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14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF SACRAMENTO**

16 JON LOUGHMILLER, on behalf of himself and
17 all others similarly situated,

18 Plaintiff,

19 v.

20 KELLER SUPPLY CO., a Washington
21 Corporation; and DOES 1-50, inclusive.

22 Defendants.

CASE NO.: 23CV001869

**FIRST AMENDED CLASS AND PAGA
ACTION COMPLAINT:**

- 23 (1) FAILURE TO PAY MINIMUM WAGES;
24 (2) FAILURE TO PAY OVERTIME WAGES;
25 (3) FAILURE TO PAY ALL SICK PAY
26 WAGES;
27 (4) MEAL PERIOD VIOLATIONS;
28 (5) REST PERIOD VIOLATIONS;
(6) WAGE STATEMENT VIOLATIONS;
(7) WAITING TIME PENALTIES;
(8) FAILURE TO REIMBURSE
NECESSARY BUSINESS EXPENSES;
(9) UNFAIR COMPETITION; and
(10) PAGA PENALTIES

DEMAND FOR JURY TRIAL

BY FAX

1 Plaintiff Jon Loughmiller ("Plaintiff") on behalf of himself, and all other similarly situated
2 non-exempt employees, alleges and complains of Defendant Keller Supply Co. ("Defendant"), and
3 DOES 1 to 50 (collectively, "Defendants") and each of them, as follows:

4 **INTRODUCTION**

5 1. Defendants provide wholesale distribution of hydronic plumbing and heating
6 equipment and supplies within the State of California and across the U.S.

7 2. Plaintiff brings this class and PAGA representative action against Defendants for
8 alleged violations of the California Labor Code and Business and Professions Code.

9 3. As set forth below, Plaintiff alleges that Defendants deprived Plaintiff and other
10 similarly situated non-exempt employees of all wages as a result of its unlawful rounding
11 policy/practice, and failure to pay for all overtime and sick pay wages by failing to properly calculate
12 the "regular rate of pay." Moreover, Plaintiff alleges that Defendants' meal and rest period policies
13 and practices failed to provide him and all other similarly situated employees with compliant meal
14 and rest periods or pay premium pay at the "regular rate of pay" in lieu thereof.

15 4. Finally, Plaintiff alleges that Defendants failed to reimburse necessary business
16 expenses, failed to provide non-exempt employees with accurate written itemized wage statements,
17 and as a result failed to timely pay all final wages upon separation of employment.

18 5. Based on these alleged Labor Code violations, Plaintiff now brings this class and
19 PAGA representative action to recover unpaid wages, restitution, penalties, and other related relief
20 on behalf of himself and all others similarly situated.

21 **JURISDICTION AND VENUE**

22 6. This class action is brought pursuant to California Code of Civil Procedure § 382.

23 7. Plaintiff, on behalf of himself and all others similarly situated employees hereby
24 brings this class action for recovery of unpaid wages and penalties under California Labor Code §§
25 200, 201-203, 204, 210, 226(a), 226(e), 226.3, 226.7, 246, 510, 512, 1174, 1174.4, 1194, 1197.1,
26 1199, 2802, 2698 *et seq.* and applicable Industrial Welfare Commission Wage Orders ("Wage
27 Orders"), in addition to seeking declaratory relief and restitution pursuant to California Business and
28 Professions Code § 17200, *et. seq.*

8. This Court has jurisdiction over Defendants' violations of the California Labor Code and applicable Wage Orders because the amount in controversy exceeds this Court's jurisdictional minimum.

9. Venue is proper in this judicial district pursuant to California Code of Civil Procedure §§ 395(a) and 395.5. Defendants own, maintain offices, transact business, have an agent or agents within the County of Sacramento and/or otherwise are found within the County of Sacramento, and Defendants are within the jurisdiction of this Court for purposes of service of process.

PARTIES

10. At all relevant times herein, Plaintiff, who is over the age of 18, was and currently is a California resident residing in the State of California. Defendants employed Plaintiff and other similarly situated employees as non-exempt employees in California in the County of Sacramento and nearby counties.

11. Plaintiff is informed and believes and thereon alleges that Defendant is a California corporation authorized and doing business in Sacramento County, California; and is and/or was the legal employer of Plaintiff and the Class Members during the applicable statutory periods.

12. Defendants' policies and/or practices outlined herein have deprived Plaintiff and other similarly situated non-exempt employees of the rights afforded to them by California Labor Code §§ 201-203, 204, 210, 226, 226(a), 226(e), 226.3, 226.7, 246, 510, 512, 1194, 1197.1, 1199, 2802, 2689 *et seq.*, and California Business and Professions Code § 17200 *et seq.*, and applicable Wage Order(s).

13. Plaintiff is informed and believes, and based thereon alleges, that during the four years preceding the filing of the Complaint and continuing to the present, Defendants did (and continue to do) business in the State of California, County of Sacramento. Defendants, each of them, own and/or operate within Sacramento, California.

14. Plaintiff does not know the true names or capacities, whether individual, partner, or corporate, of the Defendants sued herein as DOES 1 to 50, inclusive, and for that reason, said Defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to amend this Complaint when such true names and capacities are discovered. Plaintiff is informed, and believes, and thereon alleges, that each of said fictitious Defendants, whether individual, partners, or

1 corporate, were responsible in some manner for the acts and omissions alleged herein, and
2 proximately caused Plaintiff and the Classes to be subject to the unlawful employment practices
3 alleged herein.

4 15. Plaintiff is informed, and believes, and thereon allege, that at all times mentioned
5 herein, Defendants were and are the employers of Plaintiff and all members of the Classes. At all
6 times herein mentioned, each of said Defendants participated in the doing of the acts hereinafter
7 alleged to have been done by the named Defendants; and furthermore, the Defendants, and each of
8 them, were the agents, servants, and employees of each and every one of the other Defendants, as
9 well as the agents of all Defendants, and at all times herein mentioned were acting within the course
10 and scope of said agency and employment. Defendants, and each of them, approved of, condoned,
11 and/or otherwise ratified each and every one of the acts or omissions complained of herein.

12 16. At all times mentioned herein, Defendants, and each of them, were members of and
13 engaged in a joint venture, partnership, and common enterprise, and acting within the course and
14 scope of and in pursuance of said joint venture, partnership, and common enterprise.

15 17. Lastly, Plaintiff alleges that all Defendants were joint employers for all purposes of
16 Plaintiff and all members of the Classes.

17 **COMMON FACTUAL ALLEGATIONS**

18 18. Defendants provides wholesale distribution of hydronic plumbing and heating
19 equipment and supplies with various locations across the State of California.

20 19. Plaintiff was employed by Defendants as a non-exempt employee with the title of with
21 the title of Warehouse Associate and/or Driver. Plaintiff began working with Defendants from 2020
22 until his separation from employment on March 28, 2023. Plaintiff and other non-exempt employees
23 (including, but not limited to all warehouse associates, counter sales, drivers, and all other non-
24 exempt hourly positions) were responsible for all aspects of Defendants' business in the State of
25 California.

26 20. At all relevant times, Plaintiff and other non-exempt employees regularly worked
27 various shifts, many of which were in excess of 8.0 hours in a workday and 40.0 hours in a workweek.
28 Plaintiff alleges that other non-exempt employees were also subjected to the same policies,

1 procedures, and practices, working conditions, and corresponding wage and hour violations to which
2 he was subjected during his employment.

3 21. First, at all relevant times, Defendants have utilized a consistent practice of unevenly
4 rounding Plaintiff's and other non-exempt employees' time entries to the nearest quarter hour,
5 resulting in a failure to pay all hours worked. Here, Defendants' time recording practice is not neutral
6 on its face or in application as Plaintiff and other non-exempt employees are subject to discipline,
7 including termination for being tardy in reporting to work, or returning from a meal or rest period.
8 Moreover, because Defendants are capable of tracking the time worked by aggrieved employees to
9 the minute, the practice itself exists not for the convenience or benefit of the employees who are
10 trying to report their time worked accurately, but for Defendants' benefit.

11 22. As a result of this company-wide practice, Plaintiff and other non-exempt employees
12 are not compensated for all the hours that they actually work and all of the overtime hours they
13 actually work, in violation of Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199, and applicable Wage
14 Orders.

15 23. Additionally, as a result of the unlawful timekeeping policy, Plaintiff and other non-
16 exempt employees were also not properly paid at the correct overtime rate for hours worked in excess
17 of eight hours per shift in violation of Labor Code § 510.

18 24. Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed
19 by an applicable state or local law, or by an order of the commission a civil penalty, restitution of
20 wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed,
21 one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee
22 is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred
23 fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is
24 underpaid regardless of whether the initial violation is intentionally committed.

25 25. Labor Code § 510 requires an employer to compensate an employee who works more
26 than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours
27 worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular rate of
28 pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than

twice the regular rate of pay when an employee works more than twelve (12) hours in a workday or more than eight (8) hours on the seventh consecutive day of work. Pursuant to Section 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek.

26. Accordingly, to the extent permitted by law, Plaintiff and other non-exempt employees are entitled to recover liquidated damages for violations of Labor Code § 1197.1. Based upon these same factual allegations, Plaintiff and the other non-exempt employees are entitled to unpaid wages and penalties under Labor Code §§ 1197.1, 1199.

27. Furthermore, at all relevant times, Plaintiff and other non-exempt employees were not properly paid at the correct overtime rate for all hours worked in excess of eight (8) hours per workday and/or forty (40) hours per workweek. Although Plaintiff and other non-exempt employees regularly worked overtime hours, they were not compensated at one and one-half times their "regular rate of pay" because Defendants failed to include all forms of compensation, including, but not limited to, non-discretionary bonuses, shift differentials, non-discretionary bonuses, incentive pay, and other forms of remuneration when calculating the "regular rate of pay" used for payment of overtime wages.

28. Under the California Labor Code (as well as the FLSA), courts have consistently held that regularly paid non-discretionary bonuses (and other forms of pay) must be included in determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v. The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F. Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgement to Plaintiff under California and federal law on the grounds, that Defendant improperly calculated overtime by excluding annual bonuses paid to employees from the "regular rate of compensation"].)

29. By their policy of requiring Plaintiff and the other non-exempt employees to work in excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating them at the lawful rate of one-half (1 1/2) their "regular rate of pay," Defendants willfully violated

1 the provisions of Labor Code § 510 and the applicable Wage Orders.

2 30. Accordingly, to the extent permitted by law, Plaintiff and other non-exempt employees
3 are entitled to recover unpaid wages and penalties for violations of Labor Code §§ 204, 210, 510,
4 1197.1.

5 31. Similarly, at all relevant times, Defendants also failed in its obligation to provide
6 Plaintiff and other non-exempt employees the legally required paid sick days at the legal rate pursuant
7 to Labor Code §§ 246(a),(b), which requires that “[a]n employee who, on or after July 1, 2015, works
8 in California for the same employer for 30 or more days within a year from the commencement of
9 employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours
10 worked, beginning at the commencement of employment.” Labor Code § 246(l)(1) provides that paid
11 sick time for non-exempt employees must be “calculated in the same manner as the regular rate of
12 pay for the workweek in which the employee uses paid sick time, whether or not the employee
13 actually works overtime in that workweek.”

14 32. Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated
15 by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total
16 hours worked in the full pay periods of the prior 90 days of employment.” Finally, Labor Code § 246(i)
17 requires employers to “provide an employee with written notice that sets forth the amount of paid
18 sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either
19 the employee’s itemized wage statement described in Section 226 or in a separate writing provided
20 on the designated pay date with the employee’s payment of wages.”

21 33. Here, at all relevant times, Defendants failed in its obligation to provide Plaintiff and
22 other non-exempt employees the legally required paid sick days at the legal rate, including all forms
23 of compensation, pursuant to Labor Code §§ 246(a),(b). As such, Defendants paid sick time below
24 his base rate of pay, rather than the “regular rate of pay” as required by Labor Code §§ 246(l)(1-2).

25 34. Next, at all relevant times, Plaintiff and other non-exempt employees were denied
26 compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to
27 Defendants’ uniform meal period policies/practices and work demands, Plaintiff and other non-
28 exempt employees were often unable to take timely and uninterrupted 30-minute first meal periods

1 before the end of the fifth hour of work. Further, when Plaintiff and other non-exempt employees
2 worked more than 10.0 hours in a shift, they were not always allowed and permitted to take a
3 mandated second meal period before the end of the tenth hour of work in violation of the Labor Code
4 and applicable Wage Orders.

5 35. Additionally, for each missed or non-compliant meal period, Defendants failed to
6 maintain a mechanism by which non-exempt employees were paid meal period premiums at the
7 “regular rate of pay” pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 5th 858 and Labor
8 Code § 226.7. Accordingly, due to Defendants’ uniform meal period practices, Plaintiff and other
9 non-exempt employees were also regularly denied legally compliant meal periods in violation of
10 Labor Code 226.7, 510, 516, and applicable IWC Wage Orders.

11 36. Moreover, at all relevant times, Plaintiff and other non-exempt employees were not
12 provided with all 10-minute rest periods for every four hours worked, or major fraction thereof due
13 to Defendants’ uniform rest period policies/practices, operational requirements and work demands.
14 As a result, Plaintiff and other non-exempt employees were and are often unable to take a net 10-
15 minute duty free rest periods for every major fraction of four hours worked. This includes a second
16 rest period for shifts in excess of six hours, and a third rest period for shifts in excess of 10.0 hours
17 in a workday. Making matters worse, Defendants have a policy/practice that required non-exempt
18 employees to remain on premises during rest periods. Notably, to the extent non-exempt were
19 permitted allowed and permitted to take rest periods, the rest periods were often cut short or
20 interrupted for work reasons.

21 37. By not relieving all non-exempt employees of all duties during rest periods,
22 Defendants failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services,*
23 *Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that “during rest periods employers must relieve
24 employees of all duties and relinquish control over how employees spend their time.”]. In *Augustus*,
25 the California Supreme Court expressly rejected the employers’ assertion that it could provide an on-
26 duty rest period to employees who worked as security guards and further explained “that employers
27 [must] relinquish any control over how employees spend their break time and relieve their employees
28 of all duties.” *Id.* at 273.

1 38. Each time Plaintiff and other non-exempt employees were unable to take a compliant
2 rest period, Defendants failed and continue to fail to adequately pay rest period premium payments
3 at the “regular rate of pay” as required by Labor Code § 226.7.

4 39. Accordingly, due to Defendants’ uniform rest period policies/practices and work
5 demands, Plaintiff and other non-exempt employees were also regularly denied legally compliant rest
6 breaks in violation of Labor Code §§ 226.7, 512, and applicable Wage Orders.

7 40. As a result of Defendants’ failure to pay Plaintiff and other non-exempt employees for
8 all minimum wages, overtime wages, sick pay wages at the appropriate legal rate, and Defendants’
9 failure to pay for meal and rest period premiums at the “regular rate of pay,” Defendants issued wage
10 statements which failed to accurately identify the gross wages earned, the total hours worked, the net
11 wages earned, and the correct corresponding number of hours worked at each hourly rate, in violation
12 of Labor Code § 226(a)(1, 2, 5, and 9).

13 41. Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of
14 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per
15 employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for
16 each violation in a subsequent citation, for which the employer fails to provide the employee a wage
17 deduction statement or fails to keep the required in subdivision (a) of Section 226.”

18 42. Thus, for the violations of Labor Code § 226 described above, Plaintiff and other non-
19 exempt employees may also recover Labor Code § 226.3 penalties for Defendants’ violations of
20 Labor Code § 226(a).

21 43. As a further result of Defendants’ failure to pay all minimum, sick pay and overtime
22 wages, and meal and rest period premiums at the “regular rate of pay,” Defendants also failed and
23 continues to fail to pay the non-exempt employees all wages owed at their time of separation from
24 employment in violation of Labor Code §§ 201-203.

25 44. Finally, at all relevant times, Defendants required Plaintiff and other non-exempt
26 employees to incur necessary business expenses, including but not limited to, the costs associated
27 with their personal cell phones, and tools used for work, but did not properly reimburse non-exempt
28 employees for these necessary expenses. (See *Cochran v. Schwan’s Home Service, Inc.*, (2014) 228

Cal.App.4th 1137, 1144 [“[i]f an employee is required to make work-related calls on a personal cell phone, then he or she is incurring an expense for the purposes of section 2802...”].)

CLASS ACTION ALLEGATIONS

45. Plaintiff brings this action on behalf of himself and the following Classes pursuant to § 382 of the Code of Civil Procedure:

All non-exempt employees who work or worked for Defendants in California, during the four years immediately preceding the filing of the Complaint through the date of trial. (“Class”);

All non-exempt employees who worked for Defendants in California and who worked overtime hours during at least one shift, during the four years immediately preceding the filing of the Complaint through the date of trial. (“Overtime Subclass”);

All non-exempt employees who work or worked for Defendants in California during one year immediately preceding the filing of the Complaint through the date of trial. (“Wage Statement Subclass”); and

All non-exempt employees who work or worked for Defendants in California, and who left their employ during the three years immediately preceding the filing of the Complaint through the date of trial. (“Waiting Time Penalty Subclass”)

(collectively “the Classes”)

46. **Numerosity/Ascertainability:** The members of the Classes are so numerous that joinder of all members would be unfeasible and not practicable. The membership of the Classes is unknown to Plaintiff at this time; however, it is estimated that the Classes consist of at least one hundred (100) individuals. The identity of such membership is readily ascertainable via inspection of Defendants’ employment and payroll records.

47. **Common Questions of Law and Fact Predominate/Well Defined Community of Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated employees, which predominate over questions affecting only individual members including, without limitation to:

1. Whether Defendants failed to pay all minimum and overtime wages to members of the Classes as a result of its unlawful and uneven rounding policy and practice;

2. Whether Defendants failed to pay overtime and sick pay wages at the appropriate legal rate to members of the Classes;

3. Whether Defendants provided legally compliant meal and rest periods or proper compensation to members of the Class;

4. Whether Defendants furnished legally compliant wage statements to members of the Wage Statement Subclass pursuant to Labor Code § 226(a);

5. Whether the timing and amount of payment of final wages to members of the Waiting Time Penalty Subclass at the time of separation from employment were unlawful; and

6. Whether Defendants failed to adequately reimburse necessary business expenditures in violation of Labor Code § 2802.

48. **Predominance of Common Questions:** Common questions of law and fact predominate over questions that affect only individual members of the Classes. The common questions of law set forth above are numerous and substantial and stem from Defendants' policies and/or practices applicable to each individual class member, such as, Defendants' time rounding policy/practice, Defendants' policy/practice of failing to pay overtime and sick pay at the appropriate premium rate, Defendants' uniform policy of failing to provide compliant meal and rest periods or adequate compensation in lieu thereof, and Defendants' resulting failure to provide accurate itemized wage statements, and to pay for all wages due upon separation of employment. As such, the common questions predominate over individual questions concerning each individual class member's showing as to his or her eligibility for recovery or as to the amount of his or her damages.

49. **Typicality:** The claims of Plaintiff are typical of the claims of the Classes because Plaintiff was employed by Defendants as a non-exempt employee in California during the statute(s) of limitation applicable to each cause of action pled in the Complaint in this action. As alleged herein, Plaintiff, like the members of the Classes, was deprived of all minimum wages, overtime and sick pay wages, was deprived of meal and rest period premium wages at the "regular rate of pay," was subject to Defendants' uniform policies/practices, was not provided accurate itemized wage statements, and was not paid all wages owed at the time of his separation of employment, and was not reimbursed adequately for necessary business expenditures.

1 50. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
2 represent fairly and adequately the interests of the members of the Classes. Moreover, Plaintiff's
3 attorneys are ready, willing and able to fully and adequately represent the members of the Classes.
4 Plaintiff's attorneys have prosecuted and are actively litigating several wage-and-hour class actions
5 in state and federal courts and are committed to vigorously prosecuting this action on behalf of the
6 members of the Classes.

7 51. **Superiority:** The California Labor Code is broadly remedial in nature and serves an
8 important public interest in establishing minimum working conditions and standards in California.
9 These laws and labor standards protect the average working employee from exploitation by
10 employers who have the responsibility to follow the laws and who may seek to take advantage of
11 superior economic and bargaining power in setting onerous terms and conditions of employment. The
12 nature of this action and the format of laws available to Plaintiff and members of the Classes make
13 the class action format a particularly efficient and appropriate procedure to redress the violations
14 alleged herein. If each employee were required to file an individual lawsuit, Defendants would
15 necessarily gain an unconscionable advantage since they would be able to exploit and overwhelm the
16 limited resources of each individual plaintiff with their vastly superior financial and legal resources.

17 52. Moreover, requiring each member of the Classes to pursue an individual remedy
18 would also discourage the assertion of lawful claims by employees who would be disinclined to file
19 an action against their former and/or current employer for real and justifiable fear of retaliation and
20 permanent damages to their careers at subsequent employment. Further, the prosecution of separate
21 actions by the individual class members, even if possible, would create a substantial risk of
22 inconsistent or varying verdicts or adjudications with respect to the individual class members against
23 Defendants herein; and which would establish potentially incompatible standards of conduct for
24 Defendants; and/or legal determinations with respect to individual class members which would, as a
25 practical matter, be dispositive of the interest of the other class members not parties to adjudications
26 or which would substantially impair or impede the ability of the class members to protect their
27 interests. Further, the claims of the individual members of the class are not sufficiently large to
28 warrant vigorous individual prosecution considering all of the concomitant costs and expenses

1 attending thereto. As such, the Classes identified in Paragraph 41 are maintainable as Classes under
2 § 382 of the Code of Civil Procedure.

3 **FIRST CAUSE OF ACTION**

4 **FAILURE TO PAY ALL MINIMUM WAGES**

5 **(AGAINST ALL DEFENDANTS)**

6 53. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

7 54. Section 4 of the applicable Wage Orders and California Labor Code §§ 1197 and
8 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts
9 set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been
10 paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance
11 together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to
12 the unpaid wages and interest accrued thereon.

13 55. At all relevant times herein, Defendants failed to conform their pay practices to the
14 requirements of the law. This unlawful conduct includes but is not limited to Defendants' uniform
15 and unlawful practice of rounding time entries resulting in a failure to pay for all hours worked.
16 Accordingly, Plaintiff and members of the Classes were not compensated for all hours worked,
17 including, but not limited to, all hours they were subject to the control of Defendants and/or suffered
18 or permitted to work under the California Labor Code and applicable Wage Orders.

19 56. Labor Code § 1198 makes unlawful the employment of an employee under conditions
20 that the IWC prohibits. California Labor Code §§ 1194(a) and 1194.2(a) provide that an employer
21 who has failed to pay its employees the legal minimum wage is liable to pay those employees the
22 unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages
23 due and interest thereon.

24 57. As a direct and proximate result of Defendants' unlawful conduct as alleged herein,
25 Plaintiff and the Classes have sustained economic damages, including but not limited to unpaid wages
26 and lost interest, in an amount to be established at trial, and they are entitled to recover economic and
27 statutory damages and penalties and other appropriate relief as a result of Defendants' violations of
28 the California Labor Code and applicable Wage Orders.

1 58. Defendants' practices/policies and uniform administration of corporate policy
2 regarding illegal employee compensation is unlawful and creates an entitlement to recovery by
3 Plaintiff and members of the Classes in a civil action for the unpaid amount of minimum wages,
4 liquidated damages, including interest thereon, statutory penalties, attorney's fees, and costs of suit
5 according to Labor Code §§ 204, 558, 1194 *et seq.*, 1197, 1198, and Code of Civil Procedure § 1021.5.

6 **SECOND CAUSE OF ACTION**

7 **FAILURE TO PAY ALL OVERTIME WAGES**

8 **(AGAINST ALL Defendants)**

9 59. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

10 60. This cause of action is brought pursuant to Labor Code §§ 204, 510, 558, 1194, and
11 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime hours
12 worked and provide a private right of action for the failure to pay all overtime compensation for
13 overtime work performed.

14 61. At all times relevant herein, Defendants were required to properly pay Plaintiff and
15 members of the Overtime Subclass for all overtime hours worked pursuant to California Labor Code
16 § 1194 and the applicable Wage Orders.

17 62. Section 3 of the applicable Wage Order requires an employer to pay an employee "one
18 and one-half (1 1/2) times the employee's regular rate of pay" for work in excess of 8 hours per
19 workday and/or in excess of 40 hours of work in the workweek. The same section also requires an
20 employer to pay an employee double the employee's regular rate of pay for work in excess of twelve
21 hours each workday and/or for work in excess of 8 hours on the seventh consecutive day of work in
22 the workweek.

23 63. Defendants failed to conform their pay practices to the requirements of the law. This
24 unlawful conduct includes, but is not limited to, Defendants' uniform and unlawful policy/practice
25 of rounding non-exempt employees' time entries, and of failing to include all forms of compensation
26 in calculating the "regular rate of pay", which resulted in the Classes not being paid all overtime
27 wages owed.

1 64. The foregoing policies and practices are unlawful and create entitlement to recovery
2 by Plaintiff and the members of the Overtime Subclass in a civil action for the unpaid amount of
3 overtime wages, including interest thereon, statutory penalties, attorney's fees, and costs of suit
4 according to Labor Code §§ 204, 210, 510, 1194, and 1198, the applicable Wage Orders, and Code
5 of Civil Procedure § 1021.5.

6 **THIRD CAUSE OF ACTION**

7 **FAILURE TO PAY ALL SICK TIME**

8 **(AGAINST ALL Defendants)**

9 65. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

10 66. This cause of action is brought pursuant to Labor Code §§ 246, 558, 1194.2, 1197.1,
11 1198, and 1199 which provide that non-exempt employees are entitled to have their sick time paid at
12 the "regular rate of pay", including all forms of compensation/remuneration.

13 67. At all times relevant herein, Defendants were required to properly pay Plaintiff and
14 members of the Class for all accrued sick leave taken, pursuant to California Labor Code § 246.

15 68. Defendants failed to conform their pay practices to the requirements of the law. This
16 unlawful conduct includes but is not limited to Defendants' uniform and unlawful policy/practice of
17 failing to include all forms of compensation, including but not limited to shift differentials, non-
18 discretionary bonuses, and other forms of remuneration into the calculation of the "regular rate of
19 pay," which resulted in Plaintiff and the Classes not being paid all sick time wages owed.

20 69. The foregoing policies and practices are unlawful and create entitlement to recovery
21 by Plaintiff and the members of the Classes in a civil action for the unpaid amount of sick time wages,
22 including interest thereon, statutory penalties, attorney's fees, and costs of suit according to Labor
23 Code §§ 246, 558, 1194.2, 1197.1, 1198, the applicable Wage Orders, and Code of Civil Procedure
24 § 1021.5.

25 **FOURTH CAUSE OF ACTION**

26 **MEAL PERIOD VIOLATIONS**

27 **(AGAINST ALL Defendants)**

28 70. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

1 71. Plaintiff is informed and believes, and based thereon alleges, that Defendants failed in
2 their affirmative obligation to provide all of their hourly non-exempt employees, including Plaintiff
3 and members of the Class, with all required meal periods in accordance with the mandates of the
4 California Labor Code and applicable Wage Orders, for the reasons set forth in the Common
5 Allegations section of this Complaint. Despite Defendants' violations, Defendants have not paid an
6 additional hour of pay at the "regular rate of pay" to Plaintiff and members of the Class at their
7 respective regular rates of pay for each violation, in accordance with California Labor Code § 226.7.

8 72. As a result, Defendants are responsible for paying premium compensation for meal
9 period violations, including interest thereon, statutory penalties, and costs of suit pursuant to the
10 applicable Wage Orders, Labor Code §§ 226.7, 512, and Civil Code §§ 3287(b) and 3289.

11 **FIFTH CAUSE OF ACTION**

12 **REST PERIOD VIOLATIONS**

13 **(AGAINST ALL Defendants)**

14 73. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

15 74. Section 12 of the applicable Wage Orders and Labor Code §§ 226.7 and 516
16 establishes the right of non-exempt employees to be provided with a rest period of at least ten (10)
17 minutes for each four (4) hour period worked, or major fraction thereof.

18 75. Due to their unlawful rest period policy and practices, Defendants did not authorize
19 and permit Plaintiff and members of the Class to take code-compliant rest periods to which they were
20 legally entitled, including, but not limited to, failing to relieve employees of all duties and
21 relinquishing all control over employees during their rest periods. Despite Defendants' violations,
22 Defendants have not paid an additional hour of pay at the "regular rate of pay" to Plaintiff and
23 members of the Class at their respective regular rates of pay for each violation, in accordance with
24 California Labor Code § 226.7.

25 76. The foregoing violations create an entitlement to recovery by Plaintiff and members
26 of the Class in a civil action for the unpaid amount of rest period premiums owing, including interest
27 thereon, statutory penalties, and costs of suit pursuant to the applicable Wage Orders, Labor Code §§
28 226.7 and 516, and Civil Code §§ 3287(b) and 3289.

SIXTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(AGAINST ALL Defendants)

77. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

78. Labor Code 226(a) states in pertinent part the following:

“(a) An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) 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, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.”

79. As set forth above, during the Class Period, Defendants issued and continue to issue wage statements to its employees including Plaintiff and members of the Wage Statement Subclass, which are inadequate under Labor Code Section 226(a).

80. As a result of Defendants’ failure to pay Plaintiff and the Wage Statement Subclass for all minimum, overtime and sick pay wages at the appropriate legal rate, and missed meal and rest period premiums at the “regular rate of pay,” Defendants failed to include required information on Plaintiff and the Classes’ wage statements, including, but not limited to, the gross wages earned, the net wages earned in violation of Labor Code section 226(a)(1, 2, 5, 9).

81. Defendants’ failure to comply with section 226(a) of the Labor Code was knowing and intentional.

82. As a result of Defendants’ issuance of inaccurate itemized wage statements to Plaintiff

1 and members of the Wage Statement Subclass in violation of section 226(a) of the California Labor
2 Code, Plaintiff and members of the Wage Statement Subclass are each entitled to recover an initial
3 penalty of \$50, and subsequent penalties of \$100, up to an amount not exceeding an aggregate penalty
4 of \$4,000 per Plaintiff and per every member of the Wage Statement Subclass from Defendants
5 pursuant to section 226(e) of the Labor Code, costs and reasonable attorneys' fees.

6 **SEVENTH CAUSE OF ACTION**

7 **WAITING TIME PENALTIES**

8 **(AGAINST ALL Defendants)**

9 83. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

10 84. The actionable period for this cause of action is three years prior to the filing of this
11 Complaint through the present, and on-going until the violations are corrected, or the class is certified.

12 85. Labor Code §§ 201 and 202 require Defendants to pay all compensation due and owing
13 to Plaintiff and the Waiting Time Penalty Subclass during the actionable period for this cause of
14 action at or around the time that their employment is or was terminated or ended.

15 86. Labor Code § 203 provides that if an employer willfully fails to pay compensation
16 promptly upon discharge or resignation, as required by Labor Code sections 201 and 202, then the
17 employer is liable for penalties in the form of continued compensation up to thirty (30) workdays.

18 87. Defendants willfully failed to pay Plaintiff and the members of the Waiting Time
19 Penalty Subclass for all minimum wages, and overtime and sick pay wages, and their meal and rest
20 period premiums at the "regular rate of pay", prior to or upon termination or separation from
21 employment with Defendants as required by Labor Code §§ 201 and 202.

22 As a result, Defendants are liable to Plaintiff and the Waiting Time Penalty Subclass for waiting time
23 penalties amounting to thirty (30) days wages for Plaintiff and the Classes pursuant to Labor Code §
24 203. *See, e.g., DLSE Manual, 4.3.4 (Failure to pay any sort of wages due upon termination entitles*
25 *an employee to recover waiting time penalties).*

26 **EIGHTH CAUSE OF ACTION**

27 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

28 **(AGAINST ALL Defendants)**

1 88. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

2 89. Labor Code 2802(a) states in pertinent part the following:

3 “(a) An employer shall indemnify his or her employee for all necessary
4 expenditures or losses incurred by the employee in direct consequence of
5 the discharge of his or her duties, or of his or her obedience to the directions
6 of the employer, even though unlawful, unless the employee, at the time of
obeying the directions, believed them to be unlawful.”

7 90. As set forth above, Plaintiff and members of the Class must be compensated for all
8 necessary business expenditures, including, but not limited to, a reasonable portion of their monthly
9 personal cell phone bills necessarily incurred in their discharge of their duties.

10 91. At all relevant times, by failing to reimburse Plaintiff and the Class for all necessary
11 business expenditures, Defendants have failed to comply with Labor Code Section 2802 and the
12 applicable Wage Orders.

13 **NINTH CAUSE OF ACTION**

14 **UNFAIR COMPETITION**

15 **(AGAINST ALL Defendants)**

16 92. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

17 93. Defendants have engaged and continue to engage in unfair and/or unlawful business
18 practices in California in violation of California Business and Professions Code § 17200 *et seq.*, by
19 failing to pay all minimum wages, and overtime and sick pay wages at the appropriate legal rate, by
20 failing to provide all legally required meal and rest periods or pay premium payments at the “regular
21 rate of pay” in lieu thereof, by failing to provide accurate itemized wage statements, by failing to
22 adequately reimburse for necessary business expenditures, and by failing to pay all earned wages at
23 the time of separation from employment.

24 94. Defendants’ utilization of these unfair and/or unlawful business practices deprived
25 Plaintiff and continues to deprive members of the Classes of compensation to which they are legally
26 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage over
27 Defendants’ competitors who have been and/or are currently employing workers and attempting to
28 do so in honest compliance with applicable wage and hour laws.

1 95. Because Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged
2 herein, Plaintiff for himself and on behalf of the members of the Classes, seeks full restitution of
3 monies, as necessary and according to proof, to restore any and all monies withheld, acquired and/or
4 converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

5 96. The acts complained of herein occurred within the last four years immediately
6 preceding the filing of the Complaint in this action.

7 97. Plaintiff was compelled to retain the services of counsel to file this court action to
8 protect his interests and those of the Classes, to obtain restitution and injunctive relief on behalf of
9 Defendants' current hourly non-exempt employees and to enforce important rights affecting the
10 public interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs, which
11 he is entitled to recover under Code of Civil Procedure § 1021.5.

12 **TENTH CAUSE OF ACTION**

13 **PRIVATE ATTORNEYS GENERAL ACT PENALTIES**

14 **(AGAINST ALL DEFENDANTS)**

15 98. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

16 99. Defendants have committed several Labor Code violations against Plaintiff and other
17 non-exempt employees. Plaintiff, an "aggrieved employee" within the meaning of Labor Code § 2698
18 *et seq.*, acting on behalf of himself and other non-exempt employees, bring this representative action
19 against Defendants to recover the civil penalties due to Plaintiff, other similarly non-exempt
20 employees, and the State of California according to proof pursuant to Labor Code § 2699 (a) and (f)
21 including, but not limited to (1) \$100 for each initial violation and (2) \$200 for each subsequent
22 violation per employee per pay period for those violations of the Labor Code for which no civil
23 penalty is specifically provided based on the following Labor Code violations:

24 a. Failing to provide Plaintiff and other non-exempt employees all minimum, overtime
25 and sick pay compensation at the appropriate amount and premium rate in violation of Labor Code §
26 204, 210, 510, 1194 and 1198;

27 b. Failing to provide Plaintiff and other non-exempt employees with all of their
28 statutorily mandated meal or rest periods or compensation at the "regular rate of pay" in lieu thereof

1 in violation of Labor Code §§ 204, 510, 558, 1194 and 1198;

2 c. Failing to reimburse Plaintiff and other non-exempt employees for all necessary
3 business expenditures in violation of Labor Code § 2802;

4 d. Failing to timely compensate Plaintiff and other non-exempt employees with all
5 earnings at their separation of employment in violation of Labor Code §§ 201-203; and

6 e. Failing to furnish Plaintiff and other non-exempt employees with complete,
7 accurate, itemized wage statements in violations of Labor Code § 226(a).

8 100. On or about May 12, 2023, Plaintiff notified Defendant Kelly Supply Co. via certified
9 mail, and the California Labor and Workforce Development Agency ("LWDA") via its website of
10 Defendant's violations of the California Labor Code § 2698 et seq., with respect to violations of the
11 California Labor Code identified in Paragraph 99(a)-(e). Now that sixty-five days have passed from
12 Plaintiff notifying Defendant and the LWDA of these violations, Plaintiff will have exhausted his
13 administrative requirements for bringing a claim under the Private Attorneys General Act with respect
14 to these violations.

15 101. Plaintiff was compelled to retain the services of counsel to file this court action to
16 protect their interests and the interests of other non-exempt employees, and to assess and collect the
17 civil penalties owed by Defendants. Plaintiff has hereby incurred attorneys' fees and costs, which he
18 is entitled to receive under California Labor Code § 2698 et seq.

19 **PRAYER FOR RELIEF**

20 **WHEREFORE**, Plaintiff prays for judgment for himself and for all others on whose behalf
21 this suit is brought against Defendants, as follows:

- 22 1. For an order certifying the proposed Classes;
- 23 2. For an order appointing Plaintiff as representative of the Classes;
- 24 3. For an order appointing Counsel for Plaintiff as Counsel for the Classes;
- 25 4. Upon the First Cause of Action, for compensatory, consequential, general and special
26 damages according to proof pursuant to Labor Code §§ 204, 210, 1194, and 1198;
- 27 5. Upon the Second Cause of Action, for compensatory, consequential, general and special
28 damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1197, and 1198;

1 6. Upon the Third Cause of Action, payment of all unpaid sick pay wages and penalties
2 according to proof pursuant to Labor Code § 246 *et seq.*, and for reasonable attorneys' fees and costs;

3 7. Upon the Fourth Cause of Action, for compensatory, consequential, general and special
4 damages according to proof pursuant to Labor Code §§ 226.7 and 512;

5 8. Upon the Fifth Cause of Action, for compensatory, consequential, general and special
6 damages according to proof pursuant to Labor Code §§ 226.7 and 516;

7 9. Upon the Sixth Cause of Action, penalties pursuant to Labor Code § 226(a), and
8 reasonable costs and attorneys' fees;

9 10. Upon the Seventh Cause of Action, for statutory waiting time penalties pursuant to
10 Labor Code §§ 201-203;

11 11. Upon the Eighth Cause of Action, for unreimbursed expenses, interest, and reasonable
12 attorney's fees and costs pursuant to Labor Code § 2802;

13 12. Upon the Ninth Cause of Action, for restitution to Plaintiff and members of the Classes
14 of all money and/or property unlawfully acquired by Defendants by means of any acts or practices
15 declared by this Court to be in violation of Business and Professions Code § 17200 *et seq.*;

16 13. Upon the Tenth Cause of Action, for civil penalties due to Plaintiff, other non-exempt
17 aggrieved employees, and the State of California according to proof pursuant to Labor Code § 2699
18 (a) and (f) including, but not limited to: (1) \$100 for each initial violation and \$200 for each
19 subsequent violation per employee per pay period for those violations of the Labor Code for which
20 no civil penalty is specifically provided under the Labor Code;

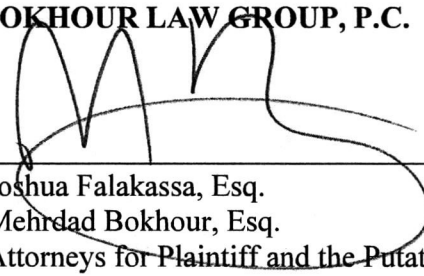
21 14. Prejudgment interest on all due and unpaid wages pursuant to California Labor Code §
22 218.6 and Civil Code §§ 3287 and 3289;

23 15. On all causes of action, for attorneys' fees and costs as provided by Labor Code §§
24 218.5, 226, 2802, and Code of Civil Procedure § 1021.5; and

25 16. For such other relief that the Court may deem just and proper.
26
27
28

1 Dated: October 4, 2023

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.

2
3
4 By: 

Joshua Falakassa, Esq.

Mehrdad Bokhour, Esq.

Attorneys for Plaintiff and the Putative Classes

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 I am employed in the County of Los Angeles, State of California. I am over the age of
4 eighteen years and not a party to the within action; my business address is 1901 Avenue of the Stars,
Suite 450, Los Angeles, California 90067.

5 On November 15, 2023, I served the following document(s) described as
6 **FIRST AMENDED CLASS AND PAGA ACTION COMPLAINT** on the interested parties
in this action by placing true copies thereof enclosed in sealed envelopes addressed as follows:

7
8 Linda Moroney, Esq.

lmoroney@grsm.com

9 Amber Eklof, Esq.

10 aeklof@grsm.com

11 Matthew Isaac, Esq.

misaac@grsm.com

12 **GORDON REES SCULLY MANSUKHANI, LLP**

275 Battery Street, Suite 2000

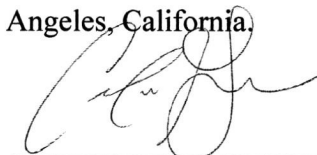
San Francisco, California 94111

13
14 **Counsel for defendant Keller Supply Co.**

15 **BY ELECTRONIC MAIL:** Based on a Court order or an agreement by the parties to accept
16 service by e-mail or electronic transmission, I caused such the document(s) described above to be
sent from my email address to the persons listed above. I did not receive, within a reasonable time
17 after the transmission, any electronic message or indication that the transmission was unsuccessful.

18 I declare under penalty of perjury under the laws of the State of California that the foregoing
is true and correct.

19 Executed on November 15, 2023, at Los Angeles, California.

20
21 

22 Carlos Garcia