December 15, 2025

Via: Certified Mail

Woodside Homes of California, Inc.
Shawwood Communities, LLC
SH Residential Holdings, LLC
Woodside Homes, LLC
Attn: Legal Department
460 West 50 North, Suite 205
Salt Lake City, Utah 84101

North America Sekisui House, LLC
Sekisui House US Holdings, LLC
Attn: Legal Department
4225 Executive Square, Suite 1070
La Jolla, CA 92037

Re: Notice of Lawsuit and Claims under California's Private Attorneys General Act ("PAGA"), Labor Code §§2698, *et seq*.

Dear Sir or Madam:

This office represents Mason Chaboya ("Plaintiff") who worked for Woodside Homes of California, Inc. and the Integrated Enterprises as defined in the enclosed Complaint (collectively, "Defendants"). This letter is being sent on behalf of Plaintiff and other current and former employees of Defendants pursuant to California's Private Attorneys General Act of 2004, Labor Code §§2698, *et seq.* ("PAGA").

Plaintiff alleges Defendants were his employers. Plaintiff worked for Defendants as a real estate Salesperson from about June 8, 2016 to June 20, 2025. Plaintiff alleges Defendants engaged in egregious violations of California's wage, hour, pay, and other employment laws. Plaintiff provides notice to Defendants that they have violated, among others, the following sections of the California Labor Code: §§200-204, 218, 218.5, 218.6, 219, 221, 223, 225, 226, 227.3, 232, 432, 432.5, 433, 510, 551-553, 558, 925, 1174, 1194, 1198.5, 2800, 2802, 2804, and 2810.5. The facts and theories supporting Plaintiff's claims are more specifically described in the PAGA Complaint enclosed as **Exhibit A**.

This notice is being given as required by Labor Code §2699.3(a) for the commencement of a civil action under Labor Code §2699 to recover civil penalties on behalf of Plaintiff and other current and former workers because of Defendants' alleged violations as set forth above and as detailed in the enclosed Complaint. Plaintiff and other current and former workers are "aggrieved employees" as contemplated by Labor Code §2699(c) and are entitled to collective civil penalties under Labor Code §2699(a) and (f), and attorneys' fees and costs under Labor Code §2699(g).

Please be advised that, upon expiration of the time periods set forth in California Labor Code §2699.3, Plaintiff will amend his Complaint as a matter of right to add causes of action for civil penalties as provided under PAGA and as otherwise available.

Sincerely,

AARON M. OLSEN

AMO/jk

Enclosures

EXHIBIT A

HAEGGQUIST & ECK, LLP
ALREEN HAEGGQUIST (221858)
alreenh@haelaw.com
AARON M. OLSEN (259923)
aarono@haelaw.com
ANNA C. SCHWARTZ (346268)
annas@haelaw.com
225 Broadway, Suite 2050
San Diego, CA 92101
Telephone: (619) 342-8000
Facsimile: (619) 342-7878

Attorneys for Plaintiff Mason Chaboya

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

MASON CHABOYA, an Individual, Plaintiff, v. WOODSIDE HOMES OF CALIFORNIA, INC., a California Corporation; WOODSIDE HOMES COMPANY, LLC, a Delaware Limited Liability Company; SH RESIDENTIAL HOLDINGS, LLC, a Delaware Limited Liability Company; SEKISUI HOUSE US HOLDINGS, LLC, a Delaware Limited Liabilty Company; NORTH AMERICA SEKISUI HOUSE, LLC, a Delaware Limited Liability Company; SHAWOOD COMMUNITIES, LLC, a California Limited Liability Company; and DOES 1-25, Inclusive, Defendants.	Case No.: PRIVATE ATTORNEYS GENERAL ACTION COMPLAINT <u>DEMAND FOR JURY TRIAL</u>

Plaintiff Mason Chaboya ("Plaintiff"), by his attorneys, brings this action on behalf of himself against Defendant Woodside Homes of California, Inc. ("Woodside"), and Woodside Homes Company, LLC, SH Residential Holdings, LLC, Sekisui House US Holdings, LLC, North America Sekisui House, LLC, Shawood Communities, LLC (the "Integrated Enterprises"), and DOES 1-25 (collectively, "Defendants"). Plaintiff makes the following allegations upon information and belief (except those allegations as to Plaintiff or his attorneys which are based on personal knowledge), based upon an investigation that is reasonable under the circumstances, which allegations are likely to have evidentiary support after a reasonable opportunity for further investigation and/or discovery.

NATURE OF THE ACTION

1. Plaintiff brings this action, on behalf of himself and on behalf of all other similarly situated California employees, to recover penalties under the California Private Attorneys General Act of 2004 ("PAGA"), California Labor Code §2698, *et seq*.

JURISDICTION AND VENUE

2. The Superior Court of the State of California has jurisdiction over this action pursuant to Article VI §10 of the California Constitution because this case is a cause not given by statute to other trial courts. Federal jurisdiction does not exist in this case because there is no federal question implicated and because there is not complete diversity of citizenship.

3. This Court has personal jurisdiction over Defendants because Defendants do business in, and conduct a substantial amount of business within, the State of California. During the relevant period, Defendants did sufficient business in, had sufficient contacts with, and intentionally availed themselves of the laws and markets of California through the promotion, sale, marketing, and operation of their business, as to render exercise of jurisdiction by California courts permissible. The violations of law described hereinafter were carried out within the County of San Diego, State of California.

4. Venue is proper in the County of San Diego in accordance with Code of Civil Procedure §§395 and 395.5 because Defendants employed Plaintiff to work in this County, and many of the acts and practices giving rise to Plaintiff's claims occurred in this County.

THE PARTIES

Plaintiff

5. Plaintiff Masyon Chaboya is a natural person, over 18 years old, residing in the State of California. Plaintiff was employed by Woodside, and by extension the Integrated Enterprises, from about June 8, 2016 to June 20, 2025, as a real estate Salesperson. At relevant times, Plaintiff performed services for Defendants in the County of San Diego, State of California. Defendants classified Plaintiff and their other salespersons as employees, not independent contractors. *See* Cal. Bus. & Prof. Code §10032(b) (a real estate broker and real estate salesperson licensed under that broker may contract between themselves as "employer and employee"). Plaintiff was employed by Woodside, and relatedly the Integreated Enterprises, and the alleged Labor Code violations set forth in this Complaint were committed against him during his employment (including within one year of filing and serving his PAGA notice) and he is, therefore, an aggrieved employee within the meaning of PAGA.

Defendants

6. Defendant Woodside Homes of California, Inc. is a California corporation, registered with the California Secretary of State to do business in California, and with its principal place of business located at 460 West 50 North, Suite 205, Salt Lake City, Utah 84101. Woodside was Plaintiff's and other aggrieved employees' employer through relevant times mentioned in this Complaint.

7. Under the integrated enterprise test, the Integrated Enterprises will be treated as a single employer with Woodside due to the interrelation of operations, common management, centralized control of labor relations, and common ownership and financial control. Along with Woodside, the Integrated Enterprises are also joint employers of Plaintiff and aggrieved employees because they exercised control over the employees' wages, hours, and working conditions, and suffered and permitted employees to work in their common and joint business enterprises. The defendants who constitute the Integrated Enterprises include:

(a) Defendant Shawood Communities, LLC is a California limited liability company, registered with the California Secretary of State to do business in California, and with its principal place of business located at 460 West 50 North, Suite 205, Salt Lake City, Utah 84101.

(b) Defendant SH Residential Holdings, LLC is a Delaware limited liability company. It is registered as a California Limited Liability Company – Out of State, with its principal place of business located at 460 West 50 North, Suite 205, Salt Lake City, Utah 84101.

(c) Defendant Woodside Homes Company, LLC is a Delaware limited liability company. It is registered as a California Limited Liability Company – Out of State, with its principal place of business located at 460 West 50 North, Suite 205, Salt Lake City, Utah 84101.

(d) Defendant North America Sekisui House, LLC is a Delaware limited liability company. It is registered as a California Limited Liability Company – Out of State, with its principal place of business located at 4225 Executive Square, Suite 1070, La Jolla, CA 92037.

(e) Defendant Sekisui House US Holdings, LLC is a Delaware limited liability company. It is registered as a California Limited Liability Company – Out of State, with its principal place of business located at 4225 Executive Square, Suite 1070, La Jolla, CA 92037.

8. Based on information and belief, other persons who acted as owners, directors, or managing agents of Defendants, currently named as DOE defendants, violated, or caused to be violated, provisions regulating minimum wages or hours and days of work in the orders of the Industrial Welfare Commission and/or sections 203, 226, 226.7, 1194, and/or 2802 of the California Labor Code, and may be held liable as the employer for such violations. Lab. Code §558.1.

9. Plaintiff does not know the true names and capacities of defendants DOES 1 through 25, inclusive, and therefore sues them by these fictitious names. Plaintiff will amend this Complaint to include their names and capacities once they are known. Plaintiff is informed and believes, and on that basis alleges, that each of the defendants designated as a DOE is legally responsible in some manner for the occurrences alleged in this Complaint, and unlawfully caused the injuries and damages to Plaintiff and other aggrieved emloyees as alleged in this Complaint.

10. In doing the acts alleged herein, Defendants' employees, subcontractors, and agents acted within the course and scope of their employment. Defendants engaged in the acts alleged

herein and/or condoned, permitted, authorized, and/or ratified the conduct of their employees, subcontractors, and agents, and are vicariously liable for the wrongful conduct of their employees, subcontractors, and agents alleged herein.

11. Plaintiff is informed and believes, and thereon alleges, that each defendant is, and at all times mentioned was, the agent, employee, or representative of each other defendant. Each defendant, in doing the acts, or in omitting to act as alleged in this Complaint, was acting within the scope of his or her actual or apparent authority, or the alleged acts and omissions of each defendant as agent were subsequently ratified and adopted by each other defendant as principal.

PRIVATE ATTORNEYS GENERAL ACT

12. PAGA was in effect at all relevant times during Plaintiff's employment with Woodside, and relatedly the Integrated Enterprises. PAGA provides that any civil penalty which may be assessed and collected by the Labor and Workforce Development Agency ("LWDA") for violations of the California Labor Code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of herself or himself and other current or former employees pursuant to procedures outlined in California Labor Code §2699.3.

13. Under PAGA, an "aggrieved employee," is "any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed." Lab. Code §2699(c). Plaintiff was employed by Woodside, and relatedly the Integrated Enterprises, and the alleged violations were committed against him during his employment and he is, therefore, an aggrieved employee. Plaintiff is an "aggrieved employee" as defined by California Labor Code §2699(c) because he is a former employee, and one or more of the alleged violations was committed against him. Other California employees were also employed by Woodside, and relatedly the Integrated Enterprises, against whom one or more of the alleged violations were committed. Defendants violated, *inter alia*, the following Labor Code provisions: Labor Code §§200-204, 218, 218.5, 218.6, 219, 221, 223, 225, 226, 227.3, 232, 432, 432.5, 433, 510, 551-553, 558, 925, 1174, 1194, 1198.5, 2800, 2802, 2804, and 2810.5.

14. Pursuant to Labor Code §§2699.3 and 2699.5, an aggrieved employee, including Plaintiff, may pursue a civil action to recover PAGA civil penalties in addition to any other available

penalties after: (1) giving written notice by certified mail ("Employee's Notice") to the LWDA and the employer of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations; and (2) the LWDA advises the employee and employer it declines to investigate the alleged violations within 60 calendar days of the postmark date of the Employee's Notice. Lab. Code §2699.3(a)(1)-(2).

15. On December 11, 2025, Plaintiff provided written notice by online submission and by certified mail to the LWDA and by certified mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations, pursuant to California Labor Code §2699.3.

16. The employer may cure the alleged violation within 33 calendar days of the Employee's Notice. Lab. Code §2699.3(c)(2)(A). To date, Defendants have not cured the violations.

FACTS COMMON TO ALL CAUSES OF ACTION

17. Throughout Plaintiff's employment, Defendants committed several violations of California's Labor Code.

18. **Failure to pay overtime wages (Lab. Code §§200, 204, 218, 510, 1194):** Pursuant to Plaintiff's compensation agreements, Plaintiff was "eligible for overtime." "[A]ny employee receiving less than . . . the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this . . . overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit." Lab. Code §1194(a); *see also* Lab. Code §§218, 218.5, 218.6. Labor Code §510(a) provides:

> Eight hours of labor constitutes a day's work. Any 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. 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. In addition, 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.

Lab. Code §510(a) (emphasis added); *see also* Industrial Welfare Commission ("IWC") Wage Order 4-2001 ("Wage Order 4-2001"), 8 Cal. Code Regs. §11040(3)(A)(1).

19. An "employee's 'regular rate of pay' for purposes of Labor Code section 510 and the IWC wage orders is not the same as the employee's straight time rate (i.e., his or her normal hourly wage rate." *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858, 869 (2021). "Regular rate of pay, which can change from pay period to pay period, includes adjustments to the straight time rate, reflecting, among other things, … the per-hour value of any nonhourly compensation the employee has earned." *Id.* Unfortunately, for overtime hours worked by Plaintiff and other aggrieved employees, when Defendants paid Plaintiff for overtime hours, Defendants only paid overtime based on Plaintiff's straight time rate (namely, his normal hourly wage rate) instead of based on his "regular" rate of pay, which should have, but did not, account for commission earnings in the pay period. As a result, Defendants grossly underpaid Plaintiff overtime compensation. Based on information and belief, the same unlawful practice was committed by Defendants with respect to all their employees.

20. In addition, through several pay periods, even though Plaintiff worked more than eight hours a day and/or more than 40 hours per week, Defendants merely paid Plaintiff for his straight time rate without paying him any overtime rate for the overtime hours. Based on information and belief, the same practice was committed by Defendants with respect to all their employees.

21. Moreover, based on information and belief, Defendants misclassified Plaintiff and other employees as exempt for certain periods, resulting in failure to pay all wages due and owing, including overtime wages.

22. **Theft of wages earned (Lab. Code §§221, 223, 225)**: Defendants instituted an unlawful policy as reflected in the employment agreements they entered with Plaintiff and other aggrieved employees whereby if Plaintiff's absences from work, for any reason, exceeded his eligible leave time under Defendants' policies, Defendants passed the cost of providing a temporary host person for that excess time onto Plaintiff and to be paid with Plaintiff's earned commissions. This practice violates, *inter alia*, Labor Code §§221, 223, and 225. *See also Kerr's Catering Serv. v. Dep't of Indus. Rels.*, 57 Cal. 2d 319 (1962); *Quillian v. Lion Oil Co.*, 96 Cal. App. 3d 156 (1979). Based on information and belief, the same practice was committed by Defendants with respect to all their employees.

23. **Failure to pay all wages due and owning at time of discharge (Lab. Code §§201-203, 218, 227.3)**: "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Lab. Code §201(a). Similarly, if an employee quits his or her employment, "his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Lab. Code §202(a). "If an employer willfully fails to pay . . . in accordance with Sections 201 [and] 202 . . . , any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid . . . ; but the wages shall not continue for more than 30 days." Lab. Code §203(a). Defendants violated Labor Code §§201-203 and 227.3 by willfully failing to pay Plaintiff and other aggrieved employees all wages due and owing at the time of discharge and/or within 72 hours of quitting. The failure to pay wages included not only earned and owed overtime wages, but it also included the failure to pay vested vacation time in violation of Labor Code §227.3. Where, as here, a contract of employment and employer policy provides for paid vacation, all vested vacation shall be paid to him as wages at his final rate when the employee is terminated without having taken off his or her vested vacation time. Lab. Code §227.3. At the time of Plaintiff's termination of employment, Defendants failed to pay Plaintiff for promised vested vacation time accrued but not used by Plaintiff. Based on information and belief, the same practice was committed by Defendants with respect to all their employees.

24. **Failure to furnish and maintain accurate wage statements and business records (Lab. Code §§226, 433, 1198.5):** "Employers are required to provide itemized wage statements to employees, containing specified information, all set forth in section 226(a)." *Heritage Residential Care, Inc. v. Div. of Lab. Standards Enf't*, 192 Cal. App. 4th 75, 80 (2011). "The requirement is mandatory." *Id.* Each "detachable part of the check" must accurately itemize nine categories of information. Lab. Code §226(a). This includes, *inter alia*, (1) gross wages earned, (2) net wages earned, and (3) all applicable hourly rates in effect. *Id.* Defendants intentionally and willfully failed to provide Plaintiff with complete and accurate wage statements as required by Labor Code §226(a). The deficiencies included, *inter alia*, failing to accurately list the gross and net wages earned, and

failing to accurately list hourly rates of pay. Defendants' failure was not an isolated and unintentional payroll error due to a clerical or inadvertent mistake, but a knowing and intentional pattern and practice that occurred throughout Plaintiff's employment with Defendants. Based on information and belief, the same unlawful practice was committed by Defendants with respect to all their employees.

25. Plaintiff and aggrieved employees could not promptly and easily determine from their wage statements alone the accurate information specified by Labor Code §226. Plaintiff and aggrieved employees have been injured because they were denied both their legal right to receive, and their protected interest in receiving, accurate itemized wage statements under Labor Code §226(a). In addition, because Defendants failed to provide the accurate gross and net wages earned, hours worked, and rates of pay on wage statements, Defendants prevented Plaintiff and aggrieved employees from determining from the wage statement alone the underpayment of wages owed.

26. In addition, "[t]otal wages paid each payroll period" and "[t]otal hours worked in the payroll period and applicable rates of pay" must be accurately maintained. 8 Cal. Code Regs. §11040(7)(A)(4), (5). Pursuant to Labor Code §226(b) an employer is required to maintain employees' wage statements and "shall afford current and former employees the right to inspect or receive a copy of records pertaining to their employment, upon reasonable request to the employer." Lab. Code §226(b); *see also* 8 Cal. Code Regs. §11040(7)(A)-(C) (identifies accurate information employers are required to maintain). An employer who receives a written or oral request to receive a copy of these records "shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request." Lab. Code §226(c). In addition, pursuant to Labor Code §432, upon request an employer must give an employee a copy of any instrument signed by the employee relating to the obtaining or holding of employment. Any person violating this article is guilty of a misdemeanor. Lab. Code §433. Moreover, pursuant to Labor Code §1198.5(a), every "current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employee's performance or to any grievance concerning the employee." Lab. Code §1198.5(a). The employer shall make the contents of those personnel records available for inspection at a reasonable time, "but not later than

30 calendar days from the date the employer receives a written request." Lab. Code §1198.5(b)(1). Defendants failed to maintain accurate records pursuant to these laws and further failed to comply with Plaintiff's written request to inspect and copy his employment files and records pursuant to the above statutory provisions. Based on information and belief, the same unlawful practice was committed by Defendants with respect to all their employees.

27. **Failure to reimburse business expenses (Lab. Code §§2802, 2804):** "An employer shall 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." Lab. Code §2802(a). The purpose of the statute is "'to prevent employers from passing their operating expenses on to their employees.'" *Cochran v. Schwan's Home Serv., Inc.*, 228 Cal. App. 4th 1137, 1144 (2014) (citations omitted); *id.* at 1145 (holding, to "show liability under section 2802, an employee need only show that he or she was required" to incur a business-related expense and "was not reimbursed"). "Any 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 . . . of any right or remedy to which he is entitled under the laws of this State." Lab. Code §2804; *see also Edwards v. Arthur Andersen LLP*, 44 Cal. 4th 937, 951 (2008) (holding Labor Code §2804 applies to Labor Code §2802, "making all contracts that waive an employee's right to indemnification null and void"); *Takacs v. A.G. Edwards & Sons, Inc.*, 444 F. Supp. 2d 1100, 1123 (S.D. Cal. 2006) (holding Labor Code §2804 precluded employer from arguing the deductions it made in violation of Labor Code §2802 were "contractually agreed upon with Plaintiff").

28. Here, Defendants required Plaintiff to enter written agreements that patently violated Plaintiff's right to reimbursement of business expenses in violation of Labor Code §2802. The agreements provide, *inter alia*, that the "Company shall not be liable to Salesperson for any expenses incurred by Salesperson in the performance of Salesperson's duties hereunder." Defendants required Plaintiff to incur necessary business expenditures in direct consequence of the discharge of his duties and in obedience to the directions of Defendants, including, without limitation, purchasing

company-mandated vehicle insurance (including above state-mandated minimum coverage). *See* DLSE Opinion Letter, 1998-11-05 (employer may only require higher coverage if it reimburses the cost). Defendants also failed to reimburse other business expenses, such as reimbursement of internet expenses, and other office costs. Based on information and belief, the same unlawful practice was committed by Defendants with respect to all their employees.

29. **Choice of law and venue violations (Lab. Code §§432.5, 925):** Defendants required Plaintiff and their other California employees who primarily reside and work in California, as a condition of employment, to agree to a provision in their agreements that require the employees to adjudicate outside of California a claim arising in California, and deprive the employees of the substantive protections of California law with respect to controversies arising in California, in violation of California Labor Code §925(a). In doing so, Defendants also violated Labor Code §432.5 by requiring Plaintiff to agree, in writing, to a term and condition known to be prohibited by law. Based on information and belief, the same unlawful practice was committed by Defendants with respect to all their California employees.

30. **Mandating employees enter agreements that violate California law (Lab. Code §§232, 432, 432.5, 925):** No employer "shall require an employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer" to "be prohibited by law." Lab. Code §432.5. Defendants required Plaintiff to agree, in writing, to terms and conditions known by Defendants to be prohibited by law. As stated above, Defendants required Plaintiff to enter written agreements containing choice of law and venue provisions which violate California Labor Code §925(a). Plaintiff was not represented by counsel in negotiating the terms of the agreements to designate either venue or forum. These agreements were entered into, modified, or extended on or after January 1, 2017. Based on information and belief, Defendants require all their California employees who are citizens of California and principally reside and work in California to enter the same invalid choice of law and venue provisions, which are non-negotiable. Further, California has a substantial relationship to the parties and Plaintiff's work with Defendants, and mandating foreign law, as opposed to California law, be applied would contravene the fundamental policy of California regarding its citizens who reside and work in California.

31. In addition, Defendants required Plaintiff and their employees to enter written employment agreements that purport to deny employees their right to disclose their wages, saying "Salesperson is strongly encouraged to keep the terms of Salesperson's compensation confidential," which violates the spirit if not letter of Labor Code §232(b), which prohibits an employer from requiring an employee to sign a "document that purports to deny the employee the right to disclose the amount of his or her wages." Further, in Plaintiff's offer letter, Defendants mandated that the "compensation terms of this offer of employment are strictly confidential. You agree to keep this offer confidential and not disclose it to anyone, including persons employed by or potentially employed by the Company or any of its affiliates."

32. Further, Defendants required Plaintiff to enter into written agreements containing unlawful non-compete and non-solicitation provisions in violation of well-settled law. *Edwards v. Arthur Andersen LLP*, 44 Cal. 4th 937, 946 (2008); *AMN Healthcare, Inc. v. Aya Healthcare Servs., Inc.*, 28 Cal. App. 5th 923, 936 (2018); *Brown v. TGS Mgmt. Co., LLC*, 57 Cal. App. 5th 303, 318-19 (2020); Bus. & Prof. Code §16600(a). California has a long-standing public policy favoring open competition and employee mobility, codified in section 16600 of the Business and Professions Code, which generally voids "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind." Bus. & Prof. Code §16600(a). California courts have "consistently affirmed" that Section 16600 "evinces a settled legislative policy in favor of open competition and employee mobility." *Edwards*, 44 Cal. 4th at 946. "The law protects Californians and ensures 'that every citizen shall retain the right to pursue any lawful employment and enterprise of their choice.'" *Id.* (citation omitted). Pursuant to this well-settled law, the following types of restrictive covenants are void and unenforceable as unlawful non-compete clauses:

(a) Express covenants not to compete. *Id.* at 945.

(b) Covenants not to solicit a former employer's customers. *Id.* at 948.

(c) Covenants not to solicit a former employer's employees. *AMN Healthcare*, 28 Cal. App. 5th at 936.

(d) Overly broad confidentiality provisions that operate as "de facto" noncompete provisions. *Brown*, 57 Cal. App. 5th at 318-19.

33. California Assembly Bill No. 1076 amended section 16600 and added section 16600.1 to the California Business and Professions Code, which became effective on January 1, 2024. Section 16600 now expressly provides that it "shall be read broadly" in accordance with the Supreme Court's opinion in *Edwards v. Arthur Andersen LLP*, which is "not a change in, but is declaratory of, existing law." Bus. & Prof. Code §16600(b); *see, e.g.*, *Edwards*, 44 Cal. 4th at 948 (broadly holding that, in addition to express non-compete agreements, a customer non-solicitation covenant is an invalid non-compete agreement under §16600). Moreover, section 16600.1 of the Business and Professions Code required Defendants, by February 14, 2024, to notify all current and former California employees (employed any time after January 1, 2022) who had entered the unlawful restrictive covenant agreements that their violative clauses are void. Bus. & Prof. Code §16600.1(b)(1). The notice "shall be in the form of a written individualized communication to the employee or former employee, and shall be delivered to the last known address and the email address of the employee or former employee." Bus. & Prof. Code §16600.1(b)(2). A violation of this section constitutes an act of unfair competition within the meaning of California's Unfair Competition Law, Business and Professions Code §17200. Bus. & Prof. Code §16600.1(c).

34. Unfortunately, Defendants included unlawful restrictive covenant clauses in their employment agreements with Plaintiff, precluding him from competing or soliciting Defendants' employees, customers, and affiliates for one year following separation of his employment with Defendants, in violation of California law. At no time have Defendants notified Plaintiff that their restrictive covenant agreements are violative of the law and are void. As such, Defendants required Plaintiff to agree, in writing, to terms and conditions which were known by Defendants to be prohibited by law in violation of Labor Code §432.5.

35. Based on information and belief, the same unlawful practice was committed by Defendants with respect to all their employees.

FIRST CAUSE OF ACTION

Private Attorney General Act of 2004
In Violation of Labor Code §2698, *et seq*.

(Against Defendants)

36. Plaintiff realleges and incorporates here by reference every allegation in the preceding and subsequent paragraphs.

37. Defendants are "persons" within the meaning of Labor Code §2699(b).

38. Defendants failed to "cure" the alleged violations of the Labor Code within 33 calendar days of Plaintiff's written notice to Defendants and the LWDA regarding specific provisions of the California Labor Code alleged to have been violated. To date, Defendants have failed to cure the alleged Labor Code violations.

39. Any provision of the Labor Code that provides for a civil penalty to be assessed and collected by the LWDA or any of its departments, divisions, commissions, boards, agencies, or employees for violation of the code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself and other current or former employees pursuant to the procedures specified in Labor Code §2699.3.

40. For all provisions of the Labor Code where a civil penalty is not "specifically provided," Labor Code §2699(f) establishes a civil penalty for violations of the Labor Code. Generally, the civil penalty is one hundred dollars ($100) for each aggrieved employee per pay period. Lab. Code §2699(f)(2)(A). However, the penalty is two hundred dollars ($200) for each aggrieved employee per pay period if the court determines that the employer's conduct giving rise to the violation was malicious, fraudulent, or oppressive. Lab. Code §2699(f)(2)(B).

41. As set forth above in this Complaint, Defendants violated, *inter alia*, the following Labor Code provisions:

(a) Labor Code §§200, 201-203, by failing to timely pay all wages due at time of discharge and/or within 72 hours of resignation.

(b) Labor Code §204, by failing to pay all wages due and owing at least twice during each calendar month.

(c) Labor Code §§218-219, by violating Article I of the Labor Code, failing to timely pay all wages due and owing, and seeking to contravene or set aside by private agreement compliance with the Labor Code's provisions.

(d) Labor Code §§221, 223, and 225, by unlawfully collecting wages earned and secretively paying a lower than mandated wage scale while purporting to pay the wage designated by statute and contract.

(e) Labor Code §226, by failing to furnish or maintain accurate wage statements and by failing to make the records available for copying and/or inspection. Plaintiff and aggrieved employees could not promptly and easily determine from their wage statements alone the accurate information specified by Labor Code §226.

(f) Labor Code §227.3, by failing to pay all unused vested vacation time at cessation of employment in accordance with the contract of employment and company policy.

(g) Labor Code §232, by requiring as a condition of employment the requirement that Plaintiff and aggrieved employees sign a document which purports to deny employees the right to disclose the amount of his or her wages.

(h) Labor Code §432, by failing to provide Plaintiff and aggrieved employees a copy of signed instruments relating to the obtaining or holding of employment with Defendants.

(i) Labor Code §§432.5 and 433, by requiring Plaintiff and aggrieved employees to agree, in writing, to terms and conditions known by Defendants to be prohibited by law.

(j) Labor Code §510, by failing to pay Plaintiff and aggrieved employees for all overtime hours worked and by failing to pay the proper overtime rate based on their "regular rate" of pay for work in excess of eight hours in one workday, work in excess of 40 hours in any one workweek, and/or hours worked on the seventh consecutive day of work in any one workweek.

(k) Labor Code §551-553, by causing Plaintiff and aggrieved employees to work more than six days in seven.

(l) Labor Code §558, which provides for civil penalties against Defendants for violating provisions of the Labor Code regulating hours and days of work, in the amount of fifty dollars ($50) for any initial violation for each underpaid employee for each pay period for which the employee was underpaid, and one hundred ($100) for each subsequent violation. Lab. Code §558(a)(1)-(3).

(m) Labor Code §925, by requiring employees who primarily reside and work in California, as a condition of employment, to agree to provisions that require the employees to adjudicate outside of California claims arising in California, and deprive the employees of the substantive protection of California law with respect to controversies arising in California.

(n) Labor Code §1174, by failing to keep at a central location all payroll records accurately showing the hours worked daily by and the wages paid to employees.

(o) Labor Code §1198.5, by failing to maintain adequate personnel files and by failing to allow employees their right to inspect and receive a copy of their entire personnel file.

(p) Labor Code §2800, by unlawfully contractually refusing to indemnify their employees for losses caused by the employers' want of ordinary care;

(q) Labor Code §2802, by unlawfully contractually refusing to indemnify Plaintiff and aggrieved employees for all necessary expenditures or losses incurred in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of Defendants.

(r) Labor Code §2804, by requiring employees to enter agreements purporting to waive their rights under the Labor Code, which should be null and void.

(s) Labor Code §2810.5, which required Defendants to provide written notices to Plaintiff and aggrieved employees containing certain information such as the rates of pay, allowances, regular pay day, addresses, etcetera, which, based on information and belief, Defendants failed to do.

42. To the extent any civil penalty under the Labor Code is to be assessed and collected by the LWDA or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of the Labor Code, pursuant to PAGA, Labor Code §2699(a), Plaintiff seeks all such applicable civil penalties on behalf of himself and all aggrieved employees pursuant to the procedures specified in Labor Code §2699.3.

43. To the extent a civil penalty is not specifically provided, Plaintiff seeks to recover all civil penalties under PAGA, Labor Code §2699(f)(2), on behalf of himself and all aggrieved employees, for the Labor Code violations set forth above.

44. Plaintiff also seeks the recovery of attorneys' fees and costs pursuant to Labor Code §2699(g).

PRAYER

WHEREFORE, Plaintiff seeks judgment as follows:

A. For civil and statutory penalties as provided for by PAGA;

B. For attorneys' fees and costs of suit pursuant to Labor Code §2699(g)(1), and any other applicable provision for recovery of attorneys' fees and costs;

C. For pre-judgment and post-judgment interest to the extent allowable by law;

D. For restitution, injunctive, and/or declaratory relief to the extent allowable by law;

E. Such other and further relief as the Court deems just and proper.

Dated: December 15, 2025

HAEGGQUIST & ECK, LLP
ALREEN HAEGGQUIST (221858)
AARON M. OLSEN (259923)
ANNA C. SCHWARTZ (346268)

By: ______________________
AARON M. OLSEN

225 Broadway, Suite 2050
San Diego, CA 92101
Telephone: (619) 342-8000
Facsimile: (619) 342-7878

Attorneys for Plaintiff Mason Chaboya

HAEGGQUIST & ECK, LLP