly pay Plaintiff and the class members for accrued and utilized paid sick leave. In violation of Labor Code § 246 and § 246.5(a), Defendant adopted a

uniform policy and practice of calculating the paid sick leave rate based solely on the employee's base hourly wage, deliberately excluding non-discretionary remuneration, such as regularly-earned bonuses, from the calculation of the regular rate of pay. This systemic exclusion resulted in the continuous and unlawful underpayment of all paid sick leave taken by Plaintiff and the class members.

23. Defendant unlawfully retaliated against Plaintiff because she exercised her rights to take statutorily protected leave. First, despite maintaining a policy recognizing unpaid leave for military spouses, Defendant retaliated against Plaintiff for requesting and utilizing military spousal leave protected under California and federal law. This retaliation included, but was not limited to, unwarranted discipline upon her return and assigning another employee to be trained in her role immediately following the use of that leave. Second, and shortly thereafter, Defendant further retaliated against Plaintiff for requesting to utilize protected medical leave to attend necessary appointments. In response to her protected leave usage, Defendant engaged in a campaign of adverse employment actions throughout her employment, including singling out Plaintiff in group and team meetings, publicly criticizing her work via email, and requiring her to perform physically demanding warehouse duties, such as lifting and labeling boxes, without providing the proper training required for those tasks.

24. As a direct result of the policies and practices detailed herein, including the systemic failure to calculate the lawful regular rate of pay, Defendant failed to pay Plaintiff and the class members all earned wages and premiums on the designated regular pay dates. By systematically underpaying overtime wages (Labor Code § 510) and sick leave (Labor Code § 246), Defendant violated California Labor Code § 204 and/or § 204(b), which require all earned wages to be paid accurately and within the specified time limits of each pay period.

25. Defendant failed to furnish Plaintiff and the class members with accurate, itemized wage statements as required by California Labor Code § 226(a). As a direct result of Defendant's unlawful policies and practices, including the failure to properly calculate the regular rate of pay, the resulting underpayment of overtime and sick leave, and the failure to provide accurate sick leave balances, the wage statements provided to employees failed to accurately reflect the correct gross wages earned and net wages earned, in violation of Labor Code § 226(a)(1) and § 226(a)(5).

1 26. Furthermore, by failing to include all required components of the regular rate when
2 calculating premium wages, the wage statements also failed to accurately state the applicable hourly
3 rates in effect and the number of hours worked at that rate for all premium wages earned, resulting in
4 a violation of Labor Code § 226(a)(9). Because the statements did not accurately reflect the wages
5 earned and the rates at which they were earned, they constitute material misstatements and
6 inaccuracies actionable under California law.

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

13 28. Defendant failed to accurately create and maintain requisite employment records for
14 Plaintiff and the class members, in violation of California Labor Code § 1174 and the applicable IWC
15 Wage Orders. Due to the unlawful policies and practices detailed herein, including the systemic failure
16 to accurately account for all wages earned and the true rates of pay, Defendant's records do not
17 accurately reflect the hours worked, the wages earned, the basis on which wages were paid, or the
18 required itemized information, thereby violating California's record-keeping obligations.

19 **FIRST CAUSE OF ACTION**

20 **FAILURE TO PAY ALL OVERTIME WAGES**

21 **Violation of Labor Code §§ 510 and 1194**

22 29. Plaintiff realleges and incorporates by reference each and every allegation contained in
23 all preceding paragraphs of this Complaint as though fully set forth herein.

24 30. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
25 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
26 wages all overtime hours worked, and which further provide a private right of action for an employer's
27 failure to pay all overtime compensation for overtime hours worked.

31. Defendant failed in their affirmative obligation to pay Plaintiff and class members no less than one and one-half times their respective “regular rate of pay” for all hours worked in excess of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of work in any one workweek, and no less than twice their respective “regular rate of pay” for all hours over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC Wage Orders (the “Hours and Days of Work” sections of the applicable orders).

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

SECOND CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

33. Plaintiff realleges and incorporates by reference each and every allegation contained in all preceding paragraphs of this Complaint as though fully set forth herein.

34. Defendant knowingly and intentionally failed in their affirmative obligation to pay sick leave wages to Plaintiff and a paid sick leave subclass in violation of Labor Code section 246 *et seq.* Paid sick leave earnings constitute wages for purposes of California wage and hour law. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 [“Courts have recognized that ‘wages’ also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay”].)

35. Labor Code section 246(l), in conjunction with Labor Code section 248 *et seq.*, 248.1, 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class members, govern how Defendant were required to calculate paid sick leave.

36. Defendant failed to pay Plaintiff and class members their paid sick leave wages at one of the lawful rates set forth in the statute or ordinance because Defendant failed to include in their sick leave calculation the additional remuneration received by Plaintiff and class members (i.e., at the regular rate of pay and/or calculated based on total wages earned).

1 37. Furthermore, to the extent the paid sick leave paid constitutes Covid-related paid sick
2 leave, Defendant knowingly and intentionally failed in their affirmative obligation to pay Covid-19
3 Supplemental Sick Leave wages to class members at the correct accrual rate or hourly pay rate in
4 violation of Labor Code sections 246, 248.1, 248.2, and 248 *et seq.*

5 38. As a result, Defendant violated the Labor Code and are liable to Plaintiff and class
6 members for underpaid sick leave wages, in addition to interest, attorneys' fees, and costs.

7 **THIRD CAUSE OF ACTION**

8 **UNTIMELY PAYMENT OF WAGES**

9 **Violation of Labor Code §§ 204, 210, 218**

10 39. Plaintiff realleges and incorporates by reference each and every allegation contained in
11 all preceding paragraphs of this Complaint as though fully set forth herein.

12 40. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
13 §§ 204, 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay
14 period, and which further provide a private right of action for an employer's failure to comply with
15 this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due
16 under these sections, including Labor Code § 210(c)'s statutory late payment penalties.

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

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

1 **FOURTH CAUSE OF ACTION**

2 **WAGE STATEMENT VIOLATIONS**

3 **Violation of Labor Code § 226**

4 43. Plaintiff realleges and incorporates by reference each and every allegation contained in
5 all preceding paragraphs of this Complaint as though fully set forth herein.

6 44. This cause of action is brought by a wage statement subclass pursuant to Labor Code
7 § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each
8 pay period, and which further provide a private right of action for an employer's failure to comply
9 with this obligation.

10 45. Defendant knowingly and intentionally failed in their affirmative obligation to provide
11 accurate itemized wage statements to Plaintiff and class members resulting in injury to Plaintiff and
12 class members. Specifically, the wage statements issued to Plaintiff and class members did not
13 accurately state each pay period all of the information required by Labor Code § 226(a)(1)-(9).

14 46. Defendant' unlawful acts and omissions deprived Plaintiff and class members of
15 accurate itemized wage statements, causing confusion and concealing wage and premium
16 underpayments.

17 47. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
18 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
19 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in
20 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
21 Code section 226(e).

22 **FIFTH CAUSE OF ACTION**

23 **UNFAIR COMPETITION**

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

25 48. Plaintiff realleges and incorporates by reference each and every allegation contained in
26 all preceding paragraphs of this Complaint as though fully set forth herein.

1 49. Defendant have engaged and continue to engage in unfair and/or unlawful business
2 practices in the State of California in violation of California Business and Professions Code § 17200
3 by committing the foregoing wage and hour violations alleged throughout this Complaint.

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

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

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

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

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1 damage to Plaintiff including, but not limited to, lost wages, benefits and emotional distress in amounts
2 to be determined at trial according to proof.

3 60. As a result of Defendant's wrongful conduct, Plaintiff is entitled to all damages and
4 penalties allowed by law in amounts to be determined at trial according to proof. Plaintiff also seeks
5 all interest, attorney's fees, and costs allowed by law, including but not limited to, common law and
6 Labor Code §§ 98.6, 1102.5, and 2699.

7 **SEVENTH CAUSE OF ACTION**

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

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

10 **(By Plaintiff on Behalf of the State and the Aggrieved Employees Against All Defendant)**

11 61. All outside paragraphs of this Complaint are incorporated into this section.

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

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

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

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

24 65. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
25 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
26 and Workforce Development Agency or any of its departments, divisions, commissions, boards,
27 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil
28 action brought by an aggrieved employee on behalf of the employee and other current or former

employees against whom a violation of the same provision was committed pursuant to the procedures specified in Section 2699.3. “

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

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

68. On or about **November 26, 2025**, Plaintiff paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendant) of Defendant’ alleged Labor Code violations, including the facts and theories to support the alleged violations.

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

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

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

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

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

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

- b. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- c. ***Retaliation.***
- d. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- e. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- f. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

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

PRAYER

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;
- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest; and
- k. For this action to be maintained as a representative action under the PAGA;

- 1 l. For Plaintiff and counsel of record to be provided with all enforcement capability as if
2 the action were brought by the State of California or the California Division of Labor
3 Enforcement;
4 m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
5 n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
6 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
7 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
8 o. For such other relief the Court deems just and proper.

9
10 Dated: February 2, 2026

Ferraro Vega Employment Lawyers, Inc.

11 
12 _____
13 Nicholas J. Ferraro
14 Lauren N. Vega
15 *Attorneys for Plaintiff Michelle Bolt*

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

November 26, 2025

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

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

CRN Solutions, LLC
11851 US HWY 175
Kemp, TX 75143

CRN Solutions, LLC
29415 Hunco Way
Lake Elsinore, CA 92530

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

Dear LWDA Officer and Company Representatives:

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

CRN SOLUTIONS, LLC

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

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

Reins International California, Inc. (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of PPC Manager from about March 2025 to Present. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS –

Unpaid Overtime

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically, Defendants should have paid overtime wages at 1.5x Plaintiff’s regular rate of pay inclusive of all non-discretionary forms of remuneration. However, consistent with Defendants’ failure to include bonuses in the regular rate when paying sick leave, Defendants failed to include bonuses in the regular rate calculation prior to paying the 1.5x premium.

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

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

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

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

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees. First, Defendants failed to provide notice of the amount of sick leave available. Specifically, Defendants did not include an accurate accounting of sick leave available on Plaintiff’s wage statements. Furthermore, Defendants did not include an accurate accounting of the paid sick leave accrued on Plaintiff’s time-keeping app. As a result, Plaintiff was not aware of the amount of paid leave available at every point of her employment.

Second, Defendants failed to pay Plaintiff and the aggrieved employees paid sick leave at their regular rate of pay. Specifically, Plaintiff and the aggrieved employees earned non-discretionary bonuses which Defendants failed to include in the regular rate of pay when calculating sick leave. An illustrative example of this violation is shown below:

CO	FILE	DEPT	CLOCK	VCHR. NO	581
0MZ	000314	000600	XC50K	0000290023	1

Earnings Statement 

CRN SOLUTIONS, LLC
11851 US HWY 175
KEMP, TX 75143

Period Beginning: 06/30/2025
Period Ending: 07/13/2025
Pay Date: 07/18/2025

Filing Status: Married filing jointly
Exemptions/Allowances:
Federal: Standard Withholding Table

Social Security Number: XXX-XX-8643

Earnings	rate	hours	this period	year to date
Regular	21.0000	40.00	840.00	12,753.69
Bonus			48.32	158.15
Holiday	21.0000	8.00	168.00	168.00
Sick	21.0000	28.02	588.42	840.00
Vacation	21.0000	.78	16.38	16.38
Gross Pay			\$1,661.12	13,936.22

Your CA taxable wages this period are
\$1,661.12

Other Benefits and Information	this period	total to date
Sick	0.00	
Vacation	0.38	

Extract from Plaintiff’s wage statement dated 7/18/2025.

Here, Plaintiff earned a non-discretionary bonus of \$48.32 in the same pay period that she took 28.02 hours of paid sick leave. Rather than pay paid sick leave at the lawful regular rate including the non-discretionary bonus, Defendants paid all 28.02 hours of paid sick leave at Plaintiff's base rate of \$21.00. This practice resulted in the underpayment of paid sick leave.

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

Retaliation **Violation of Labor Code §§ 98.6**

Defendants violated Labor Code section 98.6 by unlawfully retaliating against Plaintiff and the aggrieved employees for requesting and taking protected leave by disciplining and eventually, terminating Plaintiff.

Labor Code Section 98.6 provides that an employer shall not “discriminate, retaliate, or take any adverse action against any employee or applicant for employment because the employee or applicant engaged in any conduct delineated in this chapter.” This provision prohibits employers from retaliating against employees for exercising rights afforded to them, including protected leave.

Defendants unlawfully retaliated against Plaintiff and the aggrieved employees after a Plaintiff requested and took protected military spousal and medical leave. Defendants maintained a policy of allowing 10 days of unpaid leave for “employees who are the spouse of a member of the U.S. Military.” On July 21, 2024, Plaintiff requested one half day and one full day for July and August 2025 to take her military spouse to the airport and pick them up. Plaintiff specified the reason for her absences on the leave request form as Military Leave. Despite Plaintiff's proper request execution, when she returned, she was disciplined on August 6, 2025, because of these absences. Following these events, Defendants hired another employee who Plaintiff was assigned to train in her own role. Next, Plaintiff requested medical leave to attend ongoing physical therapy appointments which she previously discussed with Defendants. Following this final request, Defendants terminated Plaintiff's employment and designated excessive leave as the reason for termination. Plaintiff is informed and believes that were it not for her use of protected unpaid leave, Defendants would not have terminated her employment. Therefore, Defendants retaliated against Plaintiff because she engaged in protected conduct.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Attorneys' Fees and Costs
Labor Code § 2699(k)(1)

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

- LITIGATION HOLD NOTICE -

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

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

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

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

Sincerely,

A handwritten signature in blue ink that reads "Dorota James". The signature is written in a cursive, flowing style.

Dorota James

Cc Plaintiff Michelle Bolt
HR Representative

lmp