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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
2/26/2026 4:16:17 PM
Clerk of the Superior Court
By T. Cutts ,Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

SERGIO GASCA CAMACHO and FADI JUMAAH, on behalf of others similarly situated, and the State of California under the Private Attorneys General Act,

Plaintiffs,

vs.

SUNBELT RENTALS, INC., and DOES 1 through 50, inclusive,

Defendants.

Case No. 26CU001997C

CLASS ACTION

FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT

1. Failure to Pay All Wages Owed
2. Failure to Pay All Overtime Wages
3. Meal Period Violations
4. Rest Period Violations
5. Paid Sick Leave Violations
6. Unpaid Vacation Wages
7. Untimely Payment of Wages
8. Wage Statement Violations
9. Waiting Time Penalties
10. Failure to Reimburse Business Expenses
11. Unfair Competition
12. Unlawful Employment Condition
13. Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: January 9, 2026

Plaintiffs SERGIO GASCA CAMACHO and FADI JUMAAH, on behalf of all others similarly situated and the State of California under the Private Attorneys General Act ("Plaintiffs") brings this FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants SUNBELT RENTALS, INC., and DOES 1 through 50, inclusive (collectively "Defendants"), alleging as follows:

INTRODUCTION

1. Plaintiffs bring this instant class action on behalf of themselves and similarly situated current and former employees of Defendants for a series of systemic violations of the California Labor Code and IWC Wage Orders.

2. Defendants failed to compensate Plaintiffs and the putative class members for all hours worked, including regular and overtime hours, by failing to accurately track and account for all compensable time.

3. Defendant also underpaid the putative class members' wages by failing to include all forms of remuneration, including bonuses, in the regular rate of pay calculation for overtime, sick pay, and premiums.

4. Plaintiffs and the putative class members were regularly denied full, timely, and compliant meal and rest periods.

5. Defendants also failed to reimburse Plaintiffs and the putative class members for all necessary business expenses incurred in direct consequence of the discharge of their job duties.

6. As a condition of employment, Defendants required Plaintiff Jumaah and the putative class members to enter into unlawful non-competition agreements.

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

8. Defendants are further liable for derivative claims for wage statements, untimely payment, and other associated violations.

9. Plaintiffs seek to recover the underpaid damages, plus associated penalties, interests, attorney's fees and costs.

JURISDICTION & VENUE

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

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

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

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

PARTIES

A. Plaintiffs

14. Plaintiff Gasca Camacho is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about December 2019 to Present. Plaintiff worked as a Power & HVAC Road Technician.

15. Plaintiff Jumaah is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about December 2022 to Present. Plaintiff worked as a Road Technician.

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

B. Defendants

17. Defendant Sunbelt Rentals, Inc., is a North Carolina corporation that maintains operations and conducts business throughout the State of California, including in this county.

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

19. Upon information and belief, Defendants in this action are employers, co-employers, joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised control over the wages, hours, and working conditions of the employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

20. Upon information and belief, at least some of the Defendants have common ownership, common management, interrelationship of operations, and centralized control over labor relations and are therefore part of an integrated enterprise and thus jointly and severally responsible for the acts and omissions alleged herein, including pursuant to Labor Code sections 558, 558.1, and 1197.1.

21. Upon information and belief, Defendants acted in all respects pertinent to this action as an alter-ego, agent, servant, joint employer, joint venturer, co-conspirator, partner, in an integrated

enterprise, or in some other capacity on behalf of all other co-defendants, such that the acts and omissions of each defendant may be legally attributable to all others.

CLASS ALLEGATIONS

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

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

23. Plaintiffs reserve the right to establish various subclass definitions as appropriate at the class certification stage, according to proof.

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

a. Numerosity: The class is estimated to exceed 50 individuals, although the precise membership of the entire class is unknown at this time. The class is so numerous that joinder of all class members is impracticable. The identities of class members are ascertainable by inspection of Defendants' employment and payroll records.

b. Typicality: Plaintiffs' claims are typical of the claims of the other class members. They were subject to the same policies and practices of Defendants, which resulted in losses to the class. Proof of common unlawful business practices, which Plaintiffs experienced, will establish the right of the class to recover on the causes of action alleged herein.

c. Adequacy: Plaintiffs are adequate class representatives; will take all necessary steps to protect the class members' interests adequately and fairly; has no interest antagonistic to other class members; and is represented by attorneys who have substantial experience prosecuting, defending, resolving, and litigating wage and hour class, collective, and representative actions in California state and federal courts.

d. Superiority: A class action is superior to other means for adjudicating this 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.

25. 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 Defendants and applied to the class members constitute violations of California law.

GENERAL ALLEGATIONS

26. Plaintiffs and the putative class members worked for Defendants as non-exempt employees compensated on an hourly basis.

27. Defendants failed to pay Plaintiffs and the putative class members at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages.

28. Specifically, Defendants engaged in an unlawful policy and practice of undercounting and underpaying Plaintiffs and the putative class members for all on-call hours that were worked.

29. Defendant paid Plaintiffs and the putative class members a flat sum amount of $300 for on-call hours worked, instead of paying Plaintiffs for each on-call hour worked. Given the nature of the on-call work, the on-call time was considered hours worked.

30. For example, on 9/1/2025 to 9/7/2025, Defendant paid Plaintiff Jumaah a flat sum of $300 for working on-call hours ("On Call Earn"). However, Defendants failed to compensate Plaintiff Jumaah for each on-call hour that he actually worked. Additionally, during the pay period from 6/2/2025 to 6/8/2025, Defendant paid Plaintiff Gasca Camacho a flat sum of $300 as an incentive for working on-call hours ("On Call Earn"). However, Defendants failed to compensate Plaintiff Gasca Camacho for each on-call hour that he actually worked.

31. To the extent that Defendants compensated the putative class members for on-call hours worked in the same flat rate manner, Defendants failed to pay the lawful minimum wage for all hours worked.

32. Defendants failed to pay Plaintiffs and the putative class members overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages.

33. First, Defendants paid Plaintiffs and the putative class members a flat rate for on-call hours worked and undercounted those hours worked. Thus, when Plaintiffs and the putative class members worked more than 8 hours in a day or more than 40 hours in one week, these practices resulted in unpaid overtime wages.

34. Defendants failed to pay overtime and double time at the "regular rate of pay."

35. Defendants paid Plaintiffs and the putative class members shift differentials, incentives, and other forms of remuneration that Defendants failed to incorporate into the overtime and double time rates in the pay periods when employees worked overtime and double time hours. An illustrative

example is shown in Plaintiff Jumaah's wage statement for the pay period of 09/01/2025 to 09/07/2025. During this pay period, Defendants paid 0.05 hours of double time at Plaintiff Jumaah's base hourly rate and then another 0.05 hours of double time at a higher rate. However, double time should have been paid at 2x Plaintiff Jumaah's regular rate of pay, rather than the deficient rate provided by Defendants.

36. To the extent Defendants conducted the same regular rate violation as described in throughout this Complaint, Defendants failed to pay Plaintiffs and the putative class members overtime at the lawful rate required. Specifically, Defendants failed to calculate the regular rate of compensation for Plaintiffs and the putative class members using all forms of remuneration earned, instead electing to pay putative class members at their base hourly rate in violation of California law. Therefore, Defendants paid Plaintiffs and the putative class members' overtime and double time at a deficient rate.

37. Defendants failed to comply with California's paid sick leave laws with respect to the putative class members. Because Defendants failed to record and pay all hours that Plaintiffs and other putative class members worked, Defendants failed to credit them all sick hours that they actually accrued.

38. To the extent that Plaintiffs and the putative class members earned sick pay in the same period they earned other shift differentials and other non-excludable remuneration, Defendants underpaid those wages due to their repeated regular rate violations.

39. Specifically, Defendants did not pay the putative class members sick leave "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick leave, whether or not the employee actually worked overtime in that workweek," as the regular rate should have included shift differentials and all other forms of additional non-excludable remuneration.

40. Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and wages.

41. Defendants failed to record all of the time that Plaintiffs and other putative class members worked for Defendants and undercounted their hours worked. Consequently, Defendants failed to credit the putative class members for all vacation time they actually accrued.

42. Plaintiffs and other putative class members routinely experienced missed, late, short, and interrupted meal periods due to pressure from Defendants to keep up with high demands of the job and Defendants non-compliant policies and practices.

43. For example, Plaintiff Gasca Camacho would often take his meal period past the fifth hour of work because he was driving to a work site and unable to stop or, more often than not, would be performing time sensitive work that needed to be finished. As a result, Plaintiff Gasca Camacho would frequently experience non-compliant meal periods.

44. Each time Plaintiffs and the putative class members experienced a noncompliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiffs and the putative class members were not provided meal period premiums in lieu of non-compliant meal periods as required by Labor Code section 226.7. When Plaintiffs and the putative class members earned meal period premiums, Defendants failed to pay such premiums at the regular rate of compensation.

45. On Plaintiff Gasca Camacho's wage statement for the pay period from 08/18/2025 to 08/24/2025 Plaintiff Gasca Camacho earned meal premiums ("Meal/Break Penalty") in the amount of $36.96 in the same pay period in which he also earned an incentive for working on-call hours ("On Call Earn") in the amount of $300. However, Defendant failed to pay Plaintiff Gasca Camacho's meal

premium at the regular rate of compensation (inclusive of all forms of remuneration), and instead paid the premium at Plaintiff Gasca Camacho's base hourly rate.

46. Additionally, Plaintiff Jummah's wage statement for the pay period of 08/11/2025 to 08/21/2025 shows Plaintiff earned meal premiums ("Meal/Break Penalty") in the amount of $36.40 in the same pay period in which he also earned an incentive for working on-call hours ("On Call Earn") in the amount of $300. However, Defendants paid Plaintiff Jummah's meal premium at a deficient rate because the premiums did not factor in all forms of remuneration, instead being paid at Plaintiff Jummah's base hourly rate.

47. Plaintiffs are informed and believe that Defendant committed the same meal premium underpayments with respect to the putative class.

48. As a matter of common policy and practice, Defendants failed to provide all rest periods to which Plaintiffs and the putative class members were entitled to.

49. For the same reasons Plaintiffs and the putative class members experienced deficient meal periods, Plaintiffs and the putative class members were not always authorized or permitted to take their rest period. For example, Plaintiff Gasca Camacho's supervisor would frequently assign him work routes and daily schedules that would prevent him from taking his rest breaks, especially on busier days.

50. When Defendants did not provide compliant rest periods, Defendants also failed to pay Plaintiffs and the other putative class members all rest period premiums in violation of Labor Code section 226.7. To the extent Defendants paid rest periods premiums, Defendants violated Labor Code section 226.7 because such premiums were not paid at the regular rate of compensation to putative class members, which would have factored in shift differentials and other forms of remuneration.

51. These violations create derivative liability for failure to timely pay all wages owed each payday or upon separation of employment. An illustrative example of this violation is shown in

Plaintiff Jumaah's wage statement for the pay period of 03/10/2025 to 03/16/2025. During this pay period, Plaintiff Jumaah earned a DT Premium for hours worked during the Pay Period from 1/13/2025 to 1/19/2025, which Defendants are itemizing on a wage statement two months after Plaintiff Jumaah earned it. Plaintiff Jumaah should have been paid this premium "not more than seven calendar days following the close of the payroll period" as required by California law. To the extent that Defendants paid Plaintiffs and the class members any premium payments for overtime and double time worked more than seven calendar days following the close of the pay period in which the premiums were earned, Defendants owe interest and penalties.

52. Defendants required Plaintiffs and the putative class members to incur costs for work-related purposes without full reimbursement.

53. In direct consequence of their job duties, Plaintiffs and the putative class members unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. For example, Plaintiff Gasca Camacho regularly used his personal cell phone to take work related calls while driving between assignments. Plaintiffs and other putative class members were also required to use their personal cell phones to answer calls from the shop and management, in order for Defendants to let them know where to go next. Additionally, Plaintiff Jumaah regularly used his personal cell phone to take work-related calls from customers, the shop, drivers, and his service manager, Mike, would frequently reach out to him about issues with services. Plaintiffs and the class members were not reimbursed for their cell phone use.

54. Additionally, Plaintiff Gasca Camacho and the putative class members were required to use their personal vehicles for work related tasks, but were not reimbursed for mileage resulting from the use of their vehicles. For example, Plaintiff Gasca Camacho and the putative class members were required to use their personal vehicles to drive to different shop locations in order to drop off

equipment. Plaintiff Gasca Camacho and the putative class members also used their vehicles to drive back and forth from meetings with customers who were interested in their services.

55. Defendants required that Plaintiff Jumaah and the putative class members sign non-competition agreements restricting their ability to accept certain work on behalf of themselves or other employers.

56. As such, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff Jumaah and the putative class members sign non-competition agreements prohibited by California law. Plaintiff Jumaah and the putative class members were required to agree to unlawful terms as alleged herein.

57. Defendants failed to pay all wages and premiums owed to class members during their employment, and also failed to timely pay those amounts to departing employees upon separation of employment.

58. Defendants failed to provide accurate itemized wage statements to the class members 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.

59. Defendants also violated Labor Code section 226(a)(9) by failing to accurately list employees' "applicable hourly rates," as the wage statements did not accurately include the rate of pay for PTO hours utilized by Plaintiffs and the class members An illustrative example of this violation is shown in Plaintiff Jumaah's wage statement for the pay period of 12/18/2023 to 12/24/2023 and Plaintiff Gasca Camacho's wage statement for the pay period of 12/30/2024 to 01/05/2025. Additionally, Defendants violated Labor Code section 226(a)(9) as the wage statements do not include the hourly rate in effect for overtime and double time actually worked, instead listing the base rate for

overtime and a lump sum paid that does not reflect the hourly rate. The wage statements also do not include the hours worked or rate of pay for on-call hours worked ("On Call Earn"). An illustrative example of this violation is shown Plaintiff Jumaah's wage statement for the pay period of 09/01/2025 to 09/07/2025 and Plaintiff Gasca Camacho's wage statement with a pay date of 4/24/2025.

60. Plaintiffs and other putative class members 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 Plaintiffs and other putative class members 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.

61. Because of these policies and practices set forth above, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL WAGES OWED

Violation of Labor Code §§ 200, 218, 1194, 1194.2 and 1197

(All Claims Alleged by Plaintiffs and Class Members Against All Defendants)

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

63. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours and Days of Work" and "Minimum Wages" sections of the applicable orders), which require non-exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of work, and further provide a private right of action for an employer's failure to pay all minimum wages (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that "'wages'

includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation."

64. Defendants willfully failed in their affirmative obligation to pay Plaintiffs and class members at least the lawful minimum wage for each hour worked in violation of Labor Code sections 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours and Days of Work" and "Minimum Wages" sections of the applicable orders), including payment at the lawful local and county minimum wage ordinances in effect. As a result, Defendants are liable for all associated damages, including liquidated damages for the minimum wage violations pursuant to Labor Code § 1194.2.

65. Defendants' unlawful acts and omissions deprived Plaintiffs and class members of minimum, regular and overtime wages in amounts to be determined at trial. Plaintiffs and class members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2, 218.6 and any other applicable statutes.

<u>SECOND CAUSE OF ACTION</u>

FAILURE TO PAY ALL OVERTIME WAGES

Violation of Labor Code §§ 510 and 1194

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

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

68. Defendants failed in their affirmative obligation to pay Plaintiffs 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).

69. Plaintiffs 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.

<u>THIRD CAUSE OF ACTION</u>

MEAL PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 512

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

71. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or meal period premiums in lieu thereof), and which further provide a private right of action for an employer’s failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful regular rate of compensation.

72. Defendants willfully failed in their affirmative obligation to consistently provide Plaintiffs and class members compliant, duty-free meal periods of not less than 30 minutes beginning before the fifth hour of hour for each work period of more than five hours per day and a second duty-free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in

violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the "Meal Periods" sections of the applicable orders).

73. Further, Defendants willfully failed in their affirmative obligation to consistently pay Plaintiffs and class members one additional hour of pay at the respective regular rate of compensation for each workday that a fully compliant meal period was not provided, in violation of Labor Code sections 226.7, 512, 558, and 1198 and the IWC Wage Orders (the "Meal Periods" sections of the applicable orders).

74. Plaintiffs and class members are entitled to recover the full amount of the meal period premiums owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

<u>FOURTH CAUSE OF ACTION</u>

REST PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 516

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

76. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 226.7 and 516, which require non-exempt employees be authorized to take complaint rest periods (or rest period premiums in lieu thereof), and which further provide a private right of action for an employer's failure to lawfully provide all rest periods and/or pay rest period premiums at the lawful regular rate of compensation.

77. Defendants willfully failed in their affirmative obligation to consistently authorize and permit Plaintiffs and class members to receive compliant, duty-free rest periods of not less than ten (10) minutes for every four hours worked (or major fraction thereof) in violation of Labor Code sections 226.7, 516, 558, and 1198 and the IWC Wage Orders (the "Rest Periods" sections of the applicable orders).

78. Further, Defendants willfully failed in their affirmative obligation to consistently pay Plaintiffs and class members one additional hour of pay at the respective regular rate of compensation for each workday that a fully compliant rest period was not provided, in violation of Labor Code sections 226.7, 516, 558, and 1198 and the IWC Wage Orders.

FIFTH CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

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

80. Defendants knowingly and intentionally failed in their affirmative obligation to pay sick leave wages to Plaintiffs 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"].)

81. 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 Defendants were required to calculate paid sick leave.

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

83. Furthermore, to the extent the paid sick leave paid constitutes Covid-related paid sick leave, Defendants knowingly and intentionally failed in their affirmative obligation to pay Covid-19

Supplemental Sick Leave wages to class members at the correct accrual rate or hourly pay rate in violation of Labor Code sections 246, 248.1, 248.2, and 248 *et seq.*

84. As a result, Defendants violated the Labor Code and are liable to Plaintiffs and class members for underpaid sick leave wages, in addition to interest, attorneys' fees, and costs.

<u>SIXTH CAUSE OF ACTION</u>

UNPAID VACATION WAGES

Violation of Labor Code §§ 201, 202, 203, and 227.3 and 1194, and 1198

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

86. This cause of action is brought by an unpaid vacation wages subclass pursuant to Labor Code §§ 200, 201, 202, 203, and 227.3 and 1194, and 1198, which require non-exempt employees be timely paid all vested vacation wages at their final rate of pay upon separation of employment, and which further provide a private right of action for an employer's timely failure to pay all vacation compensation upon termination.

87. Defendant offered Plaintiffs and class members an employment contract or policy providing for the accrual of vacation and/or paid time off. Plaintiffs and class members accrued vacation and/or PTO pursuant to the contract or policy.

88. Upon separation of Plaintiffs and class members, Defendants willfully failed in their affirmative obligation to timely pay Plaintiffs and class members all accrued but unused vacation at their final rate during their employment with Defendants, in violation of Labor Code sections 201(a), 202(a), and 227.3.

89. Plaintiffs and class members are entitled to recover the full amount of the accrued vacation wages owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

SEVENTH CAUSE OF ACTION

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

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

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

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

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

EIGHTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

Violation of Labor Code § 226

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

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

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

97. Defendants' unlawful acts and omissions deprived Plaintiffs and class members of accurate itemized wage statements, causing confusion and concealing wage and premium underpayments.

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

NINTH CAUSE OF ACTION

WAITING TIME PENALTIES

Violation of Labor Code §§ 201 *et seq*.

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

100. This cause of action is brought by a waiting time subclass pursuant to Labor Code §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of employment, and which further provide a private right of action to recover statutory waiting time

penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days wages.

101. Defendants willfully failed and continue to fail in their affirmative obligation to pay all wages earned and unpaid to Plaintiffs and class members immediately upon termination of employment or within 72 hours thereafter for employees who did not provide at least 72 hours prior notice of his or her intention to quit, and further failed to pay those sums for 30 days thereafter in violation of Labor Code sections 201 through 203 and the IWC Wage Orders.

102. Plaintiffs and class members are entitled to recover a waiting time penalty for a period of up to 30 days, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

TENTH CAUSE OF ACTION

FAILURE TO REIMBURSE BUSINESS EXPENSES

Violation of Labor Code § 2802

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

104. Defendants willfully failed in their affirmative obligation to reimburse Plaintiffs and a reimbursement subclass for all necessary expenditures, losses, expenses, and costs incurred by them in direct discharge of the duties of their employment, in violation of Labor Code section 2802.

105. Defendants' unlawful acts and omissions deprived Plaintiffs and class members of lawful reimbursements for business expenses in amounts to be determined at trial. Plaintiffs and class members are entitled to recover the amount unreimbursed expenses of Plaintiffs and class members in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code section 2802.

ELEVENTH CAUSE OF ACTION

UNFAIR COMPETITION

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

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

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

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

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

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

111. Plaintiffs and class members are entitled to injunctive relief against Defendants, restitution, and other equitable relief to return all funds over which Plaintiffs and class members have an ownership interest and to prevent future damage and the public interest under Business and

Professions Code § 17200 *et seq.* Plaintiffs and class members are further entitled to recover interest, attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure § 1021.5.

TWELFTH CAUSE OF ACTION

UNLAWFUL EMPLOYMENT CONDITION

Violation of Labor Code § 432.5 and Business and Professions Code 16600 et seq.

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

113. Labor Code section 432.5 states that "[n]o employer, or agent, manager, superintendent, or officer thereof, shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law."

114. Non-competition agreements are illegal under California law.

115. Business and Professions Code section 16600 provides that "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void."

116. Business and Professions Code section 16600.5(c) provides that an "employer shall not enter into a contract with an employee or prospective employee that includes a provision that is void…," *i.e.*, a non-competition clause.

117. A violation of section 16600.5(c) "constitutes an act of unfair competition," as outlined in section 16600.1(c).

118. Under Business and Professions Code section 16600.5(d), an employer who requires employees to agree to non-competition clauses or agreements commits a civil violation.

119. Defendants willfully violated Labor Code section 432.5 and Business and Professions Code section 16600 *et seq*. by requiring Plaintiffs and the class members to sign non-competition agreements prohibited by California law.

120. Section 16600.5(e) provides a private right of action for Plaintiffs and class members to enforce the foregoing provisions and obtain injunctive and monetary relief as well as attorneys' fees and costs.

THIRTEENTH CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

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

122. Plaintiffs bring this cause of action as a proxy for the State of California on behalf of the following "aggrieved employees" pursuant to the Private Attorneys General Act ("PAGA"), codified as Labor Code section 2698 *et seq.*:

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

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

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

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

126. 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."

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

128. On or about **December 10, 2025**, Plaintiff Sergio Gasca Camacho paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants' alleged Labor Code violations, including the facts and theories to support the alleged violations.

129. On or about **December 11, 2025**, Plaintiff Fadi Jumaah paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants' alleged Labor Code violations, including the facts and theories to support the alleged violations.

130. True and correct copies of Plaintiffs' written PAGA notices, entitled "Notice of Labor Code Violations" is attached hereto as <u>Exhibit 1</u> and <u>Exhibit 2</u> and incorporated by reference as though fully set forth herein (the "<u>PAGA notice</u>").

131. To date, neither Plaintiffs nor Plaintiffs' counsel has received a response to Plaintiffs' written PAGA notice from the LWDA.

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

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

134. As set forth in the PAGA notices attached as Exhibit 1 and Exhibit 2 and incorporated into this Complaint, Defendants committed the following violations and are liable for all corresponding civil penalties:

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

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

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

d. ***Unpaid Vacation Wages.*** Violation of Labor Code § 227.3.

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

f. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.

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

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

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

j. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.

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

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

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

PRAYER

Plaintiffs pray for judgment as follows:

a. For certification of this action as a class action;

b. For appointment of Plaintiffs as the class representatives;

c. For appointment of above-captioned counsel for Plaintiffs 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;

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

l. For Plaintiffs and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;

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

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

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

Dated: February 26, 2026

Ferraro Vega Employment Lawyers, Inc.

Nicholas J. Ferraro

Andrew T. Katseanes
Nicholas J. Ferraro
Attorneys for Plaintiffs

EXHIBIT 1

Plaintiff Sergio Gasca Camacho's Notice of Labor Code Violations

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December 10, 2025

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

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

Sunbelt Rentals, Inc
1799 Innovation Point
Fort Mill, South Carolina 29715

- 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 **SERGIO GASCA CAMACHO** ("Plaintiff(s)") and all other "aggrieved employees" of the following "Defendant(s)":

SUNBELT RENTALS, INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Power & HVAC Road Technician from about December 9, 2019 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 "<u>aggrieved employees</u>" and the "<u>PAGA Period</u>").

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 -

<u>Unpaid Hours Worked/Minimum Wage</u>
Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the "Hours and Days of Work" and "Minimum Wages" sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

<u>Labor Code section 1194</u> renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. <u>Labor Code section 1197</u> further mandates

that "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful." Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The "Minimum Wages" sections of the applicable IWC Wage Order provide that "[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise." The foregoing California wage laws require payment of "not less than the applicable minimum wage *for all hours worked* in the payroll period" and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants engaged in an unlawful policy and practice of undercounting and underpaying Plaintiff and the aggrieved employees for all on-call hours that were worked. For example, Defendant paid Plaintiff a flat sum amount of $300 for on-call hours worked, instead of paying Plaintiff for each on-call hour worked. An example of this violation is illustrated below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	06/02/2025 - 06/08/2025	1.17	36.96	43.12	1,433.93
DT Premium	06/02/2025 - 06/08/2025	1.17	42.05	0.00	1,273.02
GTL*	06/02/2025 - 06/08/2025	0.00	0	1.27	29.21
Holiday			0		1,137.28
Hourly Profit Share			0		600.00
Meal/Break Penalty	06/02/2025 - 06/08/2025	3.00	36.96	126.15	1,931.59
On Call DT Premium Amt	06/02/2025 - 06/08/2025	1.17	36.96	43.12	205.43
On Call DT on Flat Sum Bonus	06/02/2025 - 06/08/2025	1.17	15	17.50	34.30
On Call Earn	06/02/2025 - 06/08/2025	0.00	0	300.00	884.32
On Call OT Premium Amt	06/02/2025 - 06/08/2025	17.78	36.96	328.64	1,168.88
On Call OT on Flat Sum Bonus	06/02/2025 - 06/08/2025	17.78	11.25	200.06	513.89
Overtime	06/02/2025 - 06/08/2025	17.78	36.96	657.27	9,259.15
PTO			0		568.64
Regular	06/02/2025 - 06/08/2025	40.00	36.96	1,478.40	27,998.35
Sick			0		2,648.32
Vacation			0		4,264.80
Earnings				3,195.53	57,650.26

Extract of Plaintiff's Wage Statement for the Pay Period from 6/2/2025 to 6/8/2025.

During the pay period from 6/2/2025 to 6/8/2025, Defendant paid Plaintiff a flat sum of $300 as an incentive for working on-call hours ("On Call Earn"). However, Defendants failed to compensate Plaintiff for each on-call hour that he actually worked. To the extent that Defendants compensated the aggrieved employees for on-call hours worked in the same flat rate manner, Defendants failed to pay the lawful minimum wage for all hours worked.

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

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

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

Labor Code section 510 requires "[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;" and "any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;" and "any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." 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. First, as mentioned above, Defendants paid Plaintiff and the aggrieved employees a flat rate for on-call hours worked and undercounted those hours worked. Thus, when Plaintiff and the aggrieved employees worked more than 8 hours in a day or more than 40 hours in one week, these practices resulted in unpaid overtime wages.

Defendants failed to pay overtime and double time at the "regular rate of pay." Defendants paid Plaintiff and the aggrieved employees shift differentials, incentives, and other forms of remuneration that Defendants failed to incorporate into the overtime and double time rates in the pay periods when employees worked overtime and double time hours. An illustrative example is shown in Plaintiff's wage statement above, under the "Unpaid Hours Worked" section. There, Defendants paid 1.17 hours of double time at Plaintiff's base hourly rate and then another 1.17 hours of double time at a higher rate. However, double time should have been paid at 2x Plaintiff's regular rate of pay, rather than the deficient rate provided by Defendants.

To the extent Defendants conducted the same regular rate violation as described in the "Meal Premium" section below, Defendants failed to pay Plaintiff and the aggrieved employees' overtime at the lawful rate required. Specifically, Defendants failed to calculate the regular rate of compensation for Plaintiff and the aggrieved employees using all forms of remuneration earned, instead electing to pay aggrieved employees at their base hourly rate in violation of California law. Therefore, Defendants paid Plaintiff and the aggrieved employees' overtime and double time at a deficient rate.

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

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

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

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

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

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

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

To the extent that Plaintiff and the aggrieved employees earned sick pay in the same period they earned other shift differentials and other non-excludable remuneration, Defendants underpaid those wages due to the regular rate violations addressed above. Specifically, Defendants did not pay the aggrieved employees sick leave "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick leave, whether or not the employee actually worked overtime in that workweek," as the regular rate should have included shift differentials and all other forms of additional non-excludable remuneration.

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

Unpaid Vacation Wages
Violation of Labor Code § 227.3

Defendants violated Labor Code section 227.3 with respect to the aggrieved employees.

Labor Code section 227.3 requires "whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination."

Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and wages. As described above, Defendants failed to record all of the time that Plaintiff and other aggrieved employees worked for Defendants and undercounted their hours worked. Consequently, Defendants failed to credit the aggrieved employees for all vacation time they actually accrued.

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

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

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to pressure from Defendants to keep up with high demands of the job and Defendants non-compliant policies and practices. For example, Plaintiff would often take his meal period past the 5th hour because he was driving to a work site and unable to stop or, more often than not, would be performing time sensitive work that needed to be finished. As a result, Plaintiff would frequently experience non-compliant meal periods.

Each time Plaintiff and the aggrieved employees experienced a noncompliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiff and the aggrieved employees were not provided meal period premiums in lieu of non-compliant meal periods as required by Labor Code section 226.7. When Plaintiff and the aggrieved employees earned meal period premiums, Defendants failed to pay such premiums at the regular rate of compensation. An illustrative example of this violation is shown below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	08/18/2025 - 08/24/2025	3.32	36.96	122.58	2,047.47
DT Premium	08/18/2025 - 08/24/2025	3.32	43.37	0.00	1,664.80
GTL*	08/18/2025 - 08/24/2025	0.00	0	1.43	44.46
Holiday			0		1,432.96
Hourly Profit Share			0		600.00
Meal/Break Penalty	08/18/2025 - 08/24/2025	3.00	36.96	130.11	2,779.76
On Call DT Premium Amt	08/18/2025 - 08/24/2025	3.32	36.9599	122.59	427.20
On Call DT on Flat Sum Bonus	08/18/2025 - 08/24/2025	3.32	16.1074	53.42	128.95
On Call Earn	08/18/2025 - 08/24/2025	0.00	0	300.00	2,084.32
On Call OT Premium Amt	08/18/2025 - 08/24/2025	6.20	36.96	114.58	2,193.61
On Call OT on Flat Sum Bonus	08/18/2025 - 08/24/2025	6.20	12.0805	74.90	1,150.00
Overtime	08/18/2025 - 08/24/2025	6.20	36.96	229.15	14,413.84
PTO			0		568.64
Regular	08/18/2025 - 08/24/2025	37.25	36.96	1,376.76	43,695.26
Sick			0		2,648.32
Vacation			0		4,264.80
Earnings				2,525.52	85,396.20

Extract of Plaintiff's Wage Statement for the Pay Period from 08/18/2025 to 08/24/2025

Here, Plaintiff earned meal premiums ("Meal/Break Penalty") in the amount of $36.96 in the same pay period in which he also earned what Plaintiff believes to be an incentive for working on-call hours ("On Call Earn") in the amount of $300. However, Defendants paid Plaintiff's meal premium at a deficient rate because the premiums did not factor in all forms of remuneration, instead being paid at Plaintiff's base hourly rate.

To the extent Defendants paid other aggrieved employees meal period premiums, the premiums were not paid at the regular rate of compensation because the premiums did not factor in other forms of remuneration such as the "On Call Earn" incentive, instead electing to pay aggrieved employees at their base hourly rate, in violation of California law.

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

<u>Unpaid Rest Period Premium Wages</u>
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the aggrieved employees.

<u>Labor Code sections 226.7</u> and <u>516</u> and the <u>IWC Wage Orders</u> require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. <u>Labor Code section 226.7</u> requires that if a

rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major faction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

As a matter of common policy and practice, Defendants failed to provide all rest periods to which Plaintiff and the aggrieved employees were entitled to. Due to the reasons explained in the "Unpaid Meal Period" section above, such as the pressures to keep up with the continuous demands of the job, Plaintiff and the aggrieved employees were not always authorized or permitted to take their rest period. For example, Plaintiff's supervisor would frequently assign him work routes and daily schedules that would prevent him from taking his rest breaks, especially on busier days.

When Defendants did not provide compliant rest periods, Defendants also failed to pay Plaintiff and the other aggrieved employees all rest period premiums in violation of Labor Code section 226.7. To the extent Defendants paid rest periods premiums, Defendants violated Labor Code section 226.7 because such premiums were not paid at the regular rate of compensation to aggrieved employees, which would have factored in shift differentials and other forms of remuneration.

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. Indeed, Defendants failed to pay all regular, overtime, premiums, sick leave, and other earnings, at the correct rate of pay, on time each payday.

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

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

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

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

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

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

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

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

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

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

Additionally, Defendants violated Labor Code section 226(a)(9) by failing to accurately list employees' "applicable hourly rates," as the wage statements did not accurately include the rate of pay for PTO hours utilized by Plaintiff and the aggrieved employees. An illustrative example of this violation is shown below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	12/30/2024 - 01/05/2025	0.25	35.54	8.89	295.58
DT Premium	12/30/2024 - 01/05/2025	0.25	35.54	8.89	295.58
GTL*	12/30/2024 - 01/05/2025	0.00	0	1.27	1.27
Holiday	12/30/2024 - 01/05/2025	12.00	35.54	426.48	852.96
Meal/Break Penalty	12/30/2024 - 01/05/2025	7.00	35.54	248.78	426.48
OT Premium	12/30/2024 - 01/05/2025	11.85	17.77	210.58	439.82
Overtime	12/30/2024 - 01/05/2025	11.85	35.54	421.15	879.61
PTO	12/30/2024 - 01/05/2025	8.00	0	284.32	568.64
Regular	12/30/2024 - 01/05/2025	32.00	35.54	1,137.28	2,679.12
Vacation	12/30/2024 - 01/05/2025	16.00	35.54	568.64	568.64
Earnings				3,316.28	7,007.70

Extract of Plaintiff's Wage Statement for the Pay Period from 12/30/2024 to 01/05/2025

Additionally, Defendants violated Labor Code section 226(a)(9) as the wage statements do not include the hours worked or rate of pay for on-call hours worked or "On Call Earn". An example is shown in Plaintiff's wage statement with a pay date of 4/24/2025.

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

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

Unreimbursed Employee Expenses
Violation of Labor Code §§ 2802, 2804

Defendants violated Labor Code section 2802 with respect to the aggrieved employees by failing to reimburse the aggrieved employees for all necessary expenditures or losses incurred as part of their job duties.

Labor Code section 2802 requires an employer to "indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

Labor Code section 2804 affirms that "[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State."

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. For example, Plaintiff regularly used his personal cell phone to take work related calls while driving between assignments. Plaintiff and other aggrieved employees were also required to use their personal cell phones to answer calls from the shop and management, in order for Defendants to let them know where to go next.

Additionally, Plaintiff and the aggrieved employees were required to use their personal vehicles for work related tasks, but were not reimbursed for mileage resulting from the use of their vehicles. For example, Plaintiff and the aggrieved employees were required to use their personal vehicles to drive to different shop locations in order to drop off equipment. Plaintiff and the aggrieved employees also used their vehicles to drive back and forth from meetings with customers who were interested in their services.

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,

Xavier L. Woodford

Xavier L. Woodford

Cc Plaintiff Sergio Gasca Camacho

Courtney Harrington – Human Resources Representative
Courtney.Harrington@sunbeltrentals.com

EXHIBIT 2

Plaintiff Fadi Jumaah's Notice of Labor Code Violations

FERRARO VEGA
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December 11, 2025

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

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

Sunbelt Rentals, Inc
1799 Innovation Point
Fort Mill, South Carolina 29715

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

SUNBELT RENTALS, INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Road Technician from about December 15, 2022 to present. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS -

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

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the "Hours and Days of Work" and "Minimum Wages" sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful." Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The "Minimum Wages" sections of the applicable IWC Wage Order provide that "[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise." The foregoing California wage laws require payment of "not less than the applicable minimum wage *for all hours worked* in the payroll period" and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants engaged in an unlawful policy and practice of undercounting and underpaying Plaintiff and the aggrieved employees for all on-call hours that were worked. For example, Defendant paid Plaintiff a flat sum amount of $300 for on-call hours worked, instead of paying Plaintiff for each on-all hour worked. An example of this violation is illustrated below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	09/01/2025 - 09/07/2025	0.05	36.4	1.82	3,901.42
DT Premium	09/01/2025 - 09/07/2025	0.05	41.5	0.00	2,407.85
Floating Hol			0		280.00
GTL*	09/01/2025 - 09/07/2025	0.00	0	0.36	11.60
Holiday	09/01/2025 - 09/07/2025	8.00	36.4	291.20	1,282.40
Hourly Profit Share			0		600.00
Inclusion Holiday			0		560.00
Meal/Break Penalty			0		2,902.19
On Call DT Premium Amt	09/01/2025 - 09/07/2025	0.05	36.4	1.83	1,713.80
On Call DT on Flat Sum Bonus	09/01/2025 - 09/07/2025	0.05	15	0.75	261.83
On Call Earn	09/01/2025 - 09/07/2025	0.00	0	300.00	2,500.00
On Call OT Premium Amt	09/01/2025 - 09/07/2025	18.75	36.4	341.25	5,756.06
On Call OT on Flat Sum Bonus	09/01/2025 - 09/07/2025	18.75	11.25	210.94	1,800.07
Overtime	09/01/2025 - 09/07/2025	18.75	36.4	682.50	23,232.26
Regular	09/01/2025 - 09/07/2025	40.00	36.4	1,456.00	46,867.79
Sick			0		2,800.00
Vacation			0		560.00
Volunteer			0		280.00
Earnings				3,286.65	104,477.59

Extract of Plaintiff's Wage Statement for the Pay Period from 9/1/2025 to 9/7/2025

During the pay period from 9/1/2025 to 9/7/2025, Defendant paid Plaintiff a flat sum of $300 as an incentive for working on-call hours ("On Call Earn"). However, Defendants failed to compensate Plaintiff for each on-call hour that he actually worked. To the extent that Defendants compensated the aggrieved employees for on-call hours worked in the same flat rate manner, Defendants failed to pay the lawful minimum wage for all hours worked.

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

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

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

Labor Code section 510 requires "[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;" and "any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;" and "any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." 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. First, as mentioned above, Defendants paid Plaintiff and the aggrieved employees a flat rate for on-call hours worked and undercounted those hours worked. Thus, when Plaintiff and the aggrieved employees worked more than 8 hours in a day or more than 40 hours in one week, these practices resulted in unpaid overtime wages.

Defendants failed to pay overtime and double time at the "regular rate of pay." Defendants paid Plaintiff and the aggrieved employees shift differentials, incentives, and other forms of remuneration that Defendants failed to incorporate into the overtime and double time rates in the pay periods when employees worked overtime and double time hours. An illustrative example is shown below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	09/01/2025 - 09/07/2025	0.05	36.4	1.82	3,901.42
DT Premium	09/01/2025 - 09/07/2025	0.05	41.5	0.00	2,407.85
Floating Hol			0		280.00
GTL*	09/01/2025 - 09/07/2025	0.00	0	0.36	11.60
Holiday	09/01/2025 - 09/07/2025	8.00	36.4	291.20	1,282.40
Hourly Profit Share			0		600.00
Inclusion Holiday			0		560.00
Meal/Break Penalty			0		2,902.19
On Call DT Premium Amt	09/01/2025 - 09/07/2025	0.05	36.4	1.83	1,713.80
On Call DT on Flat Sum Bonus	09/01/2025 - 09/07/2025	0.05	15	0.75	261.83
On Call Earn	09/01/2025 - 09/07/2025	0.00	0	300.00	2,500.00
On Call OT Premium Amt	09/01/2025 - 09/07/2025	18.75	36.4	341.25	5,756.06
On Call OT on Flat Sum Bonus	09/01/2025 - 09/07/2025	18.75	11.25	210.94	1,800.07
Overtime	09/01/2025 - 09/07/2025	18.75	36.4	682.50	23,232.26
Regular	09/01/2025 - 09/07/2025	40.00	36.4	1,456.00	46,867.79
Sick			0		2,800.00
Vacation			0		560.00
Volunteer			0		280.00
Earnings				3,286.65	104,477.59

Extract of Plaintiff's Wage Statement for the Pay Period from 9/1/2025 to 9/7/2025

Here, Defendants paid 0.05 hours of double time at Plaintiff's base hourly rate and then another 0.05 hours of double time at a higher rate. However, double time should have been paid at 2x Plaintiff's regular rate of pay, rather than the deficient rate provided by Defendants.

To the extent Defendants conducted the same regular rate violation as described in the "Meal Premium" section below, Defendants failed to pay Plaintiff and the aggrieved employees' overtime at the lawful rate required. Specifically, Defendants failed to calculate the regular rate of compensation for Plaintiff and the aggrieved employees using all forms of remuneration earned, instead electing to pay aggrieved employees at their base hourly rate in violation of California law. Therefore, Defendants paid Plaintiff and the aggrieved employees' overtime and double time at a deficient rate.

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

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

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

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

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

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

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

To the extent that Plaintiff and the aggrieved employees earned sick pay in the same period they earned other shift differentials and other non-excludable remuneration, Defendants underpaid those wages due to the regular rate violations addressed in the "Meal Premium" section. Specifically, Defendants did not pay the aggrieved employees sick leave "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick leave, whether or not the employee actually worked overtime in that workweek," as the regular rate should have included shift differentials and all other forms of additional non-excludable remuneration.

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

Unpaid Vacation Wages
Violation of Labor Code § 227.3

Defendants violated Labor Code section 227.3 with respect to the aggrieved employees.

Labor Code section 227.3 requires "whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination."

Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and wages. As described above, Defendants failed to record all of the time that Plaintiff and other aggrieved employees worked for Defendants and undercounted their hours worked. Consequently, Defendants failed to credit the aggrieved employees for all vacation time they actually accrued.

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

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

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to high demands of the job and Defendants non-compliant policies and practices. Plaintiff and the aggrieved employees were required to interrupt, skip, or altogether work through their meal periods due to Defendants' regular expectations that service calls be answered immediately, despite mandating noncompliant policies and practices in order to do so. For example, Plaintiff would often take his meal period past the 5th hour because his service manager would order him to respond to service calls before being allowed to take his meal break. As a result, Plaintiff would frequently experience non-compliant meal periods. The extent of Defendants' violations is evident on the face of Defendant's timekeeping records, which will reflect the violations committed against Plaintiff and the aggrieved employees.

Each time Plaintiff and the aggrieved employees experienced a noncompliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiff and the aggrieved employees were not provided meal period premiums in lieu of non-compliant meal periods as required by Labor Code section 226.7. When Plaintiff and the aggrieved employees earned meal period premiums, Defendants failed to pay such premiums at the regular rate of compensation. An illustrative example of this violation is shown below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	08/11/2025 - 08/17/2025	0.48	36.4	17.59	3,775.84
DT Premium	08/11/2025 - 08/17/2025	0.48	42.03	0.00	2,284.09
Floating Hol			0		280.00
GTL*	08/11/2025 - 08/17/2025	0.00	0	0.36	10.52
Holiday			0		991.20
Hourly Profit Share			0		600.00
Inclusion Holiday			0		560.00
Meal/Break Penalty	08/11/2025 - 08/17/2025	2.00	36.4	84.06	2,865.79
On Call DT Premium Amt	08/11/2025 - 08/17/2025	0.48	36.4	17.60	1,711.97
On Call DT on Flat Sum Bonus	08/11/2025 - 08/17/2025	0.48	15	7.25	261.08
On Call Earn	08/11/2025 - 08/17/2025	0.00	0	300.00	2,200.00
On Call OT Premium Amt	08/11/2025 - 08/17/2025	12.82	36.4	233.27	5,414.81
On Call OT on Flat Sum Bonus	08/11/2025 - 08/17/2025	12.82	11.25	144.19	1,589.13
Overtime	08/11/2025 - 08/17/2025	12.82	36.4	466.53	21,948.55
Regular	08/11/2025 - 08/17/2025	40.00	36.4	1,456.00	42,499.79
Sick			0		2,800.00
Vacation			0		560.00
Volunteer			0		280.00
Earnings				2,726.85	97,092.48

Extract of Plaintiff's Wage Statement for the Pay Period from 08/11/2025 to 08/21/2025

Here, Plaintiff earned meal premiums ("Meal/Break Penalty") in the amount of $36.40 in the same pay period in which he also earned an incentive for working on-call hours ("On Call Earn") in the amount of $300. However, Defendants paid Plaintiff's meal premium at a deficient rate because the premiums did not factor in all forms of remuneration, instead being paid at Plaintiff's base hourly rate.

To the extent Defendants paid other aggrieved employees meal period premiums, the premiums were not paid at the regular rate of compensation because the premiums did not factor in other forms of remuneration such as the "On Call Earn" incentive, instead electing to pay aggrieved employees at their base hourly rate, in violation of California law.

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

<u>Unpaid Rest Period Premium Wages</u>
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the aggrieved employees.

<u>Labor Code sections 226.7</u> and <u>516</u> and the <u>IWC Wage Orders</u> require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. <u>Labor Code section 226.7</u> requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). <u>Labor Code section 1198</u> renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The <u>IWC Wage Orders</u>, including <u>Section 12</u> (<u>Rest Periods</u>), further require one uninterrupted 10-minute rest period for each four-hour period (or major faction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

As a matter of common policy and practice, Defendants failed to provide all rest periods to which Plaintiff and the aggrieved employees were entitled to. Due to the reasons explained in the "Unpaid Meal Period" section above, such as the pressures to keep up with the continuous demands of the job, Plaintiff and the aggrieved employees were not always authorized or permitted to take their rest period. For example, Plaintiff's supervisor would frequently assign him work routes and daily schedules that would prevent him from taking his rest breaks, especially on busier days.

When Defendants did not provide compliant rest periods, Defendants also failed to pay Plaintiff and the other aggrieved employees all rest period premiums in violation of Labor Code section 226.7. To the extent Defendants paid rest periods premiums, Defendants violated Labor Code section 226.7 because such premiums were not paid at the regular rate of compensation to aggrieved employees, which would have factored in shift differentials and other forms of remuneration.

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

<u>Untimely Payment of Wages During Employment</u>
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.

<u>Labor Code section 204(a)</u> requires payment of "all wages" for non-exempt employees at least twice each calendar month. <u>Labor Code section 204(d)</u> states all wages due must be paid "not more than seven calendar days following the close of the payroll period." <u>Labor Code section 204b</u> applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. <u>Labor Code section 210</u> 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. An illustrative example of this violation is shown below: Indeed, Defendants failed to pay all regular, overtime, premiums, sick leave, and other earnings, at the correct rate of pay, on time each payday.

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	03/10/2025 - 03/16/2025	5.08	35	177.92	1,579.09
DT Premium	03/10/2025 - 03/16/2025	5.08	35.9	0.00	749.87
GTL*	03/10/2025 - 03/16/2025	0.00	0	0.32	3.20
Holiday			0		420.00
Inclusion Holiday			0		280.00
Meal/Break Penalty	03/10/2025 - 03/16/2025	3.00	35	107.70	1,138.06
On Call DT Premium Amt	03/10/2025 - 03/16/2025	5.08	35	177.92	944.44
On Call DT on Flat Sum Bonus	03/10/2025 - 03/16/2025	5.08	3.5	17.79	94.42
On Call Earn	03/10/2025 - 03/16/2025	0.00	0	70.00	420.00
On Call OT Premium Amt	03/10/2025 - 03/16/2025	32.55	35	569.63	2,742.38
On Call OT on Flat Sum Bonus	03/10/2025 - 03/16/2025	32.55	2.625	85.44	363.62
Overtime	03/10/2025 - 03/16/2025	32.55	35	1,139.25	9,327.50
Regular	03/10/2025 - 03/16/2025	40.00	35	1,400.00	15,683.50
Volunteer			0		280.00
DT Premium	01/13/2025 - 01/19/2025	0.48	36.24	0.00	
Earnings				3,745.97	36,413.14

Extract of Plaintiff's Wage Statement for the Pay Period from 03/10/2025 to 03/16/2025

Here, Plaintiff earned a DT Premium for hours worked during the Pay Period from 1/13/2025 to 1/19/2025, which Defendants are itemizing on a wage statement two months after Plaintiff earned it. Plaintiff should have been paid this premium "not more than seven calendar days following the close of the payroll period" as required by California law. To the extent that Defendants paid Plaintiff and the aggrieved employees any premium payments for overtime and double time worked more than seven calendar days following the close of the pay period in which the premiums were earned, Defendants owe interest and penalties.

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

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

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

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

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

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

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

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

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

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

Defendants also violated Labor Code section 226(a)(9) by failing to accurately list employees' "applicable hourly rates," as the wage statements did not accurately include the rate of pay for PTO hours utilized by Plaintiff and the aggrieved employees. An illustrative example of this violation is shown below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime			0		1,942.10
DT Premium			0		2,042.20
Floating Hol			0		184.00
GTL*	12/18/2023 - 12/24/2023	0.00	0	0.21	2.90
Holiday			0		1,250.40
Hourly Profit Share			0		1,281.22
Inclusion Holiday	12/18/2023 - 12/24/2023	8.00	31	248.00	248.00
Meal/Break Penalty			0		3,919.07
On Call Earn			0		469.20
On Call OT			0		92.00
OT Premium			0		10,510.88
Overtime			0		19,416.45
PTO	12/18/2023 - 12/24/2023	32.00	0	992.00	992.00
Regular			0		51,151.68
Earnings				1,240.21	93,502.10

Extract of Plaintiff's Wage Statement for the Pay Period from 12/18/2023 to 12/24/2023

Additionally, Defendants violated Labor Code section 226(a)(9) as the wage statements do no include the hourly rate in effect for overtime and double time actually worked, instead listing the base rate for overtime and a lump sum paid that does not reflect the hourly rate. The wage statements also do not include the hours worked or rate of pay for on-call hours worked ("On Call Earn"). An illustrative example of this violation is shown below:

Earnings					
Description	Dates	Hours	Rate	Amount	YTD
Doubletime	09/01/2025 - 09/07/2025	0.05	36.4	1.82	3,901.42
DT Premium	09/01/2025 - 09/07/2025	0.05	41.5	0.00	2,407.85
Floating Hol			0		280.00
GTL*	09/01/2025 - 09/07/2025	0.00	0	0.36	11.60
Holiday	09/01/2025 - 09/07/2025	8.00	36.4	291.20	1,282.40
Hourly Profit Share			0		600.00
Inclusion Holiday			0		560.00
Meal/Break Penalty			0		2,902.19
On Call DT Premium Amt	09/01/2025 - 09/07/2025	0.05	36.4	1.83	1,713.80
On Call DT on Flat Sum Bonus	09/01/2025 - 09/07/2025	0.05	15	0.75	261.83
On Call Earn	09/01/2025 - 09/07/2025	0.00	0	300.00	2,500.00
On Call OT Premium Amt	09/01/2025 - 09/07/2025	18.75	36.4	341.25	5,756.06
On Call OT on Flat Sum Bonus	09/01/2025 - 09/07/2025	18.75	11.25	210.94	1,800.07
Overtime	09/01/2025 - 09/07/2025	18.75	36.4	682.50	23,232.26
Regular	09/01/2025 - 09/07/2025	40.00	36.4	1,456.00	46,867.79
Sick			0		2,800.00
Vacation			0		560.00
Volunteer			0		280.00
Earnings				3,286.65	104,477.59

Extract of Plaintiff's Wage Statement for the Pay Period from 9/1/2025 to 9/7/2025

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

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

<u>Unreimbursed Employee Expenses</u>
Violation of Labor Code §§ 2802, 2804

Defendants violated Labor Code section 2802 with respect to the aggrieved employees by failing to reimburse the aggrieved employees for all necessary expenditures or losses incurred as part of their job duties.

<u>Labor Code section 2802</u> requires an employer to "indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

<u>Labor Code section 2804</u> affirms that "[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and

this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State."

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. For example, Plaintiff regularly used his personal cell phone to take work-related calls from customers, the shop, drivers, and his service manager, Mike, would frequently reach out to him about issues with services. Plaintiff and the aggrieved employees were not reimbursed for their cell phone use.

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.

Unlawful Employment Condition
Violation of Labor Code § 432.5

Defendants violated Labor Code section 432.5 with respect to Plaintiff and other aggrieved employees by requiring that they agree to an unlawful term or condition in writing during their employment.

Labor Code section 432.5 states that "[n]o employer, or agent, manager, superintendent, or officer thereof, shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law."

Non-competition agreements are illegal under California law. Business and Professions Code 16600 provides that "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." Defendants required that Plaintiff and the aggrieved employees sign non-competition agreements restricting their ability to accept certain work on behalf of themselves or other employers. As such, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees sign non-competition agreements prohibited by California law. Plaintiff and the aggrieved employees were required to agree to unlawful terms as alleged herein.

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,

Nicholas J. Ferraro

Nicholas J. Ferraro

CY

CC Plaintiff Fadi Jumaah

Courtney Harrington – Human Resources Representative
Courtney.Harrington@sunbeltrentals.com