

ARCH Legal, P.C.
Nathan J. Reese (SBN 283150)
nreese@archlegal.com
Allison E. Schubert (SBN 339991)
aschubert@archlegal.com
3555 Fifth Avenue, Suite 200
San Diego, California 92103
Telephone: 619.692.0800
Facsimile: 619.692.0822

Attorneys for Plaintiffs

[Additional Counsel Listed on Following Page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

CHRISTOPHER DUDLEY,
KATHERINE RENEE REEVES,
PATRICE D. JOHNSON, and LARISSA
ESPINOZA, on behalf of themselves and
all other similarly situated and/or
aggrieved employees of Defendants,

Plaintiffs.

v.

FREEDOMROADS, LLC, a Minnesota
limited liability company; and DOES 1
through 50 inclusive,

Defendants.

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

5/13/2026 2:35:20 PM

Clerk of the Superior Court
By K. Tirado, Deputy Clerk

Case No.: 37-2023-00036238-CU-OE-CTL

Civil Unlimited
Amount Demanded Exceeds \$35,000.00

CLASS AND PAGA ACTION

**FIRST AMENDED COMPLAINT FOR
DAMAGES, PENALTIES, RESTITUTION,
AND INJUNCTIVE RELIEF:**

1. Labor Code Private Attorneys General Act Representative Claims;
2. Failure to Provide Compliant Meal Periods and/or Timely Pay Premium Wages;
3. Failure to Authorize or Permit Compliant Rest Periods and/or Timely Pay Premium Wages;
4. Failure to Provide Recovery Periods and/or Timely Pay Premium Wages;
5. Failure to Timely Pay All Minimum and/or Regular Wages;
6. Failure to Timely Pay All Overtime and/or Double Time Wages;
7. Failure to Pay Paid Sick Leave;
8. Failure to Timely Pay All Wages Due and Owing Upon Separation of Employment and/or the Required Waiting Time Penalties;
9. Failure to Pay Vested Vacation at

- Termination;
10. Failure to Reimburse for Necessary Business Expenses;
11. Failure to Furnish Accurate Itemized Wage Statements;
12. Failure to Maintain Accurate Employment Records;
13. Unlawful Deduction of Wages and Commissions;
14. Breach of Contract for Failure to Pay All Commissions and Contractual Wages; and
15. Violation of California's Unfair Competition Law

1 Joseph Lavi, Esq. (SBN 209776)
2 Vincent C. Granberry, Esq. (SBN 276483)

LAVI & EBRAHIMIAN, LLP

3 8889 W. Olympic Boulevard, Suite 200
4 Beverly Hills, California 90211

5 Telephone: (310) 432-0000

6 Facsimile: (310) 432-0001

Email: jlavi@lelawfirm.com

vgranberry@lelawfirm.com

7 *Attorneys for Plaintiffs*

8 Nicholas J. Ferraro (State Bar No. 306528)

9 Lauren N. Vega (State Bar No. 306525)

10 Dorota A. James (State Bar No. 309933)

Ferraro Vega Employment Lawyers, Inc.

11 3333 Camino del Rio South, Suite 300

San Diego, California 92108

12 (619) 693-7727 main / (619) 350-6855 fax

13 nick@ferrarovega.com / lauren@ferrarovega.com

14 dorota@ferrarovega.com

15 *Attorneys for Plaintiffs*

Plaintiffs Christopher Dudley (“Plaintiff Dudley”), Katherine Renee Reeves (“Plaintiff Reeves”), Patrice D. Johnson (“Plaintiff Johnson”), and Larissa Espinoza (“Plaintiff Espinoza”) (collectively, “Plaintiffs”) bring this class and representative enforcement action against Defendant FreedomRoads, LLC (“FreedomRoads”) and DOES 1 through 50, inclusive, on the following grounds:

INTRODUCTION

1. This class action is brought by Plaintiffs on behalf of themselves and all other current and former similarly situated employees.

2. This First Amended Complaint is intended to consolidate and encompass the wage-and-hour, class, and PAGA claims and theories alleged in the Dudley PAGA Action (Case No. 37-2023-00036238-CU-OE-CTL), Dudley Class Action (Case No. 24CU016142C), Reeves Action (Case No. CU23-04388), Johnson Class Action (Case No. 24STCV24272), Johnson PAGA Action (Case No. 24STCV31186), Espinoza Action (Case No. 25CU008750C), and the PAGA notices submitted by Plaintiffs Dudley, Reeves, Johnson, and Espinoza to the LWDA, to the extent such claims and theories are asserted against FreedomRoads or arise from FreedomRoads’ alleged employment policies, practices, payroll systems, timekeeping systems, compensation plans, wage statements, and/or terms and conditions of employment.

3. Plaintiffs bring this representative enforcement action under the Private Attorneys General Act of 2004 (codified in California Labor Code §§ 2698 *et seq.*, “PAGA”) on behalf of themselves and all other persons who are or were classified as non-exempt and performed work for FreedomRoads, LLC in California during the time period commencing June 14, 2022 through and including February 24, 2026 (referred to herein as “Aggrieved Employees”).

4. Plaintiffs allege that during the relevant time period FreedomRoads engaged in a common pattern and practice of wage and hour violations under the California Labor Code (“Labor Code”) and the Industrial Welfare Commission (“IWC”) Wage Orders by, among other things:

- a. Failing to provide meal periods and/or pay premium wages;
- b. Failing to authorize and permit rest periods and/or pay premium wages;

- c. Failing to provide recovery periods and/or pay premium wages;
- d. Failing to pay all minimum, regular, overtime, and/or double time wages;
- e. Failing to pay paid sick leave;
- f. Failing to timely pay wages during employment;
- g. Failing to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties;
- h. Failing to pay vested vacation at termination;
- i. Failing to reimburse for business expenses;
- j. Failing to furnish accurate itemized wage statements;
- k. Failing to maintain accurate employment records;
- l. Unlawfully deducting wages and commissions during employment;
- m. Failing to pay all commissions and contractual wages in breach of written agreement;
- n. Retaliating against Plaintiff Dudley for complaining about non-compliant breaks, unpaid wages, and safety concerns; and
- o. Engaging in unlawful, unfair, and/or fraudulent business practices.

5. By and through this class and PAGA representative action, Plaintiffs seek to recover all available remedies including, but not limited to, damages, statutory penalties, civil penalties, restitution, injunctive relief, reasonable attorneys' fees, and litigation costs, as provided under California law.

6. All allegations in this First Amended Complaint are based upon information and belief except those allegations specifically pertaining to Plaintiffs and/or their counsel, which are based upon personal knowledge. Each allegation in this First Amended Complaint has evidentiary support and/or is likely to have evidentiary support after reasonable opportunity for further investigation and formal discovery.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to California Code of Civil Procedure ("Code of Civil Procedure") § 410.10 and Labor Code §§ 2698 *et seq.* Pursuant to

1 Labor Code §§ 2698 *et seq.*, Plaintiffs bring this action, in their representative capacity, on behalf
2 of themselves and all other Aggrieved Employees, as defined herein. Pursuant to Code of Civil
3 Procedure § 382 and California Business and Professions Code (“Business & Professions Code”)
4 § 17203, Plaintiffs bring this action on behalf of themselves and all other current and former
5 similarly situated employees.

6 8. This Court has personal jurisdiction over FreedomRoads because FreedomRoads
7 conducts business in the state of California and has caused injuries in the county of San Diego, as
8 well as throughout the state of California, through its acts, omissions, and violations of the Labor
9 Code, relevant IWC Wage Order, and Business & Professions Code, as alleged herein.

10 9. Venue in this judicial district is proper pursuant to Code of Civil Procedure
11 §§ 395(a) and 395.5 because each defendant, including each fictitiously named defendant,
12 transacts business in the county of San Diego and is otherwise within this Court’s jurisdiction for
13 purposes of service of process. The unlawful acts alleged herein have a direct effect on similarly
14 situated employees and/or Aggrieved Employees within the county of San Diego and throughout
15 the state of California.

16 **THE PARTIES**

17 **I. PLAINTIFFS**

18 10. Plaintiff Dudley was employed by FreedomRoads from approximately
19 February 8, 2021 to April 7, 2023 as a non-exempt, hourly paid service technician at
20 FreedomRoads’ Fresno, California location.

21 11. Plaintiff Reeves was employed by FreedomRoads from approximately
22 January 16, 2019 to May 6, 2023 as a non-exempt Finance and Insurance Manager (“F&I
23 Manager”) at FreedomRoads’ Camping World dealership located in Vacaville, California.

24 12. Plaintiff Johnson was employed by FreedomRoads as an hourly non-exempt
25 employee from in or around February 21, 2024 to August 9, 2024. Plaintiff Johnson worked as a
26 sales representative at FreedomRoads’ Stevensen Ranch, California dealership location.

13. Plaintiff Espinoza is an individual over 18 years of age who worked for FreedomRoads in California as a non-exempt employee from about February 2023 to May 2023. Plaintiff Espinoza worked as a Business Development Representative.

14. Plaintiffs are “aggrieved employees” within the meaning of Labor Code § 2699(c) and have complied with all requirements outlined in Labor Code §§ 2698 *et seq.*

15. Plaintiffs are members of the class and/or sub-classes defined herein.

II. DEFENDANT

16. Defendant FreedomRoads, LLC (“FreedomRoads”) is a Minnesota limited liability company with its principal place of business located in Lincolnshire, Illinois. FreedomRoads specializes in the sale and servicing of recreational vehicles and accessory products, with approximately 13 locations in California and over 100 locations across the United States.

17. Plaintiffs are informed and believe, and based thereon allege, that at all relevant times FreedomRoads acted as an employer and/or joint employer of Plaintiffs, the putative class members, and Aggrieved Employees. Plaintiffs further allege that FreedomRoads acted in concert with, and/or through, related entities including Camping World Holdings Group, Inc., Good Sam Enterprises, LLC, and Gander RV & Outdoors with respect to certain employment policies, practices, payroll systems, timekeeping systems, compensation plans, wage statements, and/or terms and conditions of employment alleged herein. Plaintiffs allege that, to the extent those related entities exercised control over Plaintiffs, the putative class members, and/or Aggrieved Employees, they did so jointly with, on behalf of, or in coordination with FreedomRoads.

18. The true names and capacities, whether individual, corporate, subsidiary, partnership, associate, or otherwise of defendant Does 1 through 50, inclusive, are unknown to Plaintiffs, who therefore sues these defendants by such fictitious names pursuant to Code of Civil Procedure § 474. Plaintiffs will amend this First Amended Complaint, setting forth the true names and capacities of these fictitiously named defendants when their true names are ascertained. Plaintiffs are informed and believe, and on that basis allege, that each of the fictitious defendants have participated in the acts and/or omissions alleged in this First Amended Complaint.

1 19. At all times mentioned herein, the acts alleged to have been done and/or caused by
2 each named defendant are also alleged to have been done and/or caused by each of the fictitiously
3 named defendants, and by each of their agents and/or employees who acted within the scope of
4 their agency and/or employment.

5 20. At all times mentioned herein, each defendant, including each fictitiously named
6 defendant, is believed to have acted individually or as an officer, agent, or employee of the other
7 defendants.

8 21. At all times mentioned herein, each defendant, including each fictitiously named
9 defendant, acted as an agent, servant, employee, co-conspirator, alter-ego and/or joint venture of
10 each of the other defendants, and in doing the things alleged herein acted within the course and
11 scope of such agency, employment, alter-ego and/or in furtherance of the joint venture.

12 22. At all times mentioned herein, the acts and/or omissions of each of the defendants,
13 including each fictitiously named defendant, concurrently contributed to the various acts and/or
14 omissions of each and every one of the other defendants, including each fictitiously named
15 defendant, in proximately causing the wrongful conduct, harm, and/or damages alleged herein.
16 Each of the defendants, including each fictitiously named defendant, approved of, condoned,
17 and/or otherwise ratified each and every one of the acts and/or omissions complained herein. Each
18 defendant, including each fictitiously named defendant, was and is acting with authority of each
19 and every other defendant and/or are acting as agents of each and every other defendant or Doe
20 defendant.

21 23. At all times mentioned herein there was a unity of interest and ownership between
22 each defendant, including each fictitiously named defendant, such that all defendants acted as a
23 single employer of Plaintiffs, similarly situated employees, and Aggrieved Employees.

24 24. At all times mentioned herein, each defendant, including each fictitiously named
25 defendant, exercised supervision and control over the wages, hours, and/or working conditions of
26 Plaintiffs, similarly situated employees, and Aggrieved Employees, including, but not limited to,
27 implementing standard policies and procedures.

28 25. At all times mentioned herein, each defendant, including each fictitiously named

1 defendant, caused Plaintiffs, similarly situated employees, and Aggrieved Employees to work
2 and/or prevented them from working.

3 26. At all times mentioned herein, each defendant, including each fictitiously named
4 defendant, had control over Plaintiffs, similarly situated employees, and Aggrieved Employees.

5 27. Each defendant, including each fictitiously named defendant, is alleged to have
6 caused each of the violations alleged herein.

7 28. Each defendant, including each fictitiously named defendant, is jointly and severally
8 liable for each of the violations alleged herein.

9 **FACTUAL ALLEGATIONS**

10 29. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
11 paragraphs of this First Amended Complaint.

12 30. Plaintiff Dudley was employed by, or otherwise performed work for,
13 FreedomRoads from approximately February 8, 2021 to April 7, 2023 as a service technician at
14 the Camping World location in Fresno, California. Plaintiff Dudley's job duties included, but were
15 not limited to, servicing and performing maintenance on recreational vehicles, conducting
16 predelivery inspections, writing estimates, and providing customer service. Plaintiff Dudley
17 typically worked Monday through Friday, from 8:00 a.m. to 5:00 p.m., and frequently worked
18 overtime hours.

19 31. Plaintiff Reeves worked as an F&I Manager for FreedomRoads from approximately
20 January 16, 2019 to May 6, 2023 at its Camping World dealership located in Vacaville, California.
21 Plaintiff Reeves was generally responsible for selling warranties, paint and fabric protection,
22 insurance policies, and other financial products to customers purchasing RVs. Plaintiff Reeves
23 was also responsible for securing financing from lenders and finalizing delivery of customers'
24 RVs. Plaintiff Reeves' day to day activities consisted of preparing paperwork; assessing
25 customers' credit eligibility for loans; communicating with lenders; scanning, packaging, and
26 transferring loan documents to the business office and lenders; and answering emails and phone
27 calls from customers. Plaintiff Reeves typically worked five days a week, Friday through Tuesday,
28 from 7:00 a.m. to 7:00 p.m., but frequently worked as late as 11:00 p.m. during busier months.

1 On average, Plaintiff Reeves worked 60 or more hours per week.

2 32. Plaintiff Reeves was to be compensated a base hourly rate of \$15.00 per hour plus
3 commissions based on the written “F&I Manager Compensation Plan” Plaintiff Reeves entered
4 into with FreedomRoads. A true and correct copy of the F&I Manager Compensation Plan is
5 attached hereto as **Exhibit 1** and incorporated herein by reference. Plaintiff Reeves also received
6 incentive pay when customers redeemed vouchers she provided to them for free weekend visits at
7 campgrounds sponsored by Camping World, and additional incentive pay when the customer
8 opened up a campground membership with Camping World.

9 33. Plaintiff Johnson worked for FreedomRoads as a sales representative at the
10 Stevensen Ranch, California dealership from February 21, 2024 through August 9, 2024. Plaintiff
11 Johnson operated the phone lines and worked with prospective customers on RV purchases and
12 financing. Plaintiff Johnson’s normal shifts started at 8:00 a.m. and would end at 5:30 p.m. She
13 was compensated an hourly wage, plus non-discretionary compensation, on a bi-weekly basis.

14 34. Plaintiff Espinoza worked for FreedomRoads in California as a non-exempt,
15 Business Development Representative from about February 2023 to May 2023. Plaintiff Espinoza
16 was compensated an hourly wage plus commissions on a bi-weekly basis.

17 35. FreedomRoads has employed, and will continue to employ, several individuals in a
18 non-exempt capacity in San Diego County and throughout the state of California.

19 36. Throughout the relevant time period, all similarly situated employees and/or
20 Aggrieved Employees earned an hourly wage in addition to commissions, incentives, bonuses,
21 and other non-discretionary compensation, were to be paid their hourly wages on a bi-weekly
22 basis, and worked at least eight (8) hours per day and/or forty (40) hours per week.

23 37. Plaintiffs and all other similarly situated employees and/or Aggrieved Employees
24 were subject to, and those currently employed continue to be subject to, the same and/or similar
25 policies, practices, procedures, guidelines, and/or culture described herein.

26 38. Plaintiffs further allege that they and all other similarly situated employees and/or
27 Aggrieved Employees have suffered, and will continue to suffer, the same and/or similar
28 violations of law described herein.

39. During the relevant time period, FreedomRoads did not, and does not, have a policy, practice, procedure, guideline, and/or culture of providing all similarly situated employees and/or Aggrieved Employees with the opportunity to take an uninterrupted, thirty (30) minute off-duty meal period before the end of their fifth (5th) hour of work when they worked five (5) or more hours in a day. Similarly, FreedomRoads did not, and does not, have a policy, practice, procedure, guideline, and/or culture of providing all similarly situated employees and/or Aggrieved Employees with the opportunity to take a second thirty (30) minute, off-duty, uninterrupted meal period when they worked ten (10) or more hours in a day.

40. Plaintiffs and other similarly situated employees and/or Aggrieved Employees typically worked over six (6) hours in a workday. However, Plaintiffs and other similarly situated employees and/or Aggrieved Employees were not provided with the opportunity to take lawful meal periods because FreedomRoads regularly directed, pressured, compelled and/or otherwise coerced them to work during their meal periods, take meal periods that were less than thirty minutes, and/or take meal periods after the end of their fifth and/or tenth hour of work. Plaintiffs and other similarly situated employees and/or Aggrieved Employees routinely experienced missed, late, short, and interrupted meal periods in order to keep up with the high demands of their jobs.

41. FreedomRoads further assigned workloads that could not reasonably be completed within similarly situated employees' and/or Aggrieved Employees' scheduled hours. For instance, Plaintiff Dudley frequently took his meal periods after the end of his fifth hour of work because he was required to finish servicing customers before taking his meal periods. Further, Plaintiff Dudley's meal periods were interrupted because he was required to assist customers, answer phone calls from manufacturers, and complete other work-related tasks during his meal periods. Plaintiff Dudley and, on information and belief, other similarly situated employees and/or Aggrieved Employees were unable to clock back in during these interruptions because the time clock prevented employees from clocking back in from their meal periods before thirty minutes had elapsed.

42. Likewise, Plaintiff Reeves and other similarly situated employees and/or Aggrieved

1 Employees who worked as F&I Managers were not provided with the opportunity to take lawful
2 meal periods because they were regularly speaking with customers, finalizing deals, or engaged
3 in other job duties during their meal periods, or had to be readily available to engage in work
4 duties during their meal periods.

5 43. FreedomRoads knew or should have known that Plaintiffs and other similarly
6 situated employees and/or Aggrieved Employees were not provided with the opportunity to take
7 legally compliant meal periods because FreedomRoads assigned workloads that precluded them
8 from taking lawful meal periods; instructed them to prioritize customer service, pending deals,
9 and pending work orders over taking their meal periods; implemented the use of time clocks that
10 would not allow them to clock back in when their meal periods were interrupted; and altered
11 employee time records to reflect legally compliant meal periods.

12 44. Plaintiffs and, on information and belief, other similarly situated employees and/or
13 Aggrieved Employees did not sign an on-duty meal period agreement at any point during their
14 employment, nor did they properly waive any of their meal periods.

15 45. FreedomRoads did not, and does not, have a policy, practice, procedure, guideline,
16 and/or culture of paying meal period premiums to Plaintiffs and other similarly situated employees
17 and/or Aggrieved Employees at their regular rate of pay for all meal periods that do not comply
18 with California law. For instance, Plaintiffs were not consistently paid meal period premiums for
19 every shift in which they received a non-compliant meal period.

20 46. In addition, Plaintiffs were not paid at the correct regular rate of pay for the meal
21 period premiums that they received because FreedomRoads failed to use Plaintiffs'
22 non-discretionary compensation when calculating their regular rate of pay. FreedomRoads
23 maintained a policy, practice, and/or procedure of failing to include all non-excludable
24 remuneration such as commission pay and incentive pay, for example, when calculating Plaintiffs'
25 and similarly situated employees and/or Aggrieved Employees' regular rate of pay for the purpose
26 of paying meal period premium wages.

27 47. FreedomRoads did not, and does not, have a policy, practice, procedure, guideline,
28 and/or culture of authorizing and permitting Plaintiffs and other similarly situated employees

1 and/or Aggrieved Employees to take uninterrupted, off-duty rest periods of at least ten (10)
2 minutes for every four (4) hours worked or major fraction thereof.

3 48. Plaintiffs and other similarly situated employees and/or Aggrieved Employees were
4 regularly directed, compelled, and/or otherwise coerced by FreedomRoads to work during their
5 rest periods and/or forgo their rest periods altogether in order to prioritize customer appointments
6 and perform other work duties. For instance, Plaintiff Dudley worked through at least one of his
7 rest periods for the majority of his shifts because his workload did not permit him to take a
8 10-minute rest period for every four hours, or major fraction thereof, that he worked. Plaintiff
9 Dudley's ability to take lawful rest periods was further undermined by FreedomRoads' practice
10 of requiring him and other employees at his job site to take their rest periods at the same time,
11 which prevented them from being relieved of all duties for their rest periods.

12 49. Likewise, Plaintiff Reeves and other similarly situated employees and/or Aggrieved
13 Employees who worked as F&I Managers were not authorized and permitted to take lawful rest
14 periods because they had to be readily available to engage in work duties during their rest periods,
15 including assisting customers. Plaintiff Reeves and other similarly situated employees and/or
16 Aggrieved Employees who worked as F&I Managers were also precluded from taking lawful rest
17 periods due to their assigned workloads. There was simply too much work to do, and no relief
18 available, for Plaintiff Reeves and other F&I Managers to take rest periods.

19 50. Plaintiffs allege that FreedomRoads knew or should have known that Plaintiffs and
20 other similarly situated employees and/or Aggrieved Employees were not authorized and
21 permitted to take legally compliant rest periods because FreedomRoads directed, pressured,
22 and/or otherwise coerced them to work through their rest periods so that they could prioritize
23 deals, customer service, and customer appointments; assigned workloads that precluded them
24 from taking lawful rest periods; and did not provide them with adequate relief. Plaintiff Dudley
25 further alleges that he informed his supervisor that he was unable to take compliant rest periods.

26 51. Plaintiffs contend that although they and other similarly situated employees and/or
27 Aggrieved Employees were not provided with legally compliant rest periods, they were not
28 compensated rest period premium wages at their regular rate of pay for all non-compliant rest

1 periods, as required by California law. FreedomRoads maintained a policy, practice, and/or
2 procedure of failing to include all non-excludable remuneration such as commission pay and
3 incentive pay, for example, when calculating Plaintiffs' and other similarly situated employees
4 and/or Aggrieved Employees' regular rate of pay for the purpose of paying rest period premium
5 wages.

6 52. During the relevant time period, FreedomRoads had a policy, practice, procedure,
7 guideline, and/or culture of failing to provide Plaintiff Dudley and, on information and belief,
8 other similarly situated employees and/or Aggrieved Employees with compliant recovery periods
9 because FreedomRoads did not provide them with off-duty access to shade when the outdoor
10 temperature at the worksite exceeded 80 degrees Fahrenheit.

11 53. Plaintiff Dudley and other similarly situated employees and/or Aggrieved
12 Employees worked outside in the sun during their shifts in temperatures that frequently exceed 80
13 degrees Fahrenheit. During the summer months, Plaintiff Dudley and other similarly situated
14 employees and/or Aggrieved Employees were forced to work in outdoor temperatures exceeding
15 100 degrees Fahrenheit. Nonetheless, FreedomRoads had, and continues to have, a policy,
16 practice, procedure, guideline, and/or culture of failing to provide off-duty recovery periods of
17 not less than five (5) minutes to prevent heat illness. Additionally, Plaintiff Dudley and other
18 similarly situated employees and/or Aggrieved Employees were not provided with tents, canopies,
19 or any other source of shade, nor was natural shade typically available at the job sites. There was
20 a garage at Plaintiff Dudley's job site, however, the garage did not provide sufficient shade
21 because the inside of the garage lacked air conditioning and reached temperatures of up to 100
22 degrees. Further, the breakroom, where cold water was provided, was not easily accessible to
23 Plaintiff Dudley because it was located on the far end of the worksite, and did not provide adequate
24 shade because it was not spacious enough to accommodate multiple employees. Consequently,
25 Plaintiff Dudley and other similarly situated employees and/or Aggrieved Employees did not have
26 adequate shade to take compliant recovery periods and rest from the sun.

27 54. FreedomRoads further failed to inform Plaintiff Dudley and other similarly situated
28 employees and/or Aggrieved Employees of their right to take off-duty recovery periods and have

1 access to shade and water during their shifts while working outside. On information and belief,
2 FreedomRoads did not, and does not, have a written heat illness prevention plan, in violation of
3 California law.

4 55. Although FreedomRoads failed to provide Plaintiff Dudley and other similarly
5 situated employees and/or Aggrieved Employees with compliant recovery periods,
6 FreedomRoads did not pay them an additional hour of pay at their regular rate of pay, as required
7 by California law.

8 56. FreedomRoads had, and continues to have, a policy, practice, procedure, guideline,
9 and/or culture of not paying Plaintiffs and other similarly situated employees and/or Aggrieved
10 Employees all minimum, regular, overtime, and/or double time wages for all time engaged in
11 work on behalf of FreedomRoads.

12 57. Plaintiffs and other similarly situated employees and/or Aggrieved Employees were
13 mandated by FreedomRoads to perform work duties during their meal periods, such as servicing
14 customers and responding to work-related phone calls. For instance, Plaintiff Reeves alleges that
15 she worked through the majority of what should have been her meal periods because her workload
16 and schedules did not permit her to take work-free, uninterrupted meal periods. As one of two
17 F&I Managers at the dealership where she worked, Plaintiff Reeves was constantly in the process
18 of working up a deal and had to be readily available to assist customers, prepare the necessary
19 paperwork, and communicate with the business office and lender to finalize the contract. Plaintiff
20 Reeves was forced to forgo her meal periods entirely to perform these work duties.

21 58. FreedomRoads did not consider time spent by Plaintiffs and other similarly situated
22 employees and/or Aggrieved Employees performing work while off-the-clock during their meal
23 periods as compensable and failed to provide any remuneration.

24 59. Rather, FreedomRoads automatically deducted (“auto-deduct”) at least thirty (30)
25 minutes from similarly situated employees’ and/or Aggrieved Employees’ daily wages for meal
26 periods, regardless of whether they were engaged in work during their meal periods. For instance,
27 Plaintiff Reeves did not clock in and out for her meal periods; instead, an office administrator
28 would add false time entries to her time records for her meal periods. FreedomRoads’ auto-deduct

1 policy resulted in the unlawful withholding of wages for time actually worked by similarly
2 situated employees and/or Aggrieved Employees.

3 60. Similarly, Plaintiffs and other similarly situated employees and/or Aggrieved
4 Employees were required to perform work or were otherwise subject to FreedomRoads' control
5 before clocking in and after clocking out for their shifts. Specifically, Plaintiff Dudley and other
6 employees at his job site were required to wait at the time clock for several minutes before
7 clocking in for work. Upon arrival at Plaintiff Dudley's job site, there was a line of employees
8 waiting to clock in for work because they were scheduled by FreedomRoads to start work at the
9 same time. As a result, Plaintiff Dudley and other employees at his job site would have to wait
10 several minutes lined up at the time clock in order to clock in. They were not compensated for this
11 time spent waiting to clock in for their shifts, during which they were subject to FreedomRoads'
12 control. Plaintiff Dudley further alleges that, on multiple occasions, he was required to help
13 service customers after he clocked out for work but was not compensated for this time.

14 61. Plaintiff Reeves asserts that she and other similarly situated employees and/or
15 Aggrieved Employees who worked as F&I Managers were required to perform work duties prior
16 to clocking in and after clocking out for their shifts, including preparing paperwork, packaging
17 deals, and scanning loan documents to lenders. During busier months, Plaintiff Reeves spent
18 several hours per day performing these work duties while off-the-clock, primarily while she was
19 at home, to ensure that all of her deals were finalized on time. In the discharge of her duties,
20 Plaintiff Reeves also responded to emails from customers on her days off. Plaintiff Reeves and
21 other F&I Managers could not reasonably complete their assigned workload within their
22 scheduled hours due to the volume of customers they had and the financing deadlines they were
23 required to meet. Plaintiff Reeves further asserts that it was FreedomRoads' culture and
24 expectation that all assigned work duties were to be completed on time, no matter the time of day
25 or circumstance. Additionally, Plaintiff Reeves alleges that she was unable to record these hours
26 worked because the ADP application she used to clock in and out for her shifts would not allow
27 her to log in unless she was at the work premises.

62. FreedomRoads maintained an unlawful rounding policy wherein Plaintiffs' and other similarly situated employees' and/or Aggrieved Employees' time entries were rounded to the nearest minute in a manner that is not fair and neutral, and results in the underpayment of earned wages over a period of time. Such practices are unlawful under *See's Candy Shops, Inc. v. Superior Ct.*, 210 Cal. App. 4th 889, 901-902 (2012). Specifically, if an employee is clocking out for their shift, FreedomRoads rounds down their time entry to the nearest minute based on the time they initiated the punch-out transaction on FreedomRoads' timekeeping system. Conversely, if an employee is clocking in for their shift, FreedomRoads will round down their time entry to the nearest minute based on the time they end the punch-in transaction on FreedomRoads' timekeeping system. FreedomRoads' rounding practice results in the shaving of actual time worked by Plaintiffs and other similarly situated employees and/or Aggrieved Employees and recorded by FreedomRoads.

63. Plaintiffs and other similarly situated employees and/or Aggrieved Employees were further mandated by FreedomRoads to complete various questionnaires when clocking in and clocking out for their shifts, attesting to whether they received their meal and/or rest breaks, providing reasons why they did not receive proper meal and/or rest breaks, and whether they accurately recorded their hours worked, among other things. FreedomRoads recorded the time spent by Plaintiffs and other similarly situated employees and/or Aggrieved Employees completing these attestation prompts. However, because FreedomRoads rounded employees' time entries to the nearest minute based on when they initiated and/or terminated the punch in/out transaction, FreedomRoads did not compensate the employees for time spent answering the attestation prompts on FreedomRoads' timekeeping system. As an example, if an employee initiated the punch-out transaction at 5:01:35 p.m. and ended the punch-out transaction at 5:02:23 p.m., FreedomRoads would round down their punchout time entry to 5:01 p.m., thereby failing to account for all hours worked, including time spent answering the attestation questions.

64. In addition, FreedomRoads had the ability to record and did in fact record the exact amount of time worked by non-exempt employees, such as Plaintiffs, yet still rounded the time entries, a practice which has been ruled as unlawful. *E.g., Camp v. Home Depot U.S.A., Inc.*, 84

1 Cal. App. 5th 638, 660 (2022); *Woodworth v. Loma Linda University Medical Center*, 93 Cal.
2 App. 5th 1038, 1059 (2023).

3 65. Plaintiffs and other similarly situated employees and/or Aggrieved Employees have
4 been systematically deprived of compensation for all hours worked because of FreedomRoads'
5 improper rounding policy.

6 66. FreedomRoads' failure to pay Plaintiffs and other similarly situated employees
7 and/or Aggrieved Employees for all time they were suffered or permitted to work resulted in the
8 unlawful withholding of wages and/or overtime for time actually worked. Therefore,
9 FreedomRoads failed to pay Plaintiffs and other similarly situated employees and/or Aggrieved
10 Employees all overtime and/or double time wages owed to them when they worked in excess of
11 eight (8) hours and/or twelve (12) hours in a workday and/or forty (40) hours in a workweek.

12 67. FreedomRoads had, and continues to have, a policy, practice, procedure, guideline,
13 and/or culture of failing to use non-discretionary pay, including commissions, incentives, and
14 bonuses, to calculate the respective rate of pay as necessary for the calculation and payment of
15 overtime wages for similarly situated employees and/or Aggrieved Employees, including
16 Plaintiffs. For instance, Plaintiff Dudley received a non-discretionary productivity bonus for each
17 calendar month in which he satisfied productivity targets set forth in the applicable bonus plan.
18 FreedomRoads failed to use Plaintiff Dudley's and other similarly situated employees and/or
19 Aggrieved Employees' non-discretionary compensation when calculating the regular rate of pay
20 for purposes of determining payments for overtime compensation. Thus, when Plaintiffs and other
21 similarly situated employees and/or Aggrieved Employees received overtime wages, they were
22 not paid the appropriate amount.

23 68. FreedomRoads committed the same "regular rate of pay" violation against Plaintiffs
24 and other similarly situated employees and/or Aggrieved Employees as a matter of common
25 payroll administration and company policy in a manner susceptible to common proof. This
26 resulted in the underpayment of wages to employees.

27 69. Plaintiff Reeves further asserts that she and, on information and belief, other
28 similarly situated employees and/or Aggrieved Employees who worked as F&I Managers were

1 not paid overtime and/or double time wages at their regular rate of pay despite working in excess
2 of eight (8) hours per day, twelve (12) hours per day, and/or forty (40) hours per week. For
3 instance, Plaintiff Reeves regularly worked shifts that were greater than twelve (12) hours in
4 length, but she received no daily overtime or double time wages. Further, Plaintiff Reeves
5 consistently worked more than forty (40) hours per week but was paid no weekly overtime.
6 Indeed, Plaintiff Reeves' wage statements reflect that she worked overtime hours for the majority,
7 if not all, of her pay periods, but all of these hours worked were paid at her base hourly rate of
8 \$15 per hour. Moreover, on or around August 30, 2019, Plaintiff Reeves was paid approximately
9 22.78 hours of overtime wages. These overtime wages were then deducted from Plaintiff Reeves'
10 subsequent paycheck. When Plaintiff Reeves inquired with her supervisor Phil Gummow as to
11 why this deduction was made, he informed her that she was ineligible to receive overtime, and
12 that the payment of overtime wages was a mistake.

13 70. Plaintiff Reeves contends that she and, on information and belief, other similarly
14 situated employees and/or Aggrieved Employees who worked as F&I Managers earned less than
15 one- and one-half times the applicable minimum wage for all hours worked or spent under the
16 control of FreedomRoads during a given pay period; and/or less than half of their compensation
17 in a given pay period was attributed to commissions, as their earned commissions were paid in
18 the final bi-weekly pay period of each month per the terms of the applicable F&I Manager
19 Compensation Plan. As a result, Plaintiff Reeves and other similarly situated employees and/or
20 Aggrieved Employees who worked as F&I Managers are not subject to the commissioned sales
21 exemption and are entitled to overtime wages. (Cal. Code Regs., tit. 8, § 11040, subd. 3(D).)

22 71. FreedomRoads failed to comply with California's paid sick leave law with respect
23 to similarly situated employees and/or Aggrieved Employees.

24 72. Plaintiffs Johnson and Espinoza and other similarly situated employees and/or
25 Aggrieved Employees were employed by FreedomRoads for 30 or more days and were entitled
26 to paid sick days. FreedomRoads, however, lacked a policy, practice, and/or procedure whereby
27 employees who were employed by FreedomRoads for 30 days or more could accrue paid sick
28 days at the rate of no-less than one (1) hour per every thirty (30) hours worked, beginning at the

1 commencement of employment as required by Labor Code section 246(b).

2 73. FreedomRoads maintained unlawful practices of requiring off-the-clock work. For
3 each hour worked, but for which no paid sick leave was accrued, FreedomRoads failed to provide
4 all owed paid sick leave hours to similarly situated employees and/or Aggrieved Employees. On
5 information and belief, FreedomRoads did not include hours worked off the clock when
6 calculating the total accrued sick leave they had earned.

7 74. When Plaintiffs Johnson and Espinoza and other similarly situated employees
8 and/or Aggrieved Employees elected to use paid sick time, FreedomRoads failed to pay them sick
9 time wages at the proper sick time rate of pay due to FreedomRoads' failure to include all
10 remuneration when calculating the sick time rate of pay. Specifically, FreedomRoads maintained
11 a policy, practice, and/or procedure of failing to include all remuneration including but not limited
12 to commission pay and incentive pay, for example, when calculating similarly situated employees'
13 and/or Aggrieved Employees' regular rate of pay for the purpose of paying sick time.

14 75. The failure to calculate and pay paid sick leave at one of the lawful rates set forth in
15 Labor Code §§ 246(1)(1)-(3) and 247 *et seq.* was applied as a matter of common policy and
16 practice to similarly situated employees and/or Aggrieved Employees.

17 76. By engaging in the unlawful conduct alleged herein, including by failing to pay
18 overtime wages, meal and rest break premiums, and lawful sick pay at the employees' regular rate
19 of pay, FreedomRoads secretly paid a lower wage than designated by statute while purporting to
20 pay the wages designated by statute, in violation of Labor Code section 223.

21 77. As a derivative of the claims above, Plaintiffs Dudley, Johnson, and Espinoza allege
22 that FreedomRoads failed to timely pay them and other similarly situated employees and/or
23 Aggrieved Employees their earned wages (including minimum, regular, overtime, and/or double
24 time wages, meal period premium wages and/or rest period premium wages), in violation of Labor
25 Code section 204. FreedomRoads' aforementioned policies, practices, and/or procedures resulted
26 in their failure to pay similarly situated employees and/or Aggrieved Employees their earned
27 wages within the applicable time frames outlined in Labor Code section 204.

1 78. Plaintiffs allege that FreedomRoads had, and continues to have, a policy, practice,
2 procedure, guideline, and/or culture of willfully failing to pay former similarly situated employees
3 and/or Aggrieved Employees, such as themselves, all wages due and owing upon separation of
4 employment and/or the required waiting time penalties for the late payment of such wages.
5 Plaintiffs assert that they and other former similarly situated employees and/or Aggrieved
6 Employees were not timely paid all minimum, regular, overtime, and/or double time wages due
7 and owing upon separation of employment because of FreedomRoads' rounding practice, failure
8 to compensate for time spent performing work during meal periods and outside of their scheduled
9 shift times, and improper classification of F&I Managers under the commission sales exemption,
10 among other things. Plaintiffs also assert that they and other former similarly situated employees
11 and/or Aggrieved Employees were not timely paid premium wages for unlawful meal, rest, and/or
12 recovery periods at the correct regular rate of pay.

13 79. Plaintiff Dudley further contends that he was not paid all accrued vacation hours
14 that he was entitled to, pursuant to FreedomRoads' paid vacation policy, upon separation of his
15 employment.

16 80. Plaintiffs allege that FreedomRoads has a policy, practice, procedure, guideline,
17 and/or culture of failing to pay the appropriate waiting time penalties to former similarly situated
18 employees and/or Aggrieved Employees, such as themselves, as provided under California law.

19 81. FreedomRoads had, and continues to have, a policy, practice, procedure, guideline,
20 and/or culture of failing to reimburse similarly situated employees and/or Aggrieved Employees,
21 including Plaintiffs Dudley, Reeves, and Espinoza, for all necessary business expenses that were
22 incurred in the discharge of their job duties. For example, FreedomRoads required Plaintiff
23 Dudley and, on information and belief, other similarly situated employees and/or Aggrieved
24 Employees to purchase their own tools and equipment, such as hand tools and other specialty
25 tools, in order to carry out their work duties. However, these employees were not paid double the
26 minimum wage as required by the applicable IWC Wage Order.

27 82. Plaintiffs Dudley, Reeves, and Espinoza and, on information and belief, other
28 similarly situated employees and/or Aggrieved Employees were also required to use their personal

1 cell phones to complete their work duties, including calling customers, communicating with
2 suppliers and manufacturers, filing claims, and engaging in internal communications, such as
3 group text messages with the finance team and sales team. If Plaintiff Reeves' supervisors were
4 unable to reach her on her personal cell phone, they would admonish her for not answering.

5 83. Despite the requirement that similarly situated employees and/or Aggrieved
6 Employees use their personal cell phones and/or purchase their own tools and equipment for work
7 purposes, they did not receive any reimbursement for these expenses from FreedomRoads in
8 violation of California law.

9 84. FreedomRoads had, and continues to have, a policy, practice, procedure, guideline,
10 and/or culture of furnishing wage statements to similarly situated employees and/or Aggrieved
11 Employees that do not accurately reflect the items required by Labor Code § 226(a), including but
12 not limited to, all applicable hourly rates in effect during the pay period, the corresponding number
13 of hours worked at each hourly rate by the employee, the actual gross wages earned, and the actual
14 net wages earned. For example, the wage statements furnished by FreedomRoads did not properly
15 reflect the total hours of compensable time worked, such as time spent working while clocked out
16 during meal periods, the correct regular rate of pay for overtime and premium wages, and the
17 correct amount of commissions earned. The wage statement inaccuracies were also due to
18 FreedomRoads' improper rounding policy.

19 85. Due to the missing and/or incorrect information on the furnished wage statements,
20 Plaintiffs and other similarly situated employees and/or Aggrieved Employees were unable to
21 promptly and easily determine the total number of hours actually worked, the amount of wages
22 actually earned, the applicable hourly rates in effect during the pay period, and/or the
23 corresponding number of hours worked at each hourly rate, among other things.

24 86. Plaintiffs Dudley and Reeves contend that FreedomRoads had, and continues to
25 have, a policy, practice, procedure, guideline, and/or culture of knowingly and intentionally failing
26 to maintain accurate records for similarly situated employees and/or Aggrieved Employees,
27 including themselves. As a direct result of FreedomRoads' illegal policies and practices, such as
28 those described herein, FreedomRoads failed to record employees' actual time worked, the proper

1 beginning and end of each meal period, and actual wages earned and paid, among other things, in
2 violation of California law.

3 87. Plaintiff Reeves alleges that at all material times, FreedomRoads had a policy,
4 practice, procedure, guideline, and/or culture of unlawfully deducting earned wages and
5 commissions from Plaintiff Reeves and other similarly situated employees who worked as an F&I
6 Manager. Specifically, Plaintiff Reeves and, on information and belief, other F&I Managers had
7 their commissions deducted for cancelled warranties, returned products, and rescinded finance
8 contracts from sales that were not attributable to them. Plaintiff Reeves' and other F&I Managers'
9 commissions were deducted as a percentage of the amount their finance department was charged
10 back for returned, cancelled, and/or rescinded transactions, even if the products had been sold by
11 another employee. Plaintiff Reeves alleges that, on several occasions, her commissions were
12 deducted for cancelled warranties, but the warranties had been sold by other employees. In some
13 instances, the warranties were sold before Plaintiff Reeves had even started working for
14 FreedomRoads. Plaintiff Reeves also asserts that her overtime wages earned in one pay period
15 were unlawfully deducted by FreedomRoads in the subsequent pay period.

16 88. Plaintiff Reeves alleges that during the relevant time period, FreedomRoads had a
17 policy, practice, procedure, guideline, and/or culture of not paying all commissions and
18 contractual wages as outlined in their compensation plan, even though Plaintiff Reeves and other
19 similarly situated employees who worked as an F&I Manager met the requirements to earn their
20 commissions and contractual wages. Specifically, the terms of the compensation plan attached as
21 Exhibit 1 do not state that Plaintiff Reeves' commissions can be deducted for returns and/or
22 cancellations. FreedomRoads' practice of deducting Plaintiff Reeves' commissions for cancelled
23 warranties, returned products, and rescinded finance contracts for sales not attributable to her
24 prevented her from receiving all of her earned commissions and contractual wages in breach of
25 written agreement.

26 89. Plaintiff Dudley contends that FreedomRoads retaliated against him and, upon
27 information and belief, other Aggrieved Employees for engaging in the protected activity of
28 making complaints about unpaid wages, unsafe working conditions, and not receiving lawful

1 breaks. Specifically, approximately one week before his termination, Plaintiff Dudley verbally
2 reported safety concerns to FreedomRoads' corporate management regarding the lack of eye
3 washing stations at the job site, that no water was provided to employees on hot days, and
4 hazardous conditions resulting from an unfixed sink hole at the job site. Additionally, Plaintiff
5 Dudley reported that he was unable to take his breaks and had not received all productivity
6 bonuses and other compensation that he was entitled to. Notably, Plaintiff Dudley's service
7 director attempted to prevent him from reporting his concerns. Shortly after making these reports
8 to corporate management, Plaintiff Dudley was terminated, despite the fact that Plaintiff Dudley
9 had not received any written warnings during his employment.

10 90. Lastly, Plaintiff Dudley contends that FreedomRoads had a nationwide mass layoff
11 in November 2022. However, FreedomRoads failed to provide the appropriate Worker
12 Adjustment and Retraining Notification to the laid off Aggrieved Employees, in violation of Labor
13 Code sections 1400-1408.

14 91. As a result of FreedomRoads' policies, practices, procedures, guidelines and/or
15 culture described herein including, but not limited to, its failure to pay all earned wages and
16 commissions, failure to provide meal and rest periods, and failure to reimburse for necessary work
17 expenses, FreedomRoads engaged in unlawful, unfair, and fraudulent business practices.

18 92. On June 14, 2023, Plaintiff Dudley submitted written notice to the California Labor
19 and Workforce Development Agency ("LWDA") and FreedomRoads as required by the PAGA,
20 informing them of FreedomRoads' alleged violations of the Labor Code, including the facts and
21 theories to support each violation.

22 93. On July 10, 2023, Plaintiff Dudley submitted an amended written notice to the
23 LWDA and FreedomRoads informing them of additional facts in support of the legal theories
24 regarding FreedomRoads' Labor Code violations alleged in the original written notice.

25 94. On August 29, 2023, Plaintiff Reeves submitted written notice to the LWDA and
26 FreedomRoads as required by the PAGA, informing them of FreedomRoads' alleged violations
27 of the Labor Code, including the facts and theories to support each violation.
28

1 95. On August 31, 2023, Plaintiff Dudley submitted a separate written notice to the
2 LWDA and FreedomRoads through Potter Handy, LLP, who has since terminated representation.

3 96. On September 18, 2024, Plaintiff Johnson filed a PAGA Claim Notice with the
4 LWDA and provided notice to FreedomRoads by certified mail which provided notice of the
5 specific provisions of the Labor Code alleged to have been violated, including the facts and
6 theories to support the violations alleged.

7 97. On October 16, 2024, Plaintiff Dudley submitted a second amended written notice
8 to the LWDA and FreedomRoads informing them of additional facts in support of the legal
9 theories regarding FreedomRoads' Labor Code violations alleged in the original written notice.

10 98. On or about February 11, 2025, Plaintiff Espinoza paid the requisite PAGA filing
11 fee and provided written notice (by online electronic filing with the LWDA and by certified mail
12 to FreedomRoads) of FreedomRoads' alleged Labor Code violations, including the facts and
13 theories to support the alleged violations.

14 99. On or about May 1, 2026, Plaintiff Dudley submitted a third amended written notice
15 to the LWDA and FreedomRoads, consolidating the facts and theories regarding FreedomRoads'
16 Labor Code violations alleged in each of the notices identified in paragraphs 92-98 above. A true
17 and correct copy of the May 1, 2026 written notice is attached hereto as **Exhibit 2** and is
18 incorporated herein by reference.

19 100. To date, which is more than 65 days after submission of Plaintiffs' respective
20 written notices, the LWDA has not provided notice of its intent to investigate Plaintiffs' alleged
21 violations of the Labor Code. Pursuant to the PAGA, Plaintiffs have the right to pursue, and do so
22 pursue, the asserted claims in a representative action in their representative capacity on behalf of
23 themselves and all other Aggrieved Employees, the general public and the state of California as
24 permitted by Labor Code § 2699.3.

25 101. Plaintiffs further believe that additional violations may be discovered and therefore
26 reserve their right to allege additional violations of the law as investigation and discovery
27 warrants. In the event Plaintiffs discover additional violations, Plaintiffs will seek to amend the
28 operative complaint as necessary.

PAGA DESIGNATION

102. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

103. By and through this representative action, Plaintiffs intend to represent the following Aggrieved Employees:

All persons who are or were classified as non-exempt and performed work for FreedomRoads, LLC in California during the period commencing June 14, 2022 through and including February 24, 2026.

104. Plaintiffs and all Aggrieved Employees are all “employees” as the term is used in the Labor Code and the IWC Wage Orders regulating wages, hours, and working conditions in the state of California.

105. A more precise definition of the aggrieved employees may be determined after further investigation and discovery. Plaintiffs reserve their right to redefine the group of aggrieved employees as permitted by California law.

106. Pursuant to Labor Code § 2699, 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 or herself and other current or former employees pursuant to the procedures specified in Labor Code § 2699.3. Such civil penalties are in addition to any other relief provided for under the Labor Code and must be allocated seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to the aggrieved employees, pursuant to Labor Code § 2699(i).

107. During all, or a portion of, the one-year and sixty-five day period before Plaintiffs filed notice of their claims with the LWDA, FreedomRoads was Plaintiffs’ and all other Aggrieved Employees’ employer or person acting on behalf of Aggrieved Employees’ employer, either individually or as an officer, agent, or employee of another person, within the meaning of Labor Code §§ 558(a) and 1197.1, who paid or caused to be paid to any employee a wage less than the minimum fixed by California state law, and as such, is subject to civil penalties for each underpaid

1 employee, as well as liquidated damages pursuant to Labor Code § 1194.2, and any applicable
2 penalties imposed pursuant to Labor Code § 203.

3 108. Plaintiffs are “aggrieved employees” under the PAGA because they were employed
4 by the alleged violator, FreedomRoads, and experienced one or more of the alleged violations
5 outlined herein, and therefore are properly suited to represent the interests of other Aggrieved
6 Employees. (See *Huff v. Securitas Security Services, USA, Inc.* (2018) 23 Cal.App.5th 745, 751,
7 761; *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 519.)

8 109. Plaintiffs allege that all other Aggrieved Employees are also “aggrieved employees”
9 under the PAGA because FreedomRoads employed them and they experienced one or more of the
10 alleged violations outlined herein.

11 110. Pursuant to Labor Code §§ 2698 *et seq.*, Plaintiffs have exhausted their
12 administrative remedies because they complied with the notice requirements outlined in Labor
13 Code § 2699.3. On June 14, 2023, Plaintiff Dudley submitted notice to the LWDA and
14 FreedomRoads informing them of FreedomRoads’ alleged Labor Code violations pursuant to the
15 PAGA. On July 10, 2023, Plaintiff Dudley submitted an amended notice to the LWDA and
16 FreedomRoads asserting additional facts in support of the legal theories alleged in the original
17 notice. On August 29, 2023, Plaintiff Reeves submitted notice to the LWDA and FreedomRoads.
18 On August 31, 2023, Plaintiff Dudley filed a separate PAGA notice. On October 16, 2024,
19 Plaintiff Dudley submitted a second amended notice to the LWDA and FreedomRoads. On
20 September 18, 2024, Plaintiff Johnson submitted notice to the LWDA and FreedomRoads. On
21 February 11, 2025, Plaintiff Espinoza submitted notice to the LWDA and FreedomRoads.

22 111. The LWDA had sixty-five (65) days under the PAGA to provide notice of whether
23 it intended to investigate the alleged violations in Plaintiffs’ respective notices. To date, the
24 LWDA has not provided notice of its intent to investigate the alleged violations. Plaintiffs thus
25 have the right to pursue, and do so pursue, the asserted claims under the PAGA in a representative
26 capacity pursuant to Labor Code § 2699.

27 112. As set forth herein, FreedomRoads has committed, and continues to commit,
28 numerous violations of the Labor Code and applicable IWC Wage Order, which entitles Plaintiffs,

1 in their representative capacity, to recover, on behalf of themselves and all other Aggrieved
2 Employees, the state of California, and the general public, civil penalties and attorneys' fees and
3 costs from FreedomRoads for the alleged violations, described herein.

4 113. Labor Code § 2699(f) imposes a civil penalty of \$100 per pay period, per employee
5 for the initial violation, and \$200 per pay period, per employee for each subsequent violation for
6 all Labor Code provisions for which a civil penalty is not specifically provided, including, but not
7 limited to, Labor Code §§ 201, 202, 203, 226(a), 226.7, 227.3, 1194, 1198, and 2802. Plaintiffs
8 and other Aggrieved Employees are entitled to, and therefore seek, the civil penalties described
9 in Labor Code § 2699(f) for the violations of law described herein.

10 114. Labor Code § 2699(g)(1) provides that an employee who prevails in a civil action
11 brought pursuant to the PAGA shall be entitled to an award of reasonable attorneys' fees and
12 costs. As such, Plaintiffs, in their representative capacity on behalf of themselves and all other
13 Aggrieved Employees, are entitled to, and therefore seek, attorneys' fees and costs.

14 **CLASS DEFINITIONS**

15 115. Plaintiffs seek to represent the following class and sub-class, which are defined as
16 follows:

17 **Non-Exempt Class:**

18 All persons who are or were classified as non-exempt and performed
19 work for FreedomRoads, LLC in California during the period
20 commencing September 10, 2021 through and including February 24,
21 2026.

22 **Waiting Time Sub-Class:**

23 All members of the Non-Exempt Class who separated from
24 employment with FreedomRoads, LLC at least once at any time
25 during the period commencing September 10, 2022 through and
26 including February 24, 2026.

27 116. Plaintiff Reeves seeks to represent the following sub-class, which is defined as
28 follows:

29 **F&I Manager Sub-Class:**

30 All persons who were classified as non-exempt and performed work
31 for FreedomRoads, LLC in California as a Finance and Insurance

1 Manager or similar position during the period commencing
2 September 10, 2021 through and including February 24, 2026.

3 117. Plaintiffs bring this action as a class action and seek to have multiple claims heard
4 together, because a class action is the only effective way to halt and redress the violations pled in
5 this First Amended Complaint.

6 118. Members of the Non-Exempt Class, Waiting Time Sub-Class, and F&I Manager
7 Sub-Class are all “employees” as the term is used in the Labor Code and the relevant IWC Wage
8 Order regulating wages, hours, and working conditions in the state of California.

9 119. A more precise definition of the Non-Exempt Class, Waiting Time Sub-Class, and
10 F&I Manager Sub-Class may be determined after further investigation and discovery. Plaintiffs
11 reserve their right to redefine the class and/or sub-classes and/or create additional classes and/or
12 sub-classes at any time prior to the court’s order on Plaintiffs’ class certification motion as
13 provided by law.

14 **CLASS ACTION DESIGNATION**

15 120. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
16 paragraphs of this First Amended Complaint.

17 121. Plaintiffs bring this action on behalf of themselves and on behalf of all persons
18 within the Non-Exempt Class, Waiting Time Sub-Class, and F&I Manager Sub-Class defined
19 herein.

20 122. This action is appropriately suited for a class action pursuant to Code of Civil
21 Procedure § 382 and California Civil Code (“Civil Code”) § 1781, because the following statutory
22 requirements are met:

23 **A. Numerosity**

24 123. The members of the Non-Exempt Class, Waiting Time Sub-Class, and F&I Manager
25 Sub-Class are sufficiently numerous to render the joinder of all their members impracticable.
26 Plaintiffs are informed and believe that the Class and Sub-Classes likely consist of more than
27 1,000 individuals.
28

124. The exact number of putative class members is easily ascertainable from FreedomRoads' time and payroll records and other records of FreedomRoads.

B. Commonality

125. Common questions of law and fact exist as to all putative class members and predominate over any questions affecting only individual members of the Class or Sub-Classes. The common questions of law and fact that predominate include, but are not limited to:

- a. Whether FreedomRoads failed to provide Non-Exempt Class and F&I Manager Sub-Class members with off-duty, thirty-minute meal periods before the commencement of the sixth hour of work;
- b. Whether FreedomRoads failed to provide Non-Exempt Class and F&I Manager Sub-Class members with a second off-duty, thirty-minute meal period before the commencement of the eleventh hour of work;
- c. Whether FreedomRoads failed to authorize and permit Non-Exempt Class and F&I Manager Sub-Class members to take off-duty rest periods of at least ten minutes for every four hours worked, or major fraction thereof;
- d. Whether FreedomRoads failed to provide Non-Exempt Class members with legally compliant recovery periods;
- e. Whether FreedomRoads failed to timely pay one additional hour of pay at the regular rate of compensation to Non-Exempt Class and F&I Manager Sub-Class members when they were not provided with compliant and off-duty meal periods, rest periods, and/or recovery periods;
- f. Whether FreedomRoads failed to timely pay Non-Exempt Class and F&I Manager Sub-Class members at least minimum wages and/or all regular wages owed for all hours or fractions of an hour worked and under the control of FreedomRoads;
- g. Whether FreedomRoads failed to timely pay Non-Exempt Class and F&I Manager Sub-Class members all overtime and/or double time wages for all hours, or fraction of hours, worked and under the control of FreedomRoads;

- h. Whether FreedomRoads failed to include non-discretionary compensation into the regular rate of pay for purposes of calculating and paying overtime and/or double time wages to Non-Exempt Class members;
- i. Whether FreedomRoads failed to include non-discretionary compensation into the regular rate of pay for purposes of calculating and paying sick leave to Non-Exempt Class members;
- j. Whether FreedomRoads failed to indemnify Non-Exempt Class and F&I Manager Sub-Class members for necessary business expenses incurred in direct consequence of the discharge of their duties;
- k. Whether FreedomRoads failed to provide Non-Exempt Class and F&I Manager Sub-Class members with accurate itemized wage statements showing, among other things, the number of hours worked and the correct amount of gross and net wages earned;
- l. Whether FreedomRoads had a policy and/or practice of deducting commissions earned by F&I Manager Sub-Class members for returns, cancellations, and rescissions of sales not attributable to them;
- m. Whether FreedomRoads breached its written agreement with F&I Manager Sub-Class members by deducting commissions for returns, cancellations, and rescissions of sales not attributable to them; and
- n. Whether FreedomRoads failed to pay Waiting Time Sub-Class members all of their wages owed within the required time frames upon separation of employment.

C. Typicality

126. Plaintiffs' claims are typical of the claims of all putative class members because Plaintiffs' and all putative class members' claims arise from the same events, practices and/or courses of conduct of FreedomRoads. Plaintiffs and all putative class members sustained injuries and damages as a result of FreedomRoads' illegal policies, practices and/or common courses of

1 conduct in violation of California wage and hour laws and/or illegal, unfair, or fraudulent business
2 practices.

3 127. Furthermore, Plaintiffs' claims under the Labor Code and the applicable IWC Wage
4 Order are typical of the Non-Exempt Class, Waiting Time Sub-Class, and F&I Manager Sub-
5 Class because FreedomRoads' failure to comply with the provisions of California's wage and
6 hour laws entitles Plaintiffs and each putative class member to similar pay, penalties, and other
7 relief. Accordingly, the legal theories underlying each cause of action are the same and the
8 remedies sought by Plaintiffs and all putative class members are the same.

9 **D. Adequacy of Representation**

10 128. Plaintiffs are members of the Non-Exempt Class, the Waiting Time Sub-Class,
11 and/or F&I Manager Sub-Class and they have no fundamental conflict of interest with the putative
12 class members they seek to represent.

13 129. Plaintiffs will vigorously protect the interests of all putative class members because
14 it is in Plaintiffs' best interest to prosecute the claims alleged herein to obtain full compensation
15 and penalties due to them and the putative class members.

16 130. Plaintiffs retained attorneys who are experienced employment law litigators with
17 significant wage and hour and class action experience.

18 **E. Superiority of Class Action**

19 131. Plaintiffs believe a class action is a superior method of litigation for the fair and
20 efficient adjudication of this controversy. Individual joinder of all putative class members is not
21 practicable. Class action treatment will allow similarly situated employees to litigate their claims
22 in the manner that is most efficient and economical for the parties and the judicial system.

23 132. Nearly all factual, legal, statutory, declaratory and injunctive relief issues that are
24 raised in this First Amended Complaint are common to the class and/or sub-class and will apply
25 uniformly to every member of the Non-Exempt Class, Waiting Time Sub-Class, and F&I Manager
26 Sub-Class, and as a practical matter, be dispositive of the interests of the other members not party
27 to the adjudication.
28

1 133. Plaintiffs know of no difficulty that might be encountered in the management of this
2 suit, which would preclude maintenance as a class action, in that:

- 3 a. The persons who comprise the Non-Exempt Class, Waiting Time Sub-Class, and
4 F&I Manager Sub-Class are so numerous that the joinder of all such persons is
5 impracticable and the disposition of their claims as a class will benefit the parties
6 and the Court;
- 7 b. The parties opposing the Non-Exempt Class, Waiting Time Sub-Class, and F&I
8 Manager Sub-Class have acted or have refused to act on grounds generally
9 applicable to the class and/or sub-classes, thereby making final injunctive relief or
10 declaratory relief appropriate with respect to the class and/or sub-classes as a whole;
11 and
- 12 c. Common questions of law and fact exist as to the members of the Non-Exempt
13 Class, Waiting Time Sub-Class, and/or F&I Manager Sub-Class and predominate
14 over any question affecting only individual members, and a class action is superior
15 to other available methods for the fair and efficient adjudication of the controversy,
16 including consideration of:
- 17 i. The interests of class members and/or sub-class members in individually
18 controlling the prosecution or defense of separate actions;
- 19 ii. The extent and nature of any litigation concerning the controversy already
20 commenced by or against members of the Non-Exempt Class, Waiting Time
21 Sub-Class, and/or F&I Manager Sub-Class;
- 22 iii. The desirability or undesirability of concentrating the litigation of the claims
23 in this particular forum; and
- 24 iv. The likely difficulties in the managing of a class action.

25 134. Thus, the Court should permit this action to be maintained as a class action pursuant
26 to Code of Civil Procedure § 382 and Civil Code § 1781.

27 ///

28 ///

CAUSES OF ACTION

FIRST CAUSE OF ACTION

(By Plaintiffs, in their Representative Capacity, against all Defendants)

PRIVATE ATTORNEYS GENERAL ACT OF 2004

[Labor Code §§ 2698 *et seq.*]

135. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

136. Plaintiffs, in their representative capacity on behalf of themselves and all other Aggrieved Employees, are entitled to and thus seek to recover civil penalties through a representative enforcement action based on FreedomRoads' violations of the following Labor Code and/or IWC Wage Order provisions:

- a. Failing to provide legally compliant meal periods and/or pay premium wages for non-compliant meal periods during employment in violation of Labor Code §§ 226.7, 512, 558, 1198 and the "Meal Periods" section of the applicable IWC Wage Order;
- b. Failing to authorize and permit legally compliant rest periods and/or pay premium wages for non-compliant rest periods during employment in violation of Labor Code §§ 226.7, 516, 1198, and the "Rest Periods" section of the applicable IWC Wage Order;
- c. Failing to provide recovery periods and/or pay premium wages in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, § 3395;
- d. Failing to pay all minimum, regular, overtime, and/or double time wages during employment in violation of Labor Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the "Minimum Wages" and "Hours and Days of Work" sections of the applicable IWC Wage Order;
- e. Failing to pay paid sick leave in violation of Labor Code §§ 245, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.5, 248.6, and 248.7;

- f. Failing to timely pay wages during employment in violation of Labor Code §§ 204 and 210;
- g. Secret payment of lower wages than designated by statute in violation of Labor Code §§ 223 and 225.5;
- h. Failing to reimburse for all necessary business expenses in violation of Labor Code §§ 2802, 2804, and the “Uniforms and Equipment” section of the applicable IWC Wage Order;
- i. Failing to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties in violation of Labor Code §§ 201-203 and 256;
- j. Failing to pay vested vacation at termination in violation of Labor Code § 227.3;
- k. Failing to furnish accurate itemized wage statements in violation of Labor Code §§ 226, 226.3, and the “Records” section of the applicable IWC Wage Order;
- l. Failing to maintain accurate employment records in violation of Labor Code §§ 1174, 1174.5, and the “Records” section of the applicable IWC Wage Order;
- m. Unlawful deduction of wages and commissions in violation of Labor Code §§ 221, 224, and 225.5;
- n. Failure to provide Worker Adjustment and Retraining Notification (“WARN”) in violation of Labor Code §§ 1400-1408; and
- o. Retaliation in violation of Labor Code §§ 98.6 and 1102.5.

137. Labor Code § 98.6(b)(3) provides that, in addition to other remedies available, an employer who violates Labor Code § 98.6 is “liable for a civil penalty not exceeding ten thousand dollars (\$10,000) per employee for each violation of this section, to be awarded to the employee who suffered the violation.” Plaintiff Dudley, in his representative capacity on behalf of himself

1 and all other Aggrieved Employees, is entitled to, and therefore seeks, the civil penalty imposed
2 by Labor Code § 98.6.

3 138. Labor Code § 210 provides that any person who fails to pay wages as provided in
4 Labor Code § 204 shall be subject to a civil penalty of \$100 for any initial violation for each
5 failure to pay each employee, and for each subsequent violation or any willful or intentional
6 violation, \$200 for each failure to pay each employee, plus 25% of the amount unlawfully
7 withheld, in addition to any other penalty. Plaintiffs, in their representative capacity on behalf of
8 themselves and all other Aggrieved Employees, are entitled to, and therefore seek, the civil penalty
9 imposed by Labor Code § 210.

10 139. Labor Code § 225.5 imposes a civil penalty of \$50 for any initial violation and \$100
11 for each subsequent willful violation, plus 25 percent of the amount unlawfully withheld. This
12 penalty is in addition to and entirely independent from any other penalty provided under Labor
13 Code sections 200-244 *et seq.* Plaintiffs, in their representative capacity on behalf of themselves
14 and all other Aggrieved Employees, are entitled to, and therefore seek, the civil penalty imposed
15 by Labor Code § 225.5.

16 140. Labor Code § 226.3 imposes a civil penalty of \$250 per employee per violation for
17 an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which
18 the employer fails to provide the employee a wage deduction statement or fails to keep the records
19 required in section 226(a), in addition to any other penalty provided by law. Plaintiffs, in their
20 representative capacity on behalf of themselves and all other Aggrieved Employees, are entitled
21 to, and therefore seek, the civil penalty imposed by Labor Code § 226.3.

22 141. Labor Code § 248.5(e) provides for an aggregate penalty of four thousand dollars
23 (\$4,000), as liquidated damages in the amount of fifty dollars (\$50) to each employee or person
24 whose sick leave rights were violated for each day or portion thereof that the violation occurred
25 or continued, plus, if the employer has unlawfully withheld paid sick days to an employee, the
26 dollar amount of paid sick days withheld from the employee multiplied by three; or two hundred
27 fifty dollars (\$250), whichever amount is greater. Plaintiffs, in their representative capacity on
28

1 behalf of themselves and all other Aggrieved Employees, are entitled to, and therefore seek, the
2 civil penalty imposed by Labor Code § 248.5.

3 142. For violations of Labor Code §§ 510 and 512, in addition to any other recovery
4 provided by law, Labor Code § 558 imposes a civil penalty of \$50 per pay period for each
5 underpaid employee for the initial violation and \$100 per pay period for each underpaid employee
6 for each subsequent violation of any section of Labor Code Division 2, Part 2, Chapter 1, or any
7 provision regulating hours and days of work in any order of the IWC. Plaintiffs, in their
8 representative capacity on behalf of themselves and all other Aggrieved Employees, are entitled
9 to, and therefore seek, the civil penalty imposed by Labor Code § 558.

10 143. Labor Code § 558.1(a) further states that “[a]ny employer or other person acting on
11 behalf of an employer, who violates, or causes to be violated, any provision regulating minimum
12 wage or hours and days of work in any order of the Industrial Welfare Commission, or violates,
13 or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as
14 the employer for such violation.” This includes the owners, officers, directors, or managing agents
15 of the employer. (Labor Code § 558.1(b).)

16 144. Labor Code § 1102.5(f) provides that, in addition to other penalties, “an employer
17 that is a corporation or limited liability company is liable for civil penalty not exceeding ten
18 thousand dollars (\$10,000) for each violation of this section.” Plaintiff Dudley, in his
19 representative capacity on behalf of himself and all other Aggrieved Employees, is entitled to, and
20 therefore seeks, the civil penalty imposed by Labor Code § 1102.5(f).

21 145. Labor Code § 1174.5 imposes a civil penalty of \$500 for an employer’s failure to
22 maintain accurate and complete records. This civil penalty is in addition to the civil penalty of
23 \$100 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code §
24 2699 for a violation of Labor Code § 1174(d). Plaintiffs, in their representative capacity on behalf
25 of themselves and all other Aggrieved Employees, are entitled to, and therefore seek, the civil
26 penalty imposed by Labor Code § 1174.5.

27 146. Labor Code § 1197.1 imposes a civil penalty of \$100 for each underpaid employee
28 for each pay period for which the employee is underpaid and a subsequent civil penalty of \$250

1 for each underpaid employee for each pay period for which the employee is underpaid for paying
2 or causing an employee to be paid a wage less than the minimum wage. Plaintiffs, in their
3 representative capacity on behalf of themselves and all other Aggrieved Employees, are entitled
4 to, and therefore seek, the civil penalty imposed by Labor Code § 1197.1.

5 147. Under Labor Code § 1403, “[a]n employer who fails to give notice as required
6 by paragraph (2) of subdivision (a) of Section 1401 is subject to a civil penalty of not more than
7 five hundred dollars (\$500) for each day of the employer's violation.” Plaintiff Dudley, in his
8 representative capacity on behalf of himself and all other Aggrieved Employees, is entitled to, and
9 therefore seeks, the civil penalty imposed by Labor Code § 1403.

10 148. Labor Code § 2699(f) imposes a civil penalty of \$100 per pay period, per employee
11 for the initial violation, and \$200 per pay period, per employee for each subsequent violation for
12 all Labor Code provisions for which a civil penalty is not specifically provided, including, but not
13 limited to, Labor Code §§ 201, 202, 203, 226(a), 226.7, 227.3, 1194, 1198, and 2802. Plaintiffs,
14 in their representative capacity on behalf of themselves and all other Aggrieved Employees, are
15 entitled to, and therefore seek, the civil penalty imposed by Labor Code § 2699(f).

16 149. Labor Code § 2699(g)(1) provides that an employee who prevails in a civil action
17 brought pursuant to the PAGA shall be entitled to an award of reasonable attorneys’ fees and
18 costs. As such, Plaintiffs, in their representative capacity on behalf of themselves and all other
19 Aggrieved Employees, are entitled to, and therefore seek, attorneys’ fees and costs.

20 150. Plaintiffs, in their representative capacity on behalf of themselves and all other
21 Aggrieved Employees, are entitled to and seek recovery of reasonable attorneys’ fees as provided
22 by Labor Code §§ 218.5 and 1194, and Code of Civil Procedure § 1021.5.

23 151. Plaintiffs, in their representative capacity on behalf of themselves and all other
24 Aggrieved Employees, request further relief as described in the below prayer for relief.

25 ///

26 ///

27 ///

28 ///

SECOND CAUSE OF ACTION

**FAILURE TO PROVIDE COMPLIANT MEAL PERIODS AND/OR TIMELY PAY
PREMIUM WAGES**

**[Labor Code §§ 204, 210, 226.7, 512, 558, 1198, and the “Meal Periods” section of the
applicable IWC Wage Order]**

**(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager
Sub-Class, against all Defendants)**

152. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

153. Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class members are non-exempt employees who typically worked shifts over six (6) hours a day.

154. Labor Code § 512(a) mandates:

An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

155. The “Meal Periods” section of the applicable IWC Wage Order provides, in pertinent part:

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. ...

(D) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular

rate of compensation for each workday that the meal period is not provided.

156. The “Meal Periods” section of the IWC Wage Order also states:

Unless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an “on duty” meal period and counted as time worked. An “on duty” meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.

157. A meal period generally complies with the requirements of California law if the employee has at least 30-minutes uninterrupted, is relieved of any and all work duties, and is free to leave the premises during such time. (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1036.) California law further prohibits employers from “...undermining [its] formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omit breaks.” (*Id.* at 1040 [internal citations omitted].)

158. Labor Code § 226.7(b) states, “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission...” Labor Code § 226.7(c) further provides:

If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

159. Labor Code § 204 establishes an employee’s fundamental right in the state of California to be paid wages in a timely manner for their work. Premium wages under Labor Code § 226.7 are wages that are due payable in accordance with Labor Code § 204. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103-1114.)

160. At all relevant times, FreedomRoads had a policy, practice, procedure, guideline,

1 and/or culture of failing to provide Plaintiffs and the Non-Exempt Class and F&I Manager Sub-
2 Class with the opportunity to take a thirty (30) minute, uninterrupted, off-duty meal period before
3 the end of their fifth (5th) hour of work when they worked five (5) or more hours in a day.
4 FreedomRoads also had a policy, practice, procedure, guideline, and/or culture of failing to
5 provide the Non-Exempt Class and F&I Manager Sub-Class members, including Plaintiffs, with
6 the opportunity to take a second thirty (30) minute, off-duty, uninterrupted meal period when they
7 worked ten (10) or more hours in a day.

8 161. Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members did not
9 receive lawful meal periods due to FreedomRoads' policy, practice, procedure, guideline, and/or
10 culture of requiring class members to perform job duties during their meal periods and assigning
11 workloads that could not be reasonably completed within their scheduled hours. As a result,
12 Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class members were regularly
13 required to work through their meal periods, experienced late and/or interrupted meal periods,
14 and/or were not provided with any meal periods at all.

15 162. FreedomRoads knew or should have known that Plaintiffs and the Non-Exempt
16 Class and F&I Manager Sub-Class members were not provided with the opportunity to take
17 legally compliant meal periods, as FreedomRoads assigned workloads that precluded class
18 members from taking lawful meal periods, required them to prioritize work duties over taking
19 their meal periods, and falsified their time records to reflect that compliant meal periods had been
20 taken, when in fact, their meal periods were untimely, interrupted, on-duty, and/or less than thirty
21 minutes.

22 163. Plaintiffs and, on information and belief, other Non-Exempt Class and F&I Manager
23 Sub-Class members did not sign an on-duty meal period agreement at any point during their
24 employment, nor did they properly waive any of their meal periods.

25 164. At all relevant times, FreedomRoads had a policy, practice, procedure, guideline,
26 and/or culture of not paying the required meal period premiums at the class members' regular rate
27 of pay for each workday a lawful meal period was not provided. Plaintiffs further allege that any
28 meal period premiums paid to class members were not paid at the correct regular rate of pay

1 because FreedomRoads did not factor in commissions, bonuses, and other incentive pay.

2 165. FreedomRoads' unlawful conduct caused Plaintiffs and the Non-Exempt Class and
3 F&I Manager Sub-Class members to suffer, and current class members will continue to suffer,
4 damages in an amount which is presently unknown, but which exceeds the jurisdictional limits of
5 this Court and which will be ascertained according to proof at trial.

6 166. Pursuant to Labor Code § 226.7(c) and the applicable IWC Order, Plaintiffs and
7 Non-Exempt Class and F&I Manager Sub-Class members are entitled to, and seek to recover the
8 full amount of unpaid premium wages for unlawful meal periods.

9 167. Pursuant to Labor Code § 218.6, Plaintiffs and Non-Exempt Class and F&I Manager
10 Sub-Class members are entitled to, and now seek to recover, prejudgment interest on the amount
11 of premium wages owed.

12 168. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager
13 Sub-Class, are entitled to and seek recovery of reasonable attorneys' fees and costs as permitted
14 by Labor Code § 218.5 and Code of Civil Procedure § 1021.5.

15 169. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager
16 Sub-Class, request further relief as described in the below prayer.

17 **THIRD CAUSE OF ACTION**

18 **FAILURE TO AUTHORIZE OR PERMIT COMPLIANT REST PERIODS AND/OR**
19 **TIMELY PAY PREMIUM WAGES**

20 **[Labor Code §§ 204, 210, 226.7, 516, 1198, and the "Rest Periods" section of the applicable**
21 **IWC Wage Order]**

22 **(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager**
23 **Sub-Class, against all Defendants)**

24 170. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
25 paragraphs of this First Amended Complaint.

26 171. The "Rest Periods" section of the applicable IWC Wage Order provides:

27 (A) Every employer shall authorize and permit all employees to take
28 rest periods, which insofar as practicable shall be in the middle of each
work period. The authorized rest period time shall be based on the

total hours worked daily at the rate of ten (10) minutes of net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

(B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

172. During rest periods, California law requires employers to relinquish all control over their employees and relieve their employees of all duties. (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 267, 269.)

173. In pertinent part, Labor Code § 226.7 states:

(b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for workday that the meal or rest or recovery period is not provided.

174. Labor Code § 204 establishes an employee's fundamental right in the state of California to be paid wages in a timely manner for their work. Premium wages under Labor Code § 226.7 are wages that are due payable in accordance with Labor Code § 204. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103-1114.)

175. FreedomRoads had a policy, practice, procedure, guideline, and/or culture of failing to authorize and permit Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members to take a ten (10) minute, uninterrupted, off-duty rest period for every four (4) hours worked or major fraction thereof. Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class

1 members were required by FreedomRoads to engage in work duties and/or be readily available to
2 engage in work during their rest periods. Consequently, Plaintiffs and Non-Exempt Class and F&I
3 Manager Sub-Class members did not receive legally compliant rest periods.

4 176. Plaintiffs contend that FreedomRoads knew or should have known that class
5 members were not authorized and permitted to take legally compliant rest periods because
6 FreedomRoads required them to work through their rest periods so that they could complete their
7 work duties and provide customer service, did not provide them with adequate relief to take rest
8 periods, and further assigned workloads that precluded them from taking lawful rest periods.

9 177. Plaintiffs assert that at all relevant times FreedomRoads had a policy, practice,
10 procedure, guideline, and/or culture of not paying the required rest period premiums for each
11 workday a lawful rest period was not provided. Despite not being provided with legally compliant
12 rest periods, Plaintiffs and other class members did not receive rest period premium wages at their
13 regular rate of pay.

14 178. Due to FreedomRoads' unlawful conduct, Plaintiffs and the Non-Exempt Class and
15 F&I Manager Sub-Class members have suffered, and will continue to suffer, damages in an
16 amount which is presently unknown, but which exceeds the jurisdictional limits of this Court and
17 which will be ascertained according to proof at trial.

18 179. According to Labor Code § 226.7(c) and the applicable IWC Wage Order, Plaintiffs
19 and Non-Exempt Class and F&I Manager Sub-Class members are entitled to, and now seek to
20 recover, the full amount of unpaid premium wages for unlawful rest periods. Pursuant to Labor
21 Code § 218.6, Plaintiffs and class members are entitled to, and now seek to recover, prejudgment
22 interest on the amount of premium wages owed.

23 180. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager
24 Sub-Class, are entitled to and seek recovery of reasonable attorneys' fees and costs as permitted
25 by Labor Code § 218.5 and Code of Civil Procedure § 1021.5.

26 181. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager
27 Sub-Class, request further relief as described in the below prayer.

28 ///

FOURTH CAUSE OF ACTION

FAILURE TO PROVIDE RECOVERY PERIODS AND/OR TIMELY PAY PREMIUM

WAGES

**[Labor Code §§ 204, 210, 226.7, 1198, and California Code of Regulations, Title 8,
§ 3395(d)]**

**(By Plaintiff Dudley, Individually and On Behalf of the Non-Exempt Class, against all
Defendants)**

182. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

183. Pursuant to Labor Code § 226.7(a), “‘recovery period’ means a cooldown period afforded an employee to prevent heat illness.”

184. Labor Code § 226.7(b) mandates, “[a]n employer shall not require an employee to work during a ...recovery period mandated pursuant to an applicable statute, or applicable regulation, standard or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.”

185. Labor Code § 226.7(d) further states, “[a] recovery period mandated pursuant to a state law, including, but not limited to, an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, shall be counted as hours worked, for which there shall be no deduction from wages.”

186. California Code of Regulations, Title 8, § 3395(d)(1) provides that:

Shade shall be present when the temperature exceeds 80 degrees Fahrenheit. When the outdoor temperature in the work area exceeds 80 degrees Fahrenheit, the employer shall have and maintain one or more areas with shade at all times while employees are present that are either open to the air or provided with ventilation or cooling [...]

187. California Code of Regulations, Title 8, § 3395(d)(3) further provides that, “[e]mployees shall be allowed and encouraged to take a preventative cool-down rest in the shade when they feel the need to do so to protect themselves from overheating. Such access to shade shall be permitted at all times.”

1 188. California Code of Regulations, Title 8, § 3395(i) further provides that:

2 The employer shall establish, implement, and maintain, an effective
3 heat illness prevention plan. The plan shall be in writing in both
4 English and the language understood by the majority of the employees
5 and shall be made available at the worksite to employees and to
6 representatives of the Division upon request.

7 189. Pursuant to Labor Code § 226.7(c), if an employer fails to provide an employee with
8 a recovery period in accordance with state law, including applicable statutes or regulations, the
9 employer must pay the employee one additional hour of pay at their regular rate of compensation
10 for each workday that the recovery period is not provided.

11 190. Premium wages under Labor Code § 226.7 are wages that must be timely paid to
12 employees pursuant to Labor Code § 204. (*Murphy, supra*, 40 Cal.4th at pp. 1103-1114.)

13 191. FreedomRoads has a pattern and practice of not providing Plaintiff Dudley and the
14 Non-Exempt Class with compliant recovery periods when the outdoor temperatures in their
15 respective work areas exceeded 80 degrees Fahrenheit. FreedomRoads failed to provide off-duty
16 recovery periods of at least five (5) minutes to prevent heat illness. Furthermore, FreedomRoads
17 did not provide Non-Exempt Class members with tents, canopies, or other sources of shade to rest
18 from the sun, nor was there natural shade typically available at the worksite.

19 192. FreedomRoads further failed to establish, implement, and maintain an effective heat
20 illness prevention plan, and failed to make any such plan available at the worksite for Plaintiff
21 Dudley and other Non-Exempt Class members.

22 193. Even though Plaintiff Dudley and Non-Exempt Class members were not authorized
23 or permitted to take compliant recovery periods, FreedomRoads did not pay them the appropriate
24 recovery period premium wages for each day that a non-compliant recovery period was provided,
25 in violation of Labor Code § 226.7.

26 194. Due to FreedomRoads' unlawful conduct, Plaintiff Dudley and Non-Exempt Class
27 members have suffered, and will continue to suffer, damages in an amount which is presently
28 unknown, but which exceeds the jurisdictional limits of this Court and which will be ascertained
according to proof at trial.

1 195. According to Labor Code § 226.7(c) and the applicable IWC Wage Order, Plaintiff
2 Dudley and the Non-Exempt Class members are entitled to, and now seek to recover, the full
3 amount of unpaid premium wages for unlawful recovery periods.

4 196. Pursuant to Labor Code § 218.6, Plaintiff Dudley and the Non-Exempt Class
5 members are entitled to, and now seek to recover, prejudgment interest on the amount of premium
6 wages owed.

7 197. Plaintiff Dudley, on behalf of himself and the Non-Exempt Class, is entitled to and
8 seeks recovery of reasonable attorneys' fees and costs as permitted by Labor Code § 218.5 and
9 Code of Civil Procedure § 1021.5.

10 198. Plaintiff Dudley, on behalf of himself and the Non-Exempt Class, requests further
11 relief as described in the below prayer.

12 **FIFTH CAUSE OF ACTION**

13 **FAILURE TO TIMELY PAY ALL MINIMUM AND/OR REGULAR WAGES**

14 **[Labor Code §§ 200, 204, 210, 218, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, the California**
15 **Minimum Wage Order, applicable local minimum wage ordinances, and the “Minimum**
16 **Wages” section of the Applicable IWC Wage Order]**

17 **(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager**
18 **Sub-Class, against all Defendants)**

19 199. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
20 paragraphs of this First Amended Complaint.

21 200. Labor Code § 1197 states, “[t]he minimum wage for employees fixed by the
22 commission is the minimum wage to be paid to employees, and the payment of a lower wage than
23 the minimum so fixed is unlawful.” (See *Gonzalez v. Downtown LA Motors, LP* (2013) 215
24 Cal.App.4th 36, 44 [providing that an employer may not pay “less than the applicable minimum
25 wage for all hours worked in the payroll period, whether the remunerations is measured by time,
26 piece, commission, or otherwise”].)
27
28

1 201. The “Minimum Wages” section of the applicable IWC Wage Order further provides
2 that every employer shall pay to each employee not less than the applicable minimum wage for
3 all hours worked.

4 202. In addition to minimum wages, Labor Code § 200 states that “‘wages’ includes all
5 amounts for labor performed by employees of every description, whether the amount is fixed or
6 ascertained by the standard of time, task, piece, commission basis, or other method of calculation.”

7 203. The applicable IWC Wage Order defines the term “hours worked” as “the time
8 during which an employee is subject to the control of an employer, and includes all the time the
9 employee is suffered or permitted to work, whether or not required to do so.”

10 204. Labor Code § 1197.1 provides that,

11 Any employer or other person acting either individually or as an
12 officer, agent, or employee of another person, who pays or causes to
13 be paid to any employee a wage less than the minimum fixed by an
14 applicable state or local law or by an order of the commission shall be
15 subject to a civil penalty, restitution of wages, liquidated damages
16 payable to the employee, and any applicable penalties imposed
17 pursuant to § 203...

18 205. Labor Code § 1194(a) mandates:

19 Notwithstanding any agreement to work for a lesser wage, any
20 employee receiving less than the legal minimum wage or the legal
21 overtime compensation applicable to the employee is entitled to
22 recover in a civil action the unpaid balance of the full amount of this
23 minimum wage or overtime compensation, including interest thereon,
24 reasonable attorney’s fees, and costs of suit.

25 206. For actions brought under Labor Code §§ 1194 or 1197.1, Labor Code § 1194.2
26 allows for the recovery of liquidated damages in an amount equal to the minimum wages
27 unlawfully unpaid and interest thereon.

28 207. Labor Code § 1198 further states:

 The maximum hours of work and the standard conditions of labor
fixed by the commission shall be the maximum hours of work and the
standard conditions of labor for employees. The employment of any
employee for longer hours than those fixed by the order or under
conditions of labor prohibited by the order is unlawful.

208. Labor Code § 204 establishes an employee’s fundamental right in the state of California to be paid wages in a timely manner for their work. Specifically, Labor Code § 204(a) states that all wages earned are due and payable twice during each calendar month on days designated in advance by the employer as regular pay days.

209. Under *See’s Candy Shops, Inc. v. Superior Ct.* (2012) 210 Cal.App.4th 889 (“*See’s Candy*”), a rounding policy will be considered unlawful “if it systematically undercompensates employees, such as where the defendant’s rounding policy encompasses only rounding down.”

210. Moreover, “if an employer ‘can capture and has captured the exact amount of time an employee has worked during a shift, the employer must pay the employee for ‘all the time’ worked.’” (*Woodworth v. Loma Linda University Medical Center* (2023) 93 Cal.App.5th 1038, 1059; see also *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, 660 [“...if an employer, as in this case, can capture and has captured the exact amount of time an employee has worked during a shift, the employer must pay the employee for ‘all the time’ worked.”].)

211. At all material times, FreedomRoads had a policy, practice, procedure, guideline, and/or culture of not timely paying Non-Exempt Class and F&I Manager Sub-Class members all minimum and/or regular wages for all time actually worked or spent under the control of FreedomRoads. FreedomRoads improperly considered the time spent by Non-Exempt Class and F&I Manager Sub-Class members working while off-the-clock during meal periods and outside of scheduled work hours as non-compensable time and failed to provide any remuneration.

212. Moreover, FreedomRoads’ rounding practice, which rounded class members’ time entries to the nearest minute and did not account for time spent responding to FreedomRoads’ mandated attestation prompts, deprived employees of all minimum and/or regular wages for all hours worked. FreedomRoads maintained an electronic timekeeping system that could and did capture employees’ time punches precisely, yet unnecessarily rounded their hours worked and therefore failed to provide employees with compensation according to their actual time punches.

213. As a direct result of FreedomRoads’ unlawful failure to compensate Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class members minimum and/or regular wages for all of their time worked and/or spent under the control of FreedomRoads, class members have

suffered, and will continue to suffer, damages in amounts which are presently unknown, but which exceed the jurisdictional limits of this Court and will be ascertained according to proof at trial.

214. Having received less than the legal minimum wage, Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members are entitled to, and now seek to recover, all wages and penalties owed, including penalties and liquidated damages available under Labor Code §§ 1194.2 and 1197.1, as well as interest and reasonable attorneys' fees and costs available under Labor Code §§ 218.5 and 1194, and Code of Civil Procedure § 1021.5.

215. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager Sub-Class, request further relief as described in the below prayer.

SIXTH CAUSE OF ACTION

FAILURE TO TIMELY PAY ALL OVERTIME AND/OR DOUBLE TIME WAGES

[Labor Code §§ 204, 210, 223, 510, 1194, 1198, and the "Hours and Days of Work" section of the Applicable IWC Wage Order]

(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager Sub-Class, against all Defendants)

216. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

217. Labor Code § 510(a), which codifies an employee's right to overtime compensation, 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.

218. The "Hours and Days of Work" section in the applicable IWC Wage Order mandates the same requirements as Labor Code § 510.

1 219. The applicable IWC Wage Order defines the term “hours worked” as “the time
2 during which an employee is subject to the control of an employer, and includes all the time the
3 employee is suffered or permitted to work, whether or not required to do so.”

4 220. Under California law, an employee may not waive his or her right to overtime
5 compensation and any agreement by the employee to accept less than the statutorily required rate
6 is unenforceable as a matter of law. (*Early v. Superior Court* (2000) 79 Cal.App.4th 1420, 1430.)

7 221. Labor Code § 1194(a) mandates:

8 Notwithstanding any agreement to work for a lesser wage, any
9 employee receiving less than the legal minimum wage or the legal
10 overtime compensation applicable to the employee is entitled to
11 recover in a civil action the unpaid balance of the full amount of this
minimum wage or overtime compensation, including interest thereon,
reasonable attorney’s fees, and costs of suit.

12 222. Labor Code § 1198 further states:

13 The maximum hours of work and the standard conditions of labor
14 fixed by the commission shall be the maximum hours of work and the
15 standard conditions of labor for employees. The employment of any
16 employee for longer hours than those fixed by the order or under
conditions of labor prohibited by the order is unlawful.

17 223. Labor Code § 204 establishes an employee’s fundamental right in the state of
18 California to be paid wages in a timely manner for their work. Specifically, Labor Code § 204(b)
19 states that all overtime wages shall be paid no later than the payday for the next regular payroll
20 period.

21 224. Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members regularly
22 worked more than eight (8) hours per day, twelve (12) hours per day, and/or forty (40) hours per
23 week during the relevant time period, earned an hourly wage plus other non-discretionary
24 compensation, and were to be paid on a bi-weekly basis.

25 225. Plaintiffs contend that, during the relevant time period, FreedomRoads had a policy,
26 practice, procedure, guideline, and/or culture of not paying Non-Exempt Class and F&I Manager
27 Sub-Class members all overtime and double time wages for all hours worked in excess of eight
28 (8) and/or twelve (12) hours in a workday and/or forty (40) hours in a workweek. Specifically,

1 Plaintiffs and other Non-Exempt Class and F&I Manager Sub-Class members were not paid
2 overtime and/or double time wages for off-the-clock work during meal periods and outside of
3 scheduled shift hours in excess of eight (8) hours and/or twelve (12) hours in a workday and/or
4 forty (40) hours in a workweek.

5 226. Further, Plaintiffs and other Non-Exempt Class and F&I Manager Sub-Class
6 members were deprived of overtime wages as a result of FreedomRoads' rounding policy,
7 whereby the time entries entered by employees were rounded to the nearest minute based on when
8 they initiated and/or terminated the punch in/out transaction, even though FreedomRoads has, and
9 always had, the ability to capture and did capture the exact amount of time employees worked
10 during a shift.

11 227. Plaintiff Reeves contends that she and other F&I Manager Sub-Class members
12 earned less than one- and one-half times the applicable minimum wage for all hours worked or
13 spent under the control of FreedomRoads during a given pay period, and/or less than half of their
14 compensation on a pay period basis was attributed to commissions. As a result, Plaintiff Reeves
15 and other F&I Manager Sub-Class members are not subject to the commissioned sales exemption
16 and are entitled to overtime wages. (Cal. Code Regs., tit. 8, § 11040, subd. 3(D).)

17 228. When Plaintiffs and other Non-Exempt Class members earned overtime and/or
18 double time wages, FreedomRoads failed to pay them at the proper overtime rate of pay due to
19 FreedomRoads' failure to include all remuneration, such as commissions, incentives, and other
20 non-discretionary compensation, when calculating the overtime rate of pay.

21 229. By engaging in the unlawful conduct alleged herein, including by failing to pay
22 overtime wages at the applicable legal overtime rate, as established by Labor Code section 510,
23 FreedomRoads secretly paid a lower wage than designated by statute while purporting to pay the
24 wages designated by statute, in violation of Labor Code section 223.

25 230. As a direct result of FreedomRoads' unlawful failure to compensate Plaintiffs and
26 other Non-Exempt Class and F&I Manager Sub-Class members overtime and/or double time
27 wages for all of their time worked and/or spent under the control of FreedomRoads, class members
28 have suffered, and will continue to suffer, damages in amounts which are presently unknown, but

1 which exceed the jurisdictional limits of this Court and will be ascertained according to proof at
2 trial.

3 231. Having received less than the applicable rate of overtime compensation, Plaintiffs
4 and other Non-Exempt Class and F&I Manager Sub-Class members are entitled to, and now seek
5 to recover, all wages and penalties owed pursuant to Labor Code § 1194, as well as interest and
6 reasonable attorneys' fees and costs available under Labor Code §§ 218.5 and 1194, and Code of
7 Civil Procedure § 1021.5.

8 232. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager
9 Sub-Class, request further relief as described in the below prayer.

10 **SEVENTH CAUSE OF ACTION**

11 **FAILURE TO PAY SICK LEAVE**

12 **[Labor Code §§ 200, 218, and 246 *et seq.*]**

13 **(By Plaintiffs Johnson and Espinoza, Individually and On Behalf of the Non-Exempt**
14 **Class, against all Defendants)**

15 233. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
16 paragraphs of this First Amended Complaint.

17 234. Labor Code section 246(a) states in relevant part, “[a]n employee who...works in
18 California for the same employer for 30 or more days within a year from the commencement of
19 employment is entitled to paid sick days.” Additionally, an employee accrues paid sick days at
20 the rate of no-less-than one (1) hour per every thirty (30) hours worked, beginning at the
21 commencement of employment. Labor Code section 246(b).

22 235. Labor Code section 246(l), in conjunction with Labor Code section 248 *et seq.*,
23 248.1, 248.2, and 248.6, in addition to the applicable state, county, municipal, or local paid sick
24 leave ordinances in locales worked by class members, govern how FreedomRoads was required
25 to calculate paid sick leave.

26 236. Labor Code section 246, subdivision (l), provides that an employer shall calculate
27 the paid sick time for non-exempt employees in the same manner as the regular rate of pay for the
28 workweek in which the employee elected to use paid sick time. “The regular rate at which an

1 employee is employed shall be deemed to include all remuneration for employment paid to, or on
2 behalf, of the employee.” *See* Division of Labor Standards Enforcement — Enforcement Policies
3 and Interpretations Manual, Section 49.1.2.

4 237. Paid sick leave earnings constitute wages for purposes of California wage and hour
5 law. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 [“Courts have
6 recognized that ‘wages’ also include those benefits to which an employee is entitled as a part of
7 his or her compensation, including money, room, board, clothing, vacation pay, and sick pay”].)

8 238. Here, Plaintiffs Johnson and Espinoza and other Non-Exempt Class members were
9 employed by FreedomRoads for 30 or more days and were entitled to paid sick days.

10 239. FreedomRoads knowingly and intentionally failed in their affirmative obligation to
11 pay sick leave wages to Non-Exempt Class members in violation of Labor Code section 246 *et*
12 *seq.* FreedomRoads lacked a policy, practice, and/or procedure whereby Non-Exempt Class
13 Members who were employed by FreedomRoads for 30 days or more could accrue paid sick days
14 at the rate of no-less-than-one (1) hour per every thirty (30) hours worked, beginning at the
15 commencement of employment, as required by Labor Code section 246(b). For instance,
16 FreedomRoads did not factor in Non-Exempt Class members’ off-the-clock work hours in
17 determining their accrued sick leave time.

18 240. Moreover, FreedomRoads failed to pay Plaintiffs Johnson and Espinoza and other
19 Non-Exempt Class members their paid sick leave wages at one of the lawful rates set forth in the
20 statute or ordinance because FreedomRoads failed to include in their sick leave calculation the
21 additional remuneration received by them (i.e., at the regular rate of pay and/or calculated based
22 on total wages earned).

23 241. Furthermore, to the extent the paid sick leave paid constitutes COVID-related paid
24 sick leave, FreedomRoads knowingly and intentionally failed in their affirmative obligation to
25 pay COVID-19 Supplemental Sick Leave wages to class members at the correct accrual rate or
26 hourly pay rate in violation of Labor Code sections 246, 248.1, 248.2, and 248 *et seq.*

27 242. As a result, FreedomRoads violated the Labor Code and is liable to Plaintiffs
28 Johnson and Espinoza and other Non-Exempt Class members for underpaid sick leave wages, in

1 addition to pre-judgment interest, attorneys' fees, and costs.

2 243. Plaintiffs Johnson and Espinoza, on behalf of themselves and other Non-Exempt
3 Class members, request further relief as described in the below prayer.

4 **EIGHTH CAUSE OF ACTION**

5 **FAILURE TO TIMELY PAY ALL WAGES DUE AND OWING UPON SEPARATION**
6 **OF EMPLOYMENT AND/OR THE REQUIRED WAITING TIME PENALTIES**

7 **[Labor Code §§ 201-203, 256]**

8 **(By Plaintiffs, Individually and On Behalf of the Waiting Time Sub-Class, against all**
9 **Defendants)**

10 244. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
11 paragraphs of this First Amended Complaint.

12 245. Pursuant to Labor Code § 201(a), when an employer discharges an employee, all
13 earned wages that remain unpaid at the time of discharge are due and payable immediately.

14 246. Labor Code § 202(a) provides, in pertinent part:

15 If an employee not having a written contract for a definite period quits
16 his or her employment, his or her wages shall become due and payable
17 not later than 72 hours thereafter, unless the employee has given 72
18 hours previous notice of his or her intention to quit, in which case the
19 employee is entitled to his or her wages at the time of quitting.

20 247. Labor Code § 203(a) further states:

21 If an employer willfully fails to pay, without abatement or reduction,
22 in accordance with Sections 201, ... 202 ..., any wages of an
23 employee who is discharged or who quits, the wages of the employee
24 shall continue as a penalty from the due date thereof at the same rate
25 until paid or until an action thereof is commenced; but the wages shall
26 not continue for more than 30 days.

27 248. At all relevant times, FreedomRoads had a policy, practice, procedure, guideline,
28 and/or culture of failing to timely pay Waiting Time Sub-Class members all wages due and owing
upon separation of employment, including but not limited to, all minimum, regular, overtime,
and/or double time wages for all hours worked; meal, rest, and recovery period premiums; and all

1 earned commissions and incentive pay. To date, FreedomRoads has not paid Plaintiffs and other
2 Waiting Time Sub-Class members these owed wages.

3 249. At all relevant times, FreedomRoads had a policy, practice, procedure, guideline,
4 and/or culture of failing to pay the appropriate waiting time penalties to Plaintiffs and other
5 Waiting Time Sub-Class members.

6 250. FreedomRoads knowingly failed to timely and appropriately compensate Waiting
7 Time Sub-Class members, including Plaintiffs, for all minimum, regular, overtime, and double
8 time wages, premium wages, and earned commissions and incentive pay, as described herein.

9 251. As a consequence of FreedomRoads' willful and deliberate refusal to render such
10 wages, Plaintiffs and the Waiting Time Sub-Class members are entitled to, and thus seek a
11 maximum of thirty (30) days' wages at their daily rate of pay as a waiting time penalty, pursuant
12 to Labor Code § 203.

13 252. As a direct result of FreedomRoads' violations alleged herein, Plaintiffs and the
14 Waiting Time Sub-Class members suffered and continue to suffer losses related to the use and
15 enjoyment of wages due and owing to them, all to their respective detriment in an amount to be
16 shown according to proof at trial and within the jurisdictional limitations of this Court.

17 253. Plaintiffs, on behalf of themselves and Waiting Time Sub-Class members, are also
18 entitled to and seek recovery of reasonable attorneys' fees and costs as permitted by Labor Code
19 § 218.5 and Code of Civil Procedure § 1021.5.

20 254. Plaintiffs, on behalf of themselves and the Waiting Time Sub-Class, request further
21 relief as described in the below prayer.

22 **NINTH CAUSE OF ACTION**

23 **FAILURE TO PAY VESTED VACATION AT TERMINATION**

24 **[Labor Code § 227.3]**

25 **(By Plaintiff Dudley, Individually and On Behalf of the Non-Exempt Class, against all**
26 **Defendants)**

27 255. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
28 paragraphs of this First Amended Complaint.

257. At all times relevant, Plaintiff Dudley and other Non-Exempt Class members were subject to an employer policy that provided for paid vacation time. Upon Plaintiff Dudley's and the other class members' separation of employment, they had not used all of their vested vacation time. As such, their unused, vested vacation time was required to have been paid at their final rate upon separation of employment, in accordance with Labor Code section 227.3.

258. Plaintiff Dudley alleges that upon separation of employment, FreedomRoads willfully failed in its affirmative obligation to timely pay him and other Non-Exempt Class members all accrued but unused vacation at their final rate during their employment with FreedomRoads, in violation of Labor Code section 227.3.

259. Plaintiff Dudley and the Non-Exempt Class are entitled to recover the full amount of the accrued vacation wages owed, in addition to interest, statutory penalties, and attorneys' fees, and costs to the extent permitted by law.

260. Plaintiff Dudley, on behalf of himself and the Non-Exempt Class, requests further relief as described in the below prayer.

FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENSES

(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager Sub-Class, against all Defendants)

261. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

262. Labor Code § 2802(a) provides, in pertinent part, “[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct

1 consequence of the discharge of his or her duties, or of his or her obedience to the directions of
2 the employer.”

3 263. Labor Code § 2802(b) further provides, “[a]ll awards made by a court ... for
4 reimbursement of necessary expenditures under this section shall carry interest at the same rate as
5 judgments in civil actions. Interest shall accrue from the date on which the employee incurred the
6 necessary expenditure or loss.”

7 264. Furthermore, Labor Code § 2802(c) states, “[f]or the purposes of this section, the
8 term ‘necessary expenditures or losses’ shall include all reasonable costs, including, but not
9 limited to, attorney’s fees incurred by the employee enforcing the rights granted by this section.”

10 265. During the relevant time period, FreedomRoads had a policy, practice, procedure,
11 guideline, and/or culture of requiring Plaintiffs and other Non-Exempt Class and F&I Manager
12 Sub-Class members to use their personal cell phones in the discharge of their job duties. These
13 job duties included, but were not limited to, communicating with customers and suppliers, filing
14 claims, and participating in mandated group messages with co-workers and supervisors.
15 FreedomRoads failed to reimburse Plaintiffs and other Non-Exempt Class and F&I Manager Sub-
16 Class members a reasonable percentage of their personal cellular bill as required by California
17 law.

18 266. Moreover, Plaintiffs and other Non-Exempt Class members were required to
19 purchase their own tools and equipment for work, including hand tools and other specialty tools,
20 without reimbursement. However, they were not paid double the minimum wage in violation of
21 the applicable IWC Wage Order.

22 267. Plaintiffs and other Non-Exempt Class and F&I Manager Sub-Class members are
23 entitled to, and now seek to recover, reimbursement of their necessary expenditures, plus interest
24 on the applicable amount, pursuant to Labor Code § 2802(b).

25 268. Plaintiffs and other Non-Exempt Class and F&I Manager Sub-Class members are
26 also entitled to and therefore seek recovery of reasonable attorneys’ fees and costs pursuant to
27 Labor Code §§ 218.5 and 2802(c), and Code of Civil Procedure § 1021.5.
28

269. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager Sub-Class, request further relief as described in the below prayer.

ELEVENTH CAUSE OF ACTION

FAILURE TO FURNISH ACCURATE ITEMIZED WAGE STATEMENTS

**[Labor Code § 226 and the “Records” Section of the Applicable IWC Wage Order]
(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager Sub-Class, against all Defendants)**

270. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

271. Labor Code § 226(a) states, in pertinent part:

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee... (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number, (8) the name and address of the legal entity that is the employer, ... and (9) all applicable hourly rates in effect during each period and the corresponding number of hours worked at each hourly rate by the employee...

272. The “Records” section of the applicable IWC Wage Order further provides, in pertinent part:

Every employer ... shall semimonthly or at the time of each payment of wages furnish to each employee an itemized wage statement in writing showing: (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee and the employee’s social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregate and shown as one item.

273. Labor Code § 226(e)(1) further mandates:

An employee suffering injury as a result of knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand (\$4,000), and is entitled to an award of costs and reasonable attorneys' fees.

274. An employee suffers injury where the employer fails to provide accurate information and the employee cannot "promptly and easily determine" the total number of hours worked or the "applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate." (Labor Code § 226(a)(9)-(e)(2)(B)(i).)

275. Labor Code § 226(e)(2)(c) explains that the phrase "promptly and easily determine" means that "a reasonable person would be able to readily ascertain the information without reference to documents or information."

276. According to Labor Code § 226(h), "an employee may also bring an action for injunctive relief to ensure compliance with this section and is entitled to an award of costs and reasonable attorneys' fees."

277. Plaintiffs assert that, during the applicable time period, FreedomRoads had a policy, practice, procedure, guideline, and/or culture of furnishing the Non-Exempt Class and F&I Manager Sub-Class with wage statements that do not comply with California law. Plaintiffs contend that the wage statements furnished to class members did not include, for instance, the total hours actually worked by the employee, all applicable hourly rates in effect during the pay period, the corresponding number of hours worked at each hourly rate by the employee, and the actual gross and net wages earned. For instance, Plaintiffs' wage statements did not include the correct hourly rates in effect during the pay period. Plaintiffs allege that the wage statement inaccuracies were due, in part, to FreedomRoads' rounding policy and failure to properly pay minimum, regular, overtime, and/or double time wages, earned commissions and incentive pay, as well as meal and rest period premiums.

278. Due to the incorrect information on the furnished wage statements, Plaintiffs and other Non-Exempt Class and F&I Manager Sub-Class members were unable to promptly and

1 easily determine the total number of hours worked, the applicable hourly rates in effect during the
2 pay period, and/or the corresponding number of hours worked at each hourly rate, among other
3 things.

4 279. Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members are entitled
5 to, and seek to recover, statutory penalties pursuant to Labor Code § 226(e).

6 280. Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members are also
7 entitled to and seek recovery of liquidated damages as provided by Labor Code § 226(e).

8 281. Furthermore, pursuant to Labor Code § 226(h), Plaintiffs and Non-Exempt Class
9 and F&I Manager Sub-Class members are entitled to, and therefore seek injunctive relief in order
10 to ensure that FreedomRoads complies with Labor Code § 226.

11 282. Plaintiffs and Non-Exempt Class and F&I Manager Sub-Class members are further
12 entitled to and seek to recover reasonable attorneys' fees and costs as provided under Labor Code
13 §§ 226(e)(1) and (h) and Code of Civil Procedure § 1021.5.

14 283. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager
15 Sub-Class, request further relief as described in the below prayer.

16 **TWELFTH CAUSE OF ACTION**

17 **FAILURE TO MAINTAIN ACCURATE EMPLOYMENT RECORDS**

18 **[Labor Code §§ 1174, 1174.5, and the "Records" Section of the Applicable IWC Wage**
19 **Order]**

20 **(By Plaintiffs Dudley and Reeves, Individually and On Behalf of the Non-Exempt Class**
21 **and F&I Manager Sub-Class, against all Defendants)**

22 284. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
23 paragraphs of this First Amended Complaint.

24 285. Labor Code § 1174(c) requires every employer to "keep a recording showing the
25 names and addresses of all employees employed..."

26 286. Labor Code § 1174(d) further requires every employer to:

27 [k]eep, at a central location in the state or at the plants or
28 establishments at which employees are employed, payroll records
showing the hours worked daily by and the wages paid to ...

employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by commission, but in any case shall be kept on file for not less than three years.

287. The “Records” section of the applicable IWC Wage Order states that every employer shall keep accurate information with respect to each one of its employees, including time records showing when the employee begins and ends each work period, meal periods, total daily hours worked, total wages paid each payroll period, and total hours worked in the payroll period and applicable rates of pay.

288. Labor Code § 1174.5 imposes a penalty of \$500 for an employer’s failure to maintain accurate and complete records. This civil penalty is in addition to any other penalty.

289. Plaintiffs Dudley and Reeves contend that FreedomRoads had, and continues to have, a policy, practice, procedure, guideline, and/or culture of intentionally and willfully failing to maintain accurate payroll and/or employee records that properly show, among other things, the total number of hours actually worked by non-exempt employees, the proper beginning and end of each work period, the actual beginning and end of each meal period, all earned wages, and all wages paid to Non-Exempt Class and F&I Manager Sub-Class members.

290. Plaintiffs Dudley and Reeves and the Non-Exempt Class and F&I Manager Sub-Class members have suffered, and continue to suffer, injuries and damages as a consequence of FreedomRoads’ deliberate failure to maintain accurate records as required by the Labor Code. Specifically, class members were denied their legal right and protected interest in having accurate and complete employment records available to them.

291. Plaintiffs Dudley and Reeves and the Non-Exempt Class and F&I Manager Sub-Class members are entitled to and seek penalties as outlined in Labor Code § 1174.5.

292. Plaintiffs Dudley and Reeves, on behalf of themselves and the Non-Exempt Class and F&I Manager Sub-Class, are entitled to and seek to recover reasonable attorneys’ fees and costs as provided by Code of Civil Procedure § 1021.5.

293. Plaintiffs Dudley and Reeves, on behalf of themselves and the Non-Exempt Class and F&I Manager Sub-Class, request further relief as described in the below prayer.

THIRTEENTH CAUSE OF ACTION
UNLAWFUL DEDUCTION OF WAGES AND COMMISSIONS

[Labor Code §§ 221, 224, and 225.5]

**(By Plaintiff Reeves, Individually and On Behalf of the F&I Manager Sub-Class, against
all Defendants)**

294. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

295. Labor Code § 221 provides: “It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.”

296. Employers are prohibited from making wage deductions except where authorized by law. Specifically, Labor Code section 224 provides that it is unlawful for an employer to make deductions from an employee’s wages except where:

[T]he employer is required or empowered so to do by state or federal law or when a deduction is expressly authorized in writing by the employee to cover insurance premiums, hospital or medical dues, or other deductions not amounting to a rebate or deduction from the standard wage arrived at by collective bargaining or pursuant to wage agreement or statute, or when a deduction to cover health and welfare or pension plan contributions is expressly authorized by a collective bargaining or wage agreement.

297. California courts have consistently interpreted Labor Code section 224 to mean that deductions are unlawful if made to benefit the employer. (See *City of Oakland v. Hassey* (2008) 163 Cal.App.4th 1477, 1501 [lawful wage deductions are for the benefit of employee, not employer, citing 3 Op.Atty.Gen. 178, 3-27-44]; *Davis v. Farmers Ins. Exchange* (2016) 245 Cal.App.4th 1302.) Furthermore, the California Division of Labor Standard Enforcement Policies and Interpretations Manual states, “Section 224 may not...be relied upon to allow an employer to deduct an amount from an employee’s pay which is for the use or benefit of the employer.” (DLSE Manual (Rev. 2009) § 11.3.3.)

298. For violations of Labor Code section 221, Labor Code section 225.5 imposes a civil penalty of \$50 for any initial violation and \$100 for each subsequent willful violation, plus 25

1 percent of the amount unlawfully withheld. This penalty is in addition to and entirely independent
2 from any other penalty provided under Labor Code sections 200-244 *et seq.*

3 299. At all relevant times, FreedomRoads had a policy, practice, and/or procedure of
4 unlawfully deducting commissions and other wages paid to Plaintiff Reeves and other F&I
5 Manager Sub-Class members by deducting earned commissions for the return and/or cancellation
6 of sales not attributable to them. These deductions constitute an unlawful deduction from wages
7 as the deduction is for the sole benefit of FreedomRoads, as it allows FreedomRoads to pass on
8 its business costs to employees.

9 300. Plaintiff Reeves and the F&I Manager Sub-Class members have suffered, and
10 continue to suffer, injuries and damages as a consequence of FreedomRoads' unlawful deduction
11 of their earned wages.

12 301. Plaintiff Reeves and the F&I Manager Sub-Class members are entitled to and seek
13 penalties as outlined in Labor Code § 225.5.

14 302. Plaintiff Reeves, on behalf of herself and the F&I Manager Sub-Class, is entitled to
15 and seeks to recover reasonable attorneys' fees and costs as provided by Code of Civil Procedure
16 § 1021.5.

17 303. Plaintiff Reeves, on behalf of herself and the F&I Manager Sub-Class, requests
18 further relief as described in the below prayer.

19 **FOURTEENTH CAUSE OF ACTION**

20 **BREACH OF CONTRACT FOR FAILURE TO PAY ALL COMMISSIONS AND**

21 **CONTRACTUAL WAGES**

22 **(By Plaintiff Reeves, Individually and On Behalf of the F&I Manager Sub-Class, against**
23 **all Defendants)**

24 304. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all
25 paragraphs of this First Amended Complaint.

26 305. Plaintiff Reeves alleges that she and other members of the F&I Manager Sub-Class
27 entered into written compensation agreements with FreedomRoads concerning the calculation and
28 payment of commission wages (i.e., Exhibit 1).

1 306. Plaintiff Reeves and the F&I Manager Sub-Class did all, or substantially all, of the
2 significant things that were required to be done in order to earn commissions under
3 FreedomRoads' written compensation agreement. Plaintiff Reeves further alleges that she and
4 other members of the F&I Manager Sub-Class generated revenue from the sale of finance and
5 other products offered through the F&I sales office, as required to earn commissions according to
6 the agreement.

7 307. Despite satisfying their contractual obligations, Plaintiff Reeves contends that she
8 and other F&I Manager Sub-Class members were not paid all of their earned commissions and
9 contractual wages. Rather, F&I Manager Sub-Class members' commissions were deducted as a
10 percentage of the amount their finance department was charged back for returned, cancelled,
11 and/or rescinded transactions, even if the products had been sold by another employee.
12 FreedomRoads' conduct had the effect of precluding F&I Manager Sub-Class members, including
13 Plaintiff Reeves, from receiving all earned commissions and contractual wages pursuant to written
14 contract. Moreover, the terms of the applicable compensation plan, including the plan attached as
15 Exhibit 1, do not state that Plaintiff Reeves' and other F&I Manager Sub-Class members'
16 commissions can be deducted for returns and/or cancellations. Thus, FreedomRoads expressly
17 violated the terms of the written contract entered into by FreedomRoads and members of the F&I
18 Manager Sub-Class.

19 308. FreedomRoads' illegal pattern and practice alleged herein resulted in harm,
20 including loss of moneys and benefits to Plaintiff Reeves and other F&I Manager Sub-Class
21 members.

22 309. FreedomRoads knew and/or could have reasonably foreseen that their conduct and
23 practice of failing to pay earned commissions and contractual wages would imminently result in
24 harm to Plaintiff Reeves and other F&I Manager Sub-Class members and would result in the
25 failure to compensate them for all moneys and/or benefits owed under the terms of the contract.

26 310. Plaintiff Reeves and F&I Manager Sub-Class members are entitled to, and now seek
27 to recover, damages for FreedomRoads' breach of contract, plus interest on the applicable amount,
28 pursuant to California Civil Code §§ 3300 and 3289(b).

311. Plaintiff Reeves and F&I Manager Sub-Class members are also entitled to and therefore seek recovery of reasonable attorneys’ fees and costs pursuant to Labor Code § 218.5.

312. Plaintiff Reeves, on behalf of herself and the F&I Manager Sub-Class, requests further relief as described in the below prayer.

FIFTEENTH CAUSE OF ACTION

VIOLATION OF CALIFORNIA’S UNFAIR COMPETITION LAW

[Business & Professions Code §§ 17200, *et seq.*]

(By Plaintiffs, Individually and On Behalf of the Non-Exempt Class and F&I Manager Sub-Class, against all Defendants)

313. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, all paragraphs of this First Amended Complaint.

314. As codified in Business & Professions Code §§ 17200, *et seq.*, California’s Unfair Competition Law (“UCL”) broadly prohibits “any unlawful, unfair or fraudulent business act or practice.”

315. A cause of action may be brought under the UCL if a practice violates some other law. The “unlawful” prong of the UCL effectively deems a violation of the underlying law a per se violation of Business & Professions Code §§ 17200, *et seq.* (*Cel-Tech Commc’ns, Inc. v. Los Angeles Cellular Tel. Co.* (1999) 20 Cal.4th 163, 180.) Virtually any law or regulation – federal or state, statutory, or common law – can serve as a predicate for a section 17200 “unlawful” violation. (*Farmers Ins. Exch. v. Superior Court* (1992) 2 Cal.4th 377, 383.)

316. The “unfair” prong of the UCL does not require a practice to be specifically proscribed by any law. (*Korea Supply Co. v. Lockheed Martin Corp.* (2003) 20 Cal.4th 1134, 1143 [internal citations omitted].) Pursuant to the California Supreme Court, the “unfair standard” is intentionally broad to give maximum discretion to courts in prohibiting new schemes to defraud. (*Cel-Tech Commc’ns, Inc., supra*, 20 Cal.4th at 180-81.)

317. Under the UCL, a “fraudulent” business act or practice is one where “members of the public are likely to be deceived.” (*Blakemore v. Superior Court* (2005) 129 Cal.App.4th 36, 49.) A showing of actual deception, reasonable reliance, or damages is not required. (*Ibid.*) The

1 fraudulent prong may be used to attack the deceptive manner in which otherwise lawful contract
2 terms are presented to an individual. (*Boschma v. Home Loan Ctr., Inc.* (2011) 198 Cal.App.4th
3 230, 253.) As such, even a true statement may be unlawful under section 17200 if it is “couched
4 in such a manner that is likely to mislead or deceive..., such as by failing to disclose other relevant
5 information.” (*Ibid.*)

6 318. As discussed herein, FreedomRoads’ business practices violate all three prongs of
7 California’s UCL.

8 Unlawful

9 319. As described herein, FreedomRoads violated the Labor Code by, among other
10 things, refusing to properly compensate Plaintiffs and the class members for all time worked,
11 including during meal periods. Failing to compensate employees for all time worked is a clear
12 violation of California law, and thus a per se violation of the UCL. (*Cel-Tech Commc’ns, Inc.*,
13 *supra*, 20 Cal.4th at p. 180.) FreedomRoads further violated California law by failing to pay
14 overtime and double time hours worked at the correct rate of pay; failing to provide legally
15 compliant meal, rest, and/or recovery periods and/or pay premium wages in lieu thereof; failing
16 to timely pay all wages due and owing upon separation of employment and/or the required waiting
17 time penalties; failing to reimburse employees for necessary business expenditures; failing to
18 furnish accurate itemized wage statements; failing to maintain accurate records; and unlawfully
19 deducting earned wages and commissions. Therefore, FreedomRoads has clearly engaged in
20 unlawful business practices pursuant to Business & Professions Code §§ 17200 *et seq.*

21 Unfair

22 320. FreedomRoads’ policy, practice, procedure, guideline, and/or culture of requiring
23 class members to perform job duties while off-the-clock during meal periods and then
24 automatically deducting thirty (30) minutes from their daily wages for such meal periods is
25 inherently unfair because FreedomRoads knowingly prevents employees from receiving adequate
26 compensation for all time actually worked, in violation of California’s policy of prompt payment
27 of wages.

28 321. FreedomRoads’ policy, practice, procedure, guideline, and/or culture of instituting

1 a rounding practice that rounds class members' hours worked to the nearest minute, despite
2 tracking their time entries to the exact second, is inherently unfair because FreedomRoads
3 knowingly prevents the class members from receiving compensation for all time actually worked.

4 322. FreedomRoads' policy, practice, procedure, guideline, and/or culture of failing to
5 provide class members with legally compliant meal, rest, and recovery periods constitutes an
6 unfair practice because FreedomRoads knowingly strips class members of their rights under the
7 Labor Code.

8 323. FreedomRoads' policy, practice, procedure, guideline, and/or culture of requiring
9 class members to use their personal cell phones in the discharge of their job duties without
10 reimbursement is inherently unfair because employees incurred significant costs in connection
11 with the work performed on behalf of FreedomRoads.

12 324. FreedomRoads' policy, practice, procedure, guideline, and/or culture of failing to
13 provide class members with accurate itemized wage statements is a violation of the unfair prong
14 of the UCL because FreedomRoads knowingly denied class members their legal right and
15 protected interest in readily ascertaining their total number of hours worked and the applicable
16 hourly rates in effect during the pay period.

17 325. FreedomRoads' policy, practice, procedure, guideline, and/or culture of unlawfully
18 deducting earned wages and commissions from class members for cancelled sales that were not
19 attributable to them is inherently unfair because it forces class members to act as insurers for
20 FreedomRoads' business losses.

21 326. FreedomRoads' policy, practice, procedure, guideline, and/or culture of not paying
22 all commissions and contractual wages to class members pursuant to the terms of the written
23 compensation plan violates the unfair prong of the UCL because class members fulfilled their
24 contractual obligations but were nonetheless deprived of FreedomRoads' performance under the
25 contract.

26 Fraudulent

27 327. FreedomRoads' policy, practice, procedure, guideline, and/or culture of
28 automatically deducting thirty minutes from class members' pay for meal periods, regardless of

1 whether the employee actually worked during their meal periods, is a fraudulent business practice
2 because it deceived them as to their time worked and wages earned.

3 328. FreedomRoads' policy, practice, procedure, guideline, and/or culture of furnishing
4 class members with inaccurate itemized wage statements constitutes a fraudulent business practice
5 because class members are likely to be, and were actually deceived, as to whether they were paid
6 for all time worked.

7 329. Further, FreedomRoads' failure to maintain accurate employee and/or payroll
8 records is also a fraudulent business practice as the inaccuracies intentionally misled class
9 members as to their total hours worked, wages earned, and signed agreements.

10 330. Moreover, FreedomRoads' failure to pay commissions and contractual wages
11 pursuant to the terms of the written contract entered into by FreedomRoads and class members is
12 a fraudulent business practice because FreedomRoads knowingly and intentionally deprived class
13 members of moneys and/or benefits owed under the terms of the contract.

14 331. As a direct and proximate result of FreedomRoads' unlawful, unfair and fraudulent
15 business practices, Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class have
16 suffered injury-in-fact and have lost wages rightfully owed to them.

17 332. FreedomRoads acquired money and property owed to Plaintiffs and the Non-
18 Exempt Class and F&I Manager Sub-Class by means of an unlawful practice that constitutes
19 unfair competition as defined by Business and Professions Code §§ 17200, *et seq.*

20 333. Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class are persons in
21 interest under Business and Professions Code § 17203 to whom money and property should be
22 restored. Business and Professions Code § 17203 states, in relevant part, that "any person may
23 pursue representative claims or relief on behalf of others only if the claimant meets the standing
24 requirements of § 17204."

25 334. Plaintiffs are persons who suffered injury in fact and lost money, wages,
26 compensation, and benefits, as a result of FreedomRoads' unfair competition. Thus, pursuant to
27 Business and Professions Code §§ 17203 and 17204, Plaintiffs may pursue representative claims
28 and relief on behalf of themselves and the putative classes.

1 335. Pursuant to Business and Professions Code § 17203, “[t]he court may make such
2 orders or judgments, as may be necessary to restore to any person in interest any money or
3 property, real or personal, which may have been acquired by means of such unfair competition.”

4 336. FreedomRoads reaped unfair benefits and illegal profits at the expense of Plaintiffs
5 and the Non-Exempt Class and F&I Manager Sub-Class by committing the unlawful acts alleged
6 herein. Thus, FreedomRoads must make restitution and/or be subject to other equitable relief
7 pursuant to Business & Professions Code § 17203, and restore all unpaid wages to Plaintiffs and
8 the putative classes.

9 337. Through its unlawful, unfair and fraudulent conduct, FreedomRoads has been
10 unjustly enriched by receiving and continuing to receive benefits and profits at the expense of
11 Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class. Therefore, pursuant to
12 Business & Professions Code §§ 17200, *et seq.*, FreedomRoads should be enjoined from this
13 activity and made to disgorge all ill-gotten gains and restore Plaintiffs and the Non-Exempt Class
14 and F&I Manager Sub-Class the wages wrongfully withheld from them.

15 338. Moreover, the unlawful, unfair and fraudulent conduct alleged herein has continued,
16 and there is no indication that FreedomRoads will refrain from such activity in the future.
17 Plaintiffs believe and allege that if FreedomRoads is not enjoined from the conduct described
18 herein, FreedomRoads will continue to violate California law at the expense of class members.
19 Accordingly, Plaintiffs request that the Court issue a preliminary and permanent injunction against
20 FreedomRoads.

21 339. Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class suffered and
22 continue to suffer loss of wages and monies, all in an amount to be shown according to proof at
23 trial and within the jurisdiction of this Court.

24 340. Plaintiffs seek all available remedies on behalf of themselves and on behalf of the
25 Non-Exempt Class and F&I Manager Sub-Class members including, but not limited to, restitution
26 of all wages and all monies owed, all in an amount to be shown according to proof at trial. All
27 such remedies are cumulative of relief available under other laws, pursuant to Business &
28 Professions Code § 17205.

341. Plaintiffs, on behalf of themselves and the Non-Exempt Class and F&I Manager Sub-Class, request further relief as described in the below prayer.

PRAYER FOR RELIEF

Plaintiffs pray for judgment against Defendants in favor of Plaintiffs and the putative classes as follows:

- a. For an order determining that this action may be maintained as a class action with the named Plaintiffs as the class representatives;
- b. For the attorneys appearing on the above caption to be named class counsel;
- c. For all wages, benefits, and damages due to Plaintiffs and the Non-Exempt Class and F&I Manager Sub-Class members pursuant to California law;
- d. For all minimum, regular, overtime and/or double time wages owed pursuant to Labor Code §§ 223, 510, 1194, 1197.1, 1198, and/or other applicable law;
- e. For premium wages pursuant to Labor Code § 226.7 and/or other applicable law;
- f. For waiting time penalties pursuant to Labor Code § 203 and/or other applicable law;
- g. For reimbursement of necessary business expenditures pursuant to Labor Code §§ 2802 and 2804 and/or other applicable law;
- h. For damages, pursuant to Labor Code § 226(e)(1), Civil Code § 3281, and/or other applicable law;
- i. For all liquidated damages, pursuant to Labor Code §§ 1194.2, 1197.1, and/or other applicable law;
- j. For any and all penalties available for the violations alleged herein, including penalties under Labor Code §§ 203, 210, 225.5, 226(e)(1), 248.5, 1174.5, 1197.1, and/or other applicable law;
- k. For injunctive relief, pursuant to Labor Code § 226(h) and Business & Professions Code § 17203, and/or other applicable law;
- l. For restitution for Defendants' unfair, unlawful, and fraudulent business

practices as provided by Labor Code § 1197.1, Business & Professions Code § 17203 and/or other applicable law;

- m. For reasonable attorneys' fees and costs of suit pursuant to Labor Code §§ 218.5, 226(e)(1), 226(h), 1194(a), 2802, Code of Civil Procedure § 1021.5, the "common fund" theory, the "substantial benefit" theory, and/or other applicable law, theory or doctrine;
- n. For a declaratory judgment that Defendants violated Labor Code §§ 98.6, 200-204, 210, 218, 221, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 245 et seq., 256, 510, 512, 516, 558, 558.1, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1400-1408, 2802, and 2804; the "Meal Periods," "Rest Periods," "Hours and Days of Work," "Minimum Wages," "Uniforms and Equipment," and "Records" sections of the applicable IWC Wage Order; California Code of Regulations, Title 8, § 3395; and Business & Professions Code §§ 17200 et seq.;
- o. For pre- and post- judgment interest as provided by California law;
- p. For appropriate equitable relief pursuant to California law; and
- q. For any other relief the Court may deem as just and proper.

Plaintiffs, in their representative capacity, pray for judgment against Defendants and in favor of the state of California and all other Aggrieved Employees for the PAGA representative claims as follows:

- a. For any and all civil penalties available for the Labor Code violations alleged herein including, but not limited to, civil penalties under Labor Code §§ 98.6(b)(3), 210, 225.5, 226.3, 248.5, 558, 558.1, 1102.5(f), 1174.5, 1197.1, 1403, and 2699(f), and/or other applicable law;
- b. For an order determining that Plaintiffs are entitled to recover a civil penalty of \$100 for each aggrieved employee per pay period for the initial violation and \$200 for each aggrieved employee per pay period for each subsequent violation as provided in Labor Code § 2699(f);

- c. For reasonable attorneys' fees and costs of suit to the extent permitted by law, including, but not limited to, Labor Code §§ 218.5, 1194, 2699(g)(1), 2802(c), Code of Civil Procedure § 1021.5, and the "common fund" theory, the "substantial benefit" theory, the "catalyst" theory and/or other applicable law; and
- d. For any and all other relief as this Court deems proper and just and is available under Labor Code §§ 2698 *et seq.*

DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial on all issues triable to a jury.

Respectfully submitted,

Dated: May 13, 2026

ARCH Legal, P.C.

By:



Nathan J. Reese

Allison E. Schubert

Attorneys for Plaintiffs

Dated: May 13, 2026

LAVI & EBRAHIMIAN, LLP

By: /s/ Vincent C. Granberry (with permission)

Joseph Lavi

Vincent C. Granberry

Attorneys for Plaintiffs

Dated: May 13, 2026

Ferraro Vega Employment Lawyers, Inc.

By: /s/ Dorota A. James (with permission)

Nicholas J. Ferraro

Lauren N. Vega

Dorota A. James

Attorneys for Plaintiffs

EXHIBIT 1

F&I Manager Compensation Plan

Name:

Renee Reeves

Effective Term:

Jan 2019

Location:

Vacaville, Ca

Total Compensation:

You will be paid for all of your Actual Hours Worked. Your Total Compensation will include (1) a Base Hourly Wage Rate (BHW) multiplied by (2) the Actual Hours Worked (AHW) plus (3) a Variable Compensation Plan (VCP) as defined in this plan.

Sample Calculation: $(BHW * AHW) + VCP = \text{Total Compensation}$

Job Position Status:

Overtime compensation will be paid in accordance with applicable law.

Calculated Workweek:

The Calculated Workweek will include a one week (7 consecutive day period) which will begin on a Monday and end on a Sunday.

Pay Period:

The Pay Period will be for two consecutive Calculated Workweeks.

Base Hourly Wage Rate:

The Base Hourly Wage Rate will be \$15.00

Variable Compensation Plan:

For each Work Week you will be paid variable compensation based on the F&I Income that generated during the Work Week. It will be calculated by multiplying the Net F&I Income Earned by the Variable Compensation % determined from the following table:

**Variable
Compensation %**

2.0%

At the discretion of management you may receive additional variable compensation for programs specifically designed by management to provide additional incentives to you.

Actual Hours Worked:

The number of hours reported worked by an employee during a Pay Period and represented by a designated time tracking device. Employees are required to accurately record all hours worked and off-the-clock work is strictly prohibited.

Net F&I Income Earned:

The Net F&I Income Earned during a Work Week will be the aggregate gross profit (selling price of a product less the cost of the product) for all F&I products sold during such Work Week, including, but not limited to, all finance and other products offered for sale through the Location's F&I sales office.

Revenue from the sale of non-finance product contracts will be considered earned at the end of the Work Week in which the contract is signed by the customer unless the contract is known to be rescinded.

Revenue from the placement of finance contracts will be considered earned at the end of the Work Week in which the following have been completed: (1) contract is signed by the customer, (2) the approval is received from the respective lender and has not been rescinded and (3) the customer has taken delivery of the unit.

Product Index:

The Product Index is (1) the aggregate number of F&I product contracts sold during a Work Week divided by (2) the aggregate number of recreational vehicle units sold that are processed during the same period.

Per Vehicle Retained % (PVR)

The Per Vehicle Retained % is defined as the aggregate Net F&I Income Earned less chargebacks divided by the aggregate of the New and used vehicle sales revenue for a specific time.

Breaks:

Meal and rest breaks are provided in accordance with applicable law. The Company provides at least a 30-minute meal period to employees who work more than five hours, unless they work six or fewer hours total and elect in writing to waive the first meal period. The Company provides a second 30-minute meal period to employees who work more than 10 hours in a workday, unless they work twelve or fewer hours total, did not waive the first meal period, and elect in writing to waive the second meal period. Employees should take their first meal period before the end of the fifth hour of work, and their second meal period before the end of the tenth hour of work. Non-exempt employees will be relieved of all of their duties during meal periods and are allowed to leave the office. Non-exempt employees are authorized and permitted to take a 10-minute paid rest break for every four hours worked or major fraction thereof. Please refer to the Company's meal and rest break policy in the Associate Handbook for additional information about meal and rest breaks.

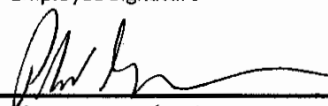
The Program:

You understand and agree that this Compensation Plan is limited to memorializing the terms and conditions of your compensation and is not an employment agreement or contract of employment. Neither this position nor this plan is for any set term. Fringe benefits and related policies are covered in the Associate Handbook and related amendments. This Compensation Plan may be modified in writing at any time by the management of the respective dealership. If any provision in the Compensation Plan is invalid or unenforceable under applicable law, the remaining provisions will continue in full force and effect.

This Compensation Plan Summary does not change your status as an "at-will" employee. "At-will" means that you may terminate your employment at any time, with or without cause or advance notice. Likewise, "at-will" means that the Company may terminate your employment at any time, with or without cause or advance notice.

BY SIGNING BELOW, YOU FULLY UNDERSTAND THE TERMS OF THIS COMPENSATION PLAN SUMMARY AND HAVE BEEN GIVEN AN OPPORTUNITY TO ASK QUESTIONS OR CLARIFY ANY TERMS OF THE PROGRAM. . IN ADDITION, YOU EXPRESSLY AUTHORIZE THE COMPANY TO CALCULATE YOUR BASE HOURLY RATE AND VARIABLE COMPENSATION IN THE MANNER DESCRIBED ABOVE. FINALLY, YOU UNDERSTAND AND ACKNOWLEDGE THAT THE COMPANY WILL AGGREGATE THE VALUE OF VARIABLE COMPENSATION ON YOUR PAY STUB FOR REPORTING PURPOSES.

In acknowledgement of the above,

<u>Katherine Renee Reeves</u>	<u></u>	<u>1/15/19</u>
Employee Name	Employee Signature	Date
<u>Phil Gummow</u>	<u></u>	<u>1/16/19</u>
Management Name	Management Signature	Date

Firmwide:127308788.1 064774.1060

EXHIBIT 2

May 1, 2026

Attorneys at Law

3555 Fifth Avenue Suite 200
San Diego, California 92103
619.692.0800 voice
619.692.0822 fax

www.ARCHlegal.com

Allison E. Schubert
aschubert@archlegal.com
619.436.5592 direct

VIA ONLINE ELECTRONIC FILING

California Labor and Workforce Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

VIA CERTIFIED MAIL (RETURN RECEIPT)

FreedomRoads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069-4346

FreedomRoads, LLC
c/o National Registered Agents, Inc.,
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

**Re: LWDA Case No.: LWDA-CM-961993-23
Third Amended Notice of Christopher Dudley, Katherine
Renee Reeves, Patrice Johnson, and Larissa Espinoza's
Consolidated PAGA Claims Against FreedomRoads, LLC**

Dear California Labor and Workforce Development Agency and FreedomRoads, LLC:

This letter shall serve as the third amended written notice to the California Labor and Workforce Development Agency ("LWDA") and FreedomRoads, LLC ("the Company") of the alleged California Labor Code ("Labor Code") violations that Christopher Dudley, Katherine Renee Reeves, Patrice Johnson, and Larissa Espinoza (collectively, "Claimants") claim that the Company committed against them and all other current and former non-exempt employees of the Company in California during the relevant statutory period. Claimants provide this consolidated third amended notice, which includes facts and theories to support the

Graham S.P. Hollis**

Vilmarie Cordero*

Hali Anderson*

Nathan Reese*

Allison Schubert

Dawn M. Berry

Samara Bahu

Ommar Chavez

Monique R. Rodriguez*

Nicholas A. Arcamone

*Licensed to Practice in CA and WA
**Of Counsel

Labor Code violations alleged herein and in prior written notices, in accordance with the Private Attorneys General Act of 2004 (codified in Labor Code §§ 2698 *et seq.*, “PAGA”), Labor Code § 2699.3.

Pursuant to Labor Code § 2699(a), and by way of this amended notice, Claimants intend to represent themselves and all other current and former non-exempt employees who performed work for the Company in California and who have suffered at least one of the wage and hour violations described herein during the relevant time period (referred to herein as “Aggrieved Employees”).

Claimants allege that FreedomRoads was their employer and/or joint employer and was responsible for the employment policies, practices, payroll systems, timekeeping systems, compensation plans, wage statements, and/or terms and conditions of employment challenged in this Notice. Claimants further allege that FreedomRoads acted in concert with, and/or through, related entities including Camping World Holdings Group, Inc., Good Sam Enterprises, LLC, and Gander RV & Outdoors with respect to certain policies and practices alleged herein. To the extent those related entities exercised control over Claimants’ or Aggrieved Employees’ wages, hours, or working conditions, Claimants allege that they did so jointly with, on behalf of, or in coordination with FreedomRoads.

CLAIMANTS AND PRIOR PAGA NOTICES

Claimant Dudley filed his initial PAGA notice with the LWDA on June 14, 2023 (attached as **Exhibit A**). Claimant Dudley filed a First Amended PAGA notice on July 10, 2023 (attached as **Exhibit B**). Claimant Dudley also filed a separate PAGA notice through Potter Handy, LLP, who has since terminated representation, on August 31, 2023 (attached as **Exhibit C**). Claimant Dudley filed a Second Amended PAGA notice on October 16, 2024 (attached as **Exhibit D**). Claimant Dudley incorporates by reference all of the factual allegations and legal theories asserted in the June 14, 2023 Original Notice, the July 10, 2023 First Amended Notice, the August 31, 2023 Potter Handy Notice, and the October 16, 2024 Second Amended Notice, as if stated herein.

Katherine Renee Reeves filed her initial PAGA notice with the LWDA on August 29, 2023 (attached as **Exhibit E**). Claimants incorporate by reference all of the factual allegations and legal theories asserted in Claimant Reeves’ August 29, 2023 PAGA notice, as if stated herein.

Patrice Johnson filed her initial PAGA notice with the LWDA on September 18, 2024 (attached as **Exhibit F**). Claimants incorporate by reference all of the factual allegations and legal theories asserted in Claimant Johnson’s September 18, 2024 PAGA notice, as if stated herein.

Larissa Espinoza filed her initial PAGA notice with the LWDA on February 11, 2025 (attached as **Exhibit G**). Claimants incorporate by reference all of the factual allegations and legal theories asserted in Claimant Espinoza’s February 11, 2025 PAGA notice, as if stated herein.

To the extent any factual allegation, legal theory, Labor Code section, Wage Order provision, regulation, penalty provision, or category of relief alleged in any prior PAGA notice is not repeated verbatim in this Third Amended Notice, Claimants expressly incorporate and preserve that allegation, theory, provision, and category of relief as though fully set forth herein. This Third Amended Notice is intended to supplement, consolidate, and encompass—not narrow, waive, or supersede—the prior PAGA notices except to the extent expressly stated.

RESERVATION OF RIGHTS

All facts, claims, and/or legal theories contained within this amended notice are alleged and/or asserted on behalf of Claimants and all other Aggrieved Employees and are based on the information available at the time of the respective writing. Since Claimants' investigation is ongoing, Claimants reserve their right to assert any and all related facts, claims, and/or theories of liability discovered after the sending of this letter on behalf of themselves and all other current or former Aggrieved Employees against the Company and/or other persons that may be discovered after the sending of this letter. Such other persons may include, but are not limited to, those persons who have acted as an agent, subsidiary, servant, employee, co-conspirator, alter-ego, and/or joint venture of the Company, as well as those persons who caused and/or concurrently contributed to the various acts and/or admissions of each and every one of the others, including the Company, in proximately causing the wrongful conduct, harm, and/or damages alleged herein or otherwise participated in or ratified any or all of the acts and/or omissions complained herein, and those who were acting within the authority and/or scope of the Company. Claimants reserve the right to revise these facts and/or add any new claims or legal theories by amending this written notice and/or by adding facts, claims, and/or legal theories to their civil complaint.

CONSOLIDATED LABOR CODE VIOLATIONS

Based on the factual allegations set forth in the prior PAGA notices and this Third Amended Notice, the Company violated the following provisions of the Labor Code with respect to Claimants and all Aggrieved Employees:

Failure to Timely Pay All Minimum, Regular, Overtime, and/or Double Time Wages
(Labor Code §§ 204, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, the California Minimum Wage Order, applicable local minimum wage ordinances, and the "Minimum Wages" and "Hours and Days of Work" sections of the applicable IWC Wage Order)

The Company failed to pay Claimants and other Aggrieved Employees for all minimum, regular, overtime, and/or double time wages for all time engaged in work on behalf of the Company, including time spent working during unpaid meal periods, and before clocking in and after clocking out for their scheduled shifts.

The Company did not consider time spent by Claimants and other Aggrieved Employees performing work while off-the-clock during their meal periods as compensable. Rather, the Company automatically deducted (“auto-deduct”) at least thirty (30) minutes from employees’ daily wages for meal periods, regardless of whether employees were engaged in work during their meal periods, resulting in the unlawful withholding of wages for time actually worked by Claimants and other Aggrieved Employees.

Moreover, the Company maintained an unlawful rounding policy wherein Claimants’ and other Aggrieved Employees’ time entries were rounded to the nearest minute in a manner that is not fair and neutral, and resulted in the underpayment of earned wages over a period of time.

Claimants and other Aggrieved Employees were further mandated by the Company to complete various questions when clocking in and clocking out for their shifts, attesting to whether they received their meal and/or rest breaks, providing reasons why they did not receive proper meal and/or rest breaks, and whether they accurately recorded their hours worked, among other things. The Company recorded the time spent by Claimants and other Aggrieved Employees completing these attestation prompts. However, because the Company rounded employees’ time entries to the nearest minute, the Company did not compensate the employees for time spent answering the attestation prompts on the Company’s timekeeping system.

The Company failed to pay Claimants and other Aggrieved Employees all overtime wages for all hours worked in excess of eight (8) hours per day, twelve (12) hours per day, and/or forty (40) hours per week due to its policy and practice of requiring off-the-clock work and implementing an unlawful rounding scheme.

The Company also improperly classified Claimant Reeves and other Aggrieved Employees who worked as an F&I Manager or similar position under the commissioned sales exemption and did not pay these employees any daily or weekly overtime wages. Claimant Reeves and other Aggrieved Employees who worked as an F&I Manager or similar position earned less than one-and-one-half times the applicable minimum wage for all hours worked or spent under the control of the Company during a given pay period, and/or less than half of their compensation was attributed to commissions, and are therefore not subject to the commissioned sales exemption.

Failure to Include All Remuneration in Regular Rate of Pay for Overtime, Sick Leave, and Premium Wages

(Labor Code §§ 226.7, 246, 510, 558, 1194, 1194.2, and 1198)

The Company failed to include all remuneration, including commissions, bonuses, incentives, and other non-discretionary compensation, in calculating the regular rate of pay for purposes of paying overtime wages, sick leave pay, and meal, rest, and recovery period premium wages to Claimants and other Aggrieved Employees.

Failure to Provide Compliant Meal Periods and/or Pay Meal Period Premium Wages
(Labor Code §§ 226.7, 512, 558, 1198 and the “Meal Periods” section of the applicable IWC Wage Order)

The Company failed to provide Claimants and other Aggrieved Employees with the opportunity to take timely, uninterrupted, duty-free meal breaks of at least thirty (30) minutes by the fifth hour of work, and/or a second timely, uninterrupted, duty-free meal break of at least thirty (30) minutes by the tenth hour of work. Claimants and other Aggrieved Employees routinely experienced missed, late, short, and interrupted meal periods in order to keep up with the high demands of their jobs. The Company often required Claimants and other Aggrieved Employees to perform work duties during their meal periods. Further, if Claimants’ and other Aggrieved Employees’ meal breaks were interrupted, they were unable to clock back in during these interruptions because the Company’s time clock prevented employees from clocking back in before 30 minutes had elapsed.

The Company failed to pay Claimants and other Aggrieved Employees meal period premiums for each workday that the employees did not receive a compliant meal period. The Company further failed to include all non-discretionary compensation when calculating the regular rate of pay for purposes of paying meal period premium wages.

Failure to Authorize or Permit Compliant Rest Periods and/or Pay Rest Period Premium Wages
(Labor Code §§ 226.7, 516, 1198, and the “Rest Periods” section of the applicable IWC Wage Order)

The Company failed to authorize and permit Claimants and other Aggrieved Employees to take uninterrupted, off-duty rest periods of at least ten (10) minutes for every four (4) hours worked or major fraction thereof. Claimants and other Aggrieved Employees were regularly directed, compelled, and/or required by the Company to work during their rest periods. Consequently, Claimants and other Aggrieved Employees did not receive legally compliant rest periods.

The Company failed to pay Claimants and other Aggrieved Employees rest period premiums for each workday that they did not receive compliant rest periods. The Company further failed to include all non-discretionary compensation when calculating the regular rate of pay for purposes of paying rest period premium wages.

Failure to Provide Recovery Periods and/or Pay Recovery Period Premium Wages
(Labor Code § 226.7 and California Code of Regulations, Title 8, § 3395(d))

The Company failed to provide off-duty recovery periods of not less than five (5) minutes to prevent heat illness when Aggrieved Employees worked in temperatures that exceeded 80 degrees Fahrenheit. The Company did not provide Aggrieved Employees with adequate shade to take compliant recovery periods and rest from the sun. The Company further failed to inform Aggrieved

Employees of their right to take off-duty recovery periods and to have access to shade and water during their shifts while working outside. On information and belief, the Company did not, and does not, have a written heat illness prevention plan, in violation of California law.

Although the Company failed to provide Aggrieved Employees with compliant recovery periods, the Company did not pay them an additional hour of pay at their regular rate of pay.

Failure to Pay Paid Sick Leave

(Labor Code §§ 245, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.5, 248.6, and 248.7)

The Company failed to comply with California's paid sick leave laws with respect to Claimants and other Aggrieved Employees. Claimants and other Aggrieved Employees who were employed by the Company for 30 days or more did not accrue paid sick days at the rate of no-less-than one (1) hour per every thirty (30) hours worked, beginning at the commencement of employment as required by Labor Code section 246(b). The Company did not include hours worked while off the clock when calculating the total accrued sick leave employees had earned. Further, the Company underpaid the paid sick leave by failing to factor all forms of non-discretionary income into the regular rate of pay for purposes of calculating and paying the sick time.

Failure to Timely Pay Wages During Employment

(Labor Code §§ 204 and 210)

Because the Company failed to pay Claimants and all Aggrieved Employees all minimum, regular, and premium wages in each pay period in which such wages were earned at the lawful rate, the Company violated Labor Code section 204. The Company further failed to pay Claimants and other Aggrieved Employees for all overtime and/or double time wages no later than the payday for the next regular payroll period.

Secret Payment of Lower Wages Than Designated by Statute

(Labor Code §§ 223 and 225.5)

By engaging in the unlawful conduct alleged herein, including by failing to pay overtime wages, meal and rest break premiums, and lawful sick pay at the employees' regular rate of pay, the Company secretly paid a lower wage than designated by statute while purporting to pay the wages designated by statute, in violation of Labor Code section 223.

Failure to Pay All Wages Due and Owing Upon Separation of Employment and/or Waiting Time Penalties

(Labor Code §§ 201, 202, 203, 256)

The Company failed to pay Claimants and other former Aggrieved Employees all wages due and owing upon separation of employment and/or the required waiting time penalties. The final paychecks paid to Claimants and other former Aggrieved Employees did not include all earned

wages, including minimum, regular, overtime, and/or double time wages; meal, rest, and recovery period premiums; commissions and incentive pay; or accrued paid time off (“PTO”) hours. To date, Claimants and other former Aggrieved Employees have not been paid these owed wages, nor have they been paid any waiting time penalties for the late payment of their owed wages.

Failure to Pay Vested Vacation at Termination
(Labor Code § 227.3)

The Company failed to pay Aggrieved Employees their vacation time wages. For instance, the final paycheck paid to Claimant Dudley did not include his accrued paid time off (“PTO”) hours, which has not been paid as of this date.

Failure to Furnish Accurate Itemized Wage Statements
(Labor Code §§ 226, 226.3, and the "Records" section of the applicable IWC Wage Order)

Due to the Company’s unlawful rounding policy; failure to pay Claimants and other Aggrieved Employees all owed meal, rest, and recovery period premiums; and the failure to pay Claimants and other Aggrieved Employees at the correct rate of pay for overtime and premium wages, among other things, the wage statements issued by the Company do not indicate the correct amount of gross wages earned, the correct total hours worked, the correct net wages earned, or the applicable and/or correct hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate in violation of Labor Code § 226(a)(1), (2), (5) and (9).

Due to the incorrect and/or lack of information included on the wage statements furnished by the Company, Claimants and other Aggrieved Employees were unable to promptly and easily determine, for instance, the total number of hours they actually worked, whether they were properly paid all earned wages, commissions, and incentive pay, the appropriate rate of pay during the pay period, and/or the corresponding number of hours worked at each hourly rate, without reference to other documents or information.

Failure to Maintain Accurate Employment Records
(Labor Code §§ 1174, 1174.5, and the “Records” section of the applicable IWC Wage Order)

As a direct result of the Company’s illegal policies and practices, such as those described herein, the Company failed to record Claimants’ and Aggrieved Employees’ actual time worked, the proper beginning and end of each meal period, and actual wages earned and paid, among other things, in violation of California law.

///

///

///

Failure to Reimburse for Necessary Business Expenses

(Labor Code §§ 2802, 2804, and the “Uniforms and Equipment” section of the applicable IWC Wage Order)

The Company required Claimants and other Aggrieved Employees to incur costs for work-related purposes without full reimbursement. Claimants and other Aggrieved Employees were required to use their personal cell phones for work-related communications and to fulfill their work duties. However, Claimants and other Aggrieved Employees were not reimbursed for a reasonable percentage of their cell phone expenses.

Moreover, Claimant Dudley and other Aggrieved Employees were required to purchase their own tools and equipment for work, including hand tools and other specialty tools, without reimbursement. However, they were not paid double the minimum wage in violation of the applicable IWC Wage Order.

Unlawful Deduction of Wages and Commissions

(Labor Code §§ 221, 224, and 225.5)

The Company unlawfully deducted earned wages and commissions from Claimant Reeves and other Aggrieved Employees. Specifically, Claimant Reeves and, on information and belief, other Aggrieved Employees had their commissions deducted for cancelled warranties, returned products, and rescinded finance contracts from sales that were not attributable to them. These deductions constitute an unlawful deduction from wages as the deduction is for the sole benefit of the Company, as it allows the Company to pass on its business costs to Aggrieved Employees.

Claimants further allege that the unpaid commissions, incentive compensation, bonuses, and contractual wages described herein constitute wages recoverable under the Labor Code and applicable Wage Orders, and that the Company’s failure to pay such amounts supports PAGA penalties to the extent predicated on violations of the Labor Code provisions identified in this Notice.

Retaliation

(Labor Code §§ 98.6 and 1102.5)

The Company engaged in retaliation against Claimant Dudley and, on information and belief, other Aggrieved Employees. For instance, Claimant Dudley made several complaints to his supervisor for being unable to take his breaks, not receiving bonuses and other compensation he was entitled to, and requesting an eyewash station. Claimant Dudley is informed and believes that the Company terminated him for making these complaints, thus engaging in unlawful retaliation.

///

///

Failure to Provide Worker Adjustment and Retraining Notification (WARN)
(Labor Code §§ 1400-1408)

Relocations, Terminations and Mass Layoffs in California are regulated by Labor Code sections 1400-1408. Generally, “an employer may not order a mass layoff, relocation, or termination at a covered establishment unless, 60 days before the order takes effect, the employer gives written notice of the order” to employees and the Employment Development Department and shall include the notice elements required by the Federal Worker Adjustment and Retraining Notification Act (29 U.S.C. § 2101 *et seq.*) (Labor Code section 1401(a)-(c).)

The Labor Code likewise provides that “an employer who fails to give notice as required by paragraph (1) of subdivision (a) of Section 1401 before ordering a mass layoff, relocation, or termination is liable to each employee entitled to notice who lost his or her employment” for back pay and the value of the cost of any benefits the employee may have been entitled to up to a maximum of 60 days or one-half the number of days that the employee was employed by the employer, whichever is smaller.

In November 2022, the Company had a nationwide mass layoff. However, the Company failed to provide the appropriate Worker Adjustment and Retraining Notification to the laid off Aggrieved Employees, in violation of Labor Code sections 1400-1408.

Claimants assert the WARN allegations as predicate Labor Code violations for purposes of PAGA penalties and related representative relief.

For the avoidance of doubt, Claimants seek PAGA penalties and related relief for violations of Labor Code §§ 98.6, 201, 202, 203, 204, 210, 218.5, 218.6, 221, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 245, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.5, 248.6, 248.7, 256, 510, 512, 516, 558, 558.1, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1400–1408, 2698 *et seq.*, 2802, and 2804, as well as all applicable IWC Wage Orders, the California Minimum Wage Order, applicable local minimum wage ordinances, and California Code of Regulations, title 8, § 3395.

**CIVIL PENALTIES FOR VIOLATIONS OF THE LABOR CODE AND APPLICABLE
IWC WAGE ORDER**

As set forth above, the Company violated the Labor Code and applicable IWC Wage Order by failing to pay all minimum, regular, overtime, and/or double time wages; failing to include all remuneration in the regular rate of pay for overtime, sick leave, and premium wages; failing to provide compliant meal periods and/or pay meal period premium wages; failing to authorize or permit compliant rest periods and/or pay rest period premium wages; failing to provide recovery periods and/or pay recovery period premium wages; failing to pay paid sick leave; failing to timely pay wages during employment; secretly paying lower wages than those designated by statute or

contract; failing to timely pay all wages due and owing upon separation of employment; failing to pay vested vacation at termination; failing to furnish accurate itemized wage statements; failing to maintain accurate employment records; failing to reimburse for necessary business expenses; unlawful deduction of wages and commissions; engaging in retaliation; and failing to provide Worker Adjustment and Retraining Notifications.

As a result, the Company is liable for civil penalties under Labor Code sections 98.6(b)(3), 210, 225.5, 226.3, 248.5, 558, 558.1, 1102.5(f), 1174.5, 1197.1, 1403, and 2699(f).

**ATTORNEY'S FEES, COSTS, INTEREST, LIQUIDATED DAMAGES, AND
PENALTIES**

(Labor Code §§ 210, 218.5, 218.6, 226(e), 558, 1194, 1194.2, 1197.1, and 2698 *et seq.*)

Labor Code §§ 210, 218.5, 218.6, 226(e), 558, 1194, 1194.2, 1197.1, and 2698 *et seq.*, among others, give employees, such as Claimants, the right to recover in a civil action the full amount of damages, liquidated damages, and penalties, including interest thereon, as well as reasonable attorney's fees and costs.

Under Labor Code § 2699(g)(1), aggrieved employees, such as Claimants, are entitled to an award of reasonable attorney's fees and costs. Pursuant to Labor Code § 2699(i), aggrieved employees, such as Claimants, are entitled to collect 25% of the penalty assessment. Accordingly, the Company is liable for these items.

CONCLUSION

Based on the foregoing, the Company violated the Labor Code and applicable IWC Wage Orders, thereby depriving Claimants and other Aggrieved Employees of the rights and protections afforded to them. Claimants have satisfied the prerequisites of the PAGA to serve as representatives of all Aggrieved Employees, the general public, and the state of California in order to enforce California labor laws and to seek civil penalties for the provisions set forth in this Third Amended Notice, and in the prior notices, as well as those which may be later discovered.

///

///

///

///

///

Accordingly, if the LWDA declines to intervene or act within time prescribed by the PAGA, Claimants may elect to initiate and/or amend a civil action, on behalf of themselves and all other Aggrieved Employees, as permitted by the PAGA.

Sincerely,



Allison E. Schubert
Attorney at Law

Enclosures:

- Exhibit A - Letter to the LWDA, dated June 14, 2023 (“Dudley Original Notice”)
- Exhibit B - Letter to the LWDA, dated July 10, 2023 (“Dudley First Amended Notice”)
- Exhibit C - Letter to the LWDA, dated August 31, 2023 (“Dudley Potter Handy Notice”)
- Exhibit D - Letter to the LWDA, dated October 16, 2024 (“Dudley Second Amended Notice”)
- Exhibit E - Letter to the LWDA, dated August 29, 2023 (“Reeves Notice”)
- Exhibit F - Letter to the LWDA, dated September 18, 2024 (“Johnson Notice”)
- Exhibit G - Letter to the LWDA, dated February 11, 2025 (“Espinoza Notice”)

EXHIBIT A

June 14, 2023

Attorneys at Law

3555 Fifth Avenue Suite 200
San Diego, California 92103
619.692.0800 voice
619.692.0822 fax

www.grahamhollis.com

Nathan Reese
nreese@grahamhollis.com
619.344.8696 direct

VIA ONLINE ELECTRONIC FILING

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

CERTIFIED MAIL (RETURN RECEIPT)

FreedomRoads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069-4346

FreedomRoads, LLC
c/o National Registered Agents, Inc., Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

Re: Christopher Dudley's Wage and Hour Claims Against
FreedomRoads, LLC dba Camping World

Dear Labor and Workforce Development Agency and FreedomRoads LLC dba Camping World:

Please be advised that Christopher Dudley ("Claimant") has retained our firm to represent him for claims against his former employer, FreedomRoads, LLC dba Camping World ("the Company").

This letter shall serve as Claimant's written notice to the Labor and Workforce Development Agency ("LWDA") and the Company of the alleged Labor Code violations. Claimant claims that the Company committed against him and all other aggrieved employees in California. Claimant provides this notice in accordance with the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code ("Labor Code") § 2699.3. Claimant intends to file a civil action to enforce his rights under the Labor Code and seeks compensation accordingly.

Pursuant to Labor Code § 2699(a), and by way of this letter, Claimant also intends to represent himself and all other current and former non-exempt employees who performed work for the Company in California and who have suffered at least one of the wage and hour violations described herein during the relevant time period ("Aggrieved Employees").

Graham S.P. Hollis

Vilmarie Cordero

Hali Anderson

Nathan Reese

David Lin

Erik Dos Santos

Nora Steinhagen

Alyssa Smith

Allison Schubert

Alex Kuner

Dawn M. Berry

Brisa Martinez

Taylor M. Gee

*Provisionally Licensed Lawyer

FACTUAL BACKGROUND

FreedomRoads, LLC dba Camping World is a Minnesota limited liability company that sells and services recreational vehicles at 13 locations in California and across the United States. The Company is headquartered and has its principal place of business in Lincolnshire, Illinois.

Claimant was employed with the Company as a service technician at Camping World in Fresno, California, from approximately February 8, 2020, to April 7, 2023. Claimant was typically scheduled to work five days a week, Monday through Friday, from 8:00 a.m. to 5:00 p.m. At all times, Claimant was a non-exempt employee and was paid an hourly wage. At the beginning of his employment, Claimant was paid \$28 per hour, which was increased to \$29 per hour, \$34 per hour, and then \$35.00 per hour. Claimant was also eligible to receive productivity bonuses. As a service technician, Claimant's job duties included, but were not limited to, servicing and performing repairs on RVs, predelivery inspections, writing estimates, and providing customer service.

Claimant alleges that the Company denied, and continues to deny, Claimant and other Aggrieved Employees specific rights afforded to them under the Labor Code and the applicable Industrial Welfare Commission ("IWC") Wage Order. Specifically, the Company (1) failed to provide Claimant and other Aggrieved Employees with legally compliant meal and rest periods, as well as failed to pay Aggrieved Employees meal and rest period premiums for non-compliant meal and rest periods; (2) failed to provide recovery periods and/or pay premium wages for non-compliant recovery periods; (3) failed to timely pay all minimum, regular, and/or overtime wages; (4) failed to reimburse for business expenses; (5) failed to timely pay Claimant and other former Aggrieved Employees all wages due and owing upon separation of employment; (6) failed to furnish Aggrieved Employees, including Claimant, with accurate itemized wage statements; (7) failed to maintain accurate records; and (8) engaged in retaliation against Claimant.

The Company required Claimant and, on information and belief, other Aggrieved Employees to work through their meal periods, receive less than thirty (30) minute meal periods, take interrupted meal periods, or did not allow them to take meal periods before the end of their fifth hour of work. During his employment with the Company, Claimant was not always able to take a legally compliant meal period. More often than not, Claimant's meal break was either interrupted and/or taken after the end of his fifth hour of work because Claimant's workload did not permit him to take compliant meal breaks. For instance, Claimant was frequently prevented from taking timely meal breaks because he was required to finish servicing customers before taking his meal breaks. Further, Claimant's meal breaks were interrupted by customers, phone calls from manufacturers, and other work-related tasks. Claimant and, on information and belief, other Aggrieved Employees were unable to clock back in during these interruptions because the Company's time clock prevented employees from clocking back in before 30 minutes had elapsed.

The Company further failed to provide Claimant and other Aggrieved employees with ten (10) minute rest breaks per every four hour work period, or major fraction thereof. Claimant often worked through rest breaks, or missed them altogether, because he was required to prioritize customer appointments and other work-related tasks over taking his rest breaks.

Additionally, the Company failed to provide Claimant and, on information and belief, other Aggrieved Employees working outside in the sun with compliant recovery periods, because the Company

did not provide them with off-duty access to shade when the outdoor temperature at the worksite exceeded 80 degrees Fahrenheit. Claimant and, on information and belief, other Aggrieved Employees typically worked outside during their shift. The temperature at Claimant's and other Aggrieved Employees' job sites frequently exceeded 80 degrees Fahrenheit. During the summer months, Claimant and other Aggrieved Employees were forced to work in outdoor temperatures exceeding 100 degrees Fahrenheit. Nonetheless, the Company failed to provide off-duty recovery periods of not less than five (5) minutes to prevent heat illness. Additionally, Claimant and other Aggrieved Employees were not provided with tents, canopies, or any other source of shade, nor was natural shade typically available at the job sites. The breakroom, where cold water was provided, was not easily accessible to Claimant because it was located on the far end of the worksite. Thus, Aggrieved Employees, including Claimant, did not have adequate shade and reasonably accessible water available to take compliant recovery periods and rest from the sun.

Although Claimant and, on information and belief, other Aggrieved Employees did not receive legally compliant meal, rest, and/or recovery periods, the Company did not pay Claimant and other Aggrieved Employees the additional one hour of pay at the employee's regular rate of pay as required under Labor Code § 226.7 and the applicable IWC Wage Order. Accordingly, the Company owes Claimant and other Aggrieved Employees a meal, rest, and/or recovery period premium for each workday that Claimant and other Aggrieved Employees were not provided with a compliant meal, rest, and/or recovery period.

Claimant and, on information and belief, other Aggrieved Employees were not paid all minimum, regular, and/or overtime wages owed for all the time actually worked on the designated paydays. Claimant and other Aggrieved Employees were not properly compensated for all the hours they worked because the Company required them to work through their meal periods, and often required them to perform tasks before clocking in and after clocking out. For example, Claimant and, on information and belief, other Aggrieved Employees were required to wait several minutes before clocking in for work after arriving at the job site. Claimant and other Aggrieved Employees arrived at the time clock at the same time. Upon arrival at the job site, there was a line of employees waiting to clock in for work. As a result, Claimant and other Aggrieved Employees would have to wait several minutes in line in order to clock in. Claimant and other Aggrieved Employees were not compensated for this time spent waiting to clock in. Claimant further alleges that, on multiple occasions, he was required to help service customers after he clocked out for work but was not compensated for this time.

The Company also failed to reimburse Claimant and, on information and belief, other Aggrieved Employees, for all necessary business expenses. Claimant and other Aggrieved Employees were required to purchase their own tools and equipment for work, including hand tools and other specialty tools. The applicable IWC Wage Order mandates employers who require their employees to use tools or other equipment to perform their hired duties to either provide the necessary tools or equipment, or pay their employees double the minimum wage. Claimant and other Aggrieved Employees were required to purchase their own tools for work purposes but were not paid double the minimum wage, in violation of California law. Likewise, Claimant and other Aggrieved Employees were required to use their personal cell phones to call customers, communicate with RV suppliers, and file claims for repairs, among other things, but were not provided reimbursement by the Company.

As a direct result of the aforementioned Labor Code violations, the Company did not pay Claimant and, on information and belief, other Aggrieved Employees all wages due and owing upon separation of

employment, including minimum, regular, and overtime wages for all hours worked, and meal, rest, and recovery period premium wages. The Company also failed to pay Claimant his accrued PTO on his final paycheck. Claimant and other former Aggrieved Employees are therefore entitled to waiting time penalties pursuant to Labor Code § 203.

Claimant contends that the Company furnished Aggrieved Employees, including himself, with wage statements that do not comply with California law. Claimant alleges that the wage statements furnished to him and other Aggrieved Employees did not correctly show the information required by Labor Code § 226(a), including, but not limited to, the total hours actually worked by the employee, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, the gross wages actually earned, and the net actual wages earned. Due to the missing and/or incorrect information, Claimant and other Aggrieved Employees were unable to promptly and easily determine the total number of hours worked or the applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

As a direct result of the Company's illegal policies and procedures, like those described herein, the Company failed to maintain accurate records reflecting all of Claimant's and other Aggrieved Employees' actual time worked, the beginning and end of each meal period, and actual wages earned and paid, in violation of California law.

The Company also engaged in retaliation against Claimant and wrongfully terminated him in violation of Labor Code §§ 98.6 and 1102.5. Claimant made several complaints to his supervisor for being unable to take his breaks, not receiving productivity bonuses and other compensation he was entitled to, and requesting an eyewash station. Upon information and belief, the Company terminated Claimant for making these complaints, thus engaging in unlawful retaliation against Claimant.

Due to the foregoing Labor Code violations, the Company denied, and continues to deny, Claimant and other Aggrieved Employees certain rights afforded them under the Labor Code and applicable IWC Wage Order. Claimant makes these claims against the Company on behalf of himself and other Aggrieved Employees.

All facts, claims, and/or legal theories contained within this written notice are alleged and/or asserted on behalf of Claimant and all other Aggrieved Employees. The facts, claims, and/or legal theories contained in this written notice are based on the information available at the time of this writing. Since Claimant's investigation is ongoing, Claimant reserves his right to assert any and all related facts, claims, and/or theories of liability discovered after the sending of this letter on behalf of himself and all other current or former Aggrieved Employees against the Company and/or other persons that may be discovered after the sending of this letter. Such other persons may include, but are not limited to, those persons who have acted as an agent, subsidiary, servant, employee, co-conspirator, alter-ego, and/or joint venture of the Company, as well as those persons who caused and/or concurrently contributed to the various acts and/or admissions of each and every one of the others, including the Company, in proximately causing the wrongful conduct, harm, and/or damages alleged herein or otherwise participated in or ratified any or all of the acts and/or omissions complained herein, and those who were acting within the authority and/or scope

of the Company. Claimant reserves the right to revise these facts and/or add any new claims or legal theories by amending this written notice and/or by adding facts, claims, and/or legal theories to his civil complaint.

**FAILURE TO PROVIDE COMPLIANT MEAL PERIODS AND
AUTHORIZE AND PERMIT REST PERIODS**

(Labor Code §§ 226.7, 512, and the “Meal Periods” and
“Rest Periods” sections of the Applicable IWC Wage Order)

Labor Code § 226.7(b) states, “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission...” Labor Code § 226.7(c) further states, “[i]f an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”

Labor Code § 512(a) states, “[a]n employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes...[and] shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.” A meal period generally comports with the requirements of California law if the employee has at least 30-minutes uninterrupted and the employee is relieved of any and all duty and is free to leave the premises during such time. (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1036.) California law further prohibits employers from “...undermining [its] formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omit breaks.” (*Id.* at p. 1040 [internal citations omitted].)

The “Meal Periods” section of the applicable IWC Wage Order states, “[n]o employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work the meal period may be waived by mutual consent of the employer and the employee.” Moreover, “[a]n employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of employer and employee only if the first meal period was not waived.” The IWC Wage Order further states, “[i]f an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the meal period is not provided.”

The “Meal Periods” section of the applicable IWC Wage Order also states, “[u]nless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an ‘on duty’ meal period and counted as time worked. An ‘on duty’ meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.”

The “Rest Periods” section of the applicable IWC Wage Order provides, “[e]very employer shall authorize and permit employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.” Furthermore, “[i]f an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the rest period is not provided.”

An employer has not authorized or permitted lawful off-duty rest periods unless the employer relieves its employees of any and all work-related duties and relinquishes all control over how its employees spend their time during rest periods. (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 267, 269.)

As set forth above, the Company failed to provide Claimant and, on information and belief, other Aggrieved Employees with the opportunity to take uninterrupted, off-duty meal periods of at least 30-minutes before the start of their sixth hour of work, and did not authorize and permit Claimant and other Aggrieved Employees to take legally compliant rest periods, as required by California law. The Company failed to pay Claimant and, on information and belief, other Aggrieved Employees one hour of premium wages for each day a compliant meal and/or rest period was not provided. Claimant will pursue all available remedies for the Company’s violations on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

FAILURE TO PROVIDE RECOVERY PERIODS

(Labor Code § 226.7 and California Code of Regulations, Title 8, § 3395)

Labor Code § 226.7(a) states that “‘recovery period’ means a cooldown period afforded an employee to prevent heat illness.” Labor Code § 226.7(b) further states, “[a]n employer shall not require an employee to work during a...recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.” If an employer fails to provide an employee with a recovery period in accordance with state law, “the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the ... recovery period is not provided.” (Labor Code § 226.7(c).)

California Code of Regulations, Title 8, § 3395(d)(1) states that: “Shade shall be present when the temperature exceeds 80 degrees Fahrenheit. When the outdoor temperature in the work area exceeds 80 degrees Fahrenheit, the employer shall have and maintain one or more areas with shade at all times while employees are present that are either open to the air or provided with ventilation or cooling”

California Code of Regulations, Title 8, § 3395(d)(3) further states that “[e]mployees shall be allowed and encouraged to take a preventative cool-down rest in the shade when they feel the need to do so to protect themselves from overheating. Such access to shade shall be permitted at all times.”

California Code of Regulations, Title 8, § 3395(i) further provides, “[t]he employer shall establish, implement, and maintain, an effective heat illness prevention plan. The plan shall be in writing in both English and the language understood by the majority of the employees and shall be made available at the

worksite to employees and to representatives of the Division upon request.”

California Code of Regulations, Title 8, § 3395(c) also provides that “[e]mployees shall have access to potable drinking water...including but not limited to the requirements that it be fresh, pure, suitably cool, and provided to employees free of charge. The water shall be located as close as practicable to the areas where employees are working. Where drinking water is not plumbed or otherwise continuously supplied, it shall be provided in sufficient quantity at the beginning of the work shift to provide one quart per employee per hour for drinking for the entire shift. ... The frequent drinking of water...shall be encouraged.”

As set forth above, the Company failed to provide Claimant and, on information and belief, other Aggrieved Employees with compliant recovery periods. The Company also did not provide the employees with off-duty access to shade when the outdoor temperature at the worksite exceeded 80 degrees Fahrenheit. The Company likewise failed to establish, implement, and maintain an effective heat illness prevention plan. Even though Claimant and Aggrieved Employees were not authorized or permitted to take lawful recovery periods, the Company did not pay the appropriate recovery period premium wages, in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, § 3395(d). Claimant will pursue all available remedies for the Company’s violations on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

FAILURE TO TIMELY PAY ALL MINIMUM, REGULAR, AND/OR OVERTIME WAGES

(Labor Code §§ 204, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the
“Minimum Wages” and “Hours and Days of Work” sections of the Applicable IWC Wage Order)

Labor Code § 204 establishes an employee’s fundamental right in the state of California to be paid wages in a timely manner for their work. Specifically, Labor Code § 204(a) states that all wages earned are due and payable on twice during each calendar month on days designated in advance by the employer as regular pay days. Overtime wages are to be paid no later than the payday for the next regular payroll period. (Labor Code § 204(b)(1).)

Labor Code § 1197 states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The “Minimum Wages” section of the applicable IWC Wage Order further provides 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.”

Labor Code § 1197.1 provides that, “[a]ny employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law or by an order of the commission shall be subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to § 203...”

Labor Code § 1198 states, “[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for

employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Labor Code § 510 provides, “[e]ight 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.” The “Hours and Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Order mandate the same requirements.

Labor Code § 1194(a) mandates that “...any employee receiving less than the legal minimum wage or 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 minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” Liquidated damages in an amount equal to the minimum wages unlawfully unpaid and interest thereon are provided for under Labor Code § 1194.2.

Labor Code § 558 provides that “any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty” of \$50 for each underpaid employee for each pay period for which the employee was underpaid for any initial violation, and \$100 for each underpaid employee for each pay period for which the employee was underpaid for each subsequent violation.

As set forth above, the Company failed to pay Claimant and, on information and belief, other Aggrieved Employees all minimum, regular, and overtime wages for all time engaged in work on behalf of the Company, including during meal periods, before clocking in and after clocking out for their scheduled shifts. Claimant will pursue all available remedies for the Company’s violations on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

FAILURE TO REIMBURSE FOR BUSINESS EXPENSES

(Labor Code § 2802 and the “Uniforms and Equipment” section of the applicable IWC Wage Order)

Labor Code § 2802(a) provides in pertinent part, “[a]n 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.”

Labor Code § 2802(b) states, “[a]ll awards made by a court or by the Division of Labor Standards Enforcement for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss.” Accordingly, Claimant will request that he receive interest on the applicable amount.

Furthermore, Labor Code § 2802(c) states, “[f]or purposes of this section, the term ‘necessary expenditures or losses’ shall include all reasonable costs, including, but not limited to, attorney’s fees incurred by the employee enforcing the rights granted by this section.” Consequently, Claimant will also request reimbursement of the attorney’s fees incurred in pursuing this matter.

Additionally, the “Uniforms and Equipment” section of the applicable IWC Wage Order states that: “When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the grade or craft.”

As set forth above, the Company required Claimant and, on information and belief, other Aggrieved Employees to provide their own tools and equipment. However, Claimant and Aggrieved Employees were not compensated two times the minimum wage as required by the applicable IWC Wage Order. The Company further required Claimant and other Aggrieved Employees to use their personal cell phones in the discharge of their job duties without reimbursement. Claimant will pursue all available remedies for the Company’s violations on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

**FAILURE TO PAY ALL WAGES DUE AND OWING UPON SEPARATION OF
EMPLOYMENT**

(Labor Code §§ 201, 202, and 203)

Labor Code § 201 states, in pertinent part, “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.”

Labor Code § 202 states, in pertinent part: “If an employee not having a written contract for a definite period 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.”

Labor Code § 203(a) further states, “[i]f an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, 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 or until an action therefore is commenced; but the wages shall not continue for more than 30 days.”

As set forth above, the Company violated these Labor Code sections by not paying Claimant and other Aggrieved Employees all minimum, regular, and overtime wages owed, as well as meal, rest, and recovery premium wages owed, within the required time upon separation of their employment. Based on information and belief, Claimant further contends that the Company did not pay former Aggrieved Employees the required waiting time penalties for the late payment of wages. Claimant will pursue all available remedies for these alleged violations on behalf of himself and all other former Aggrieved Employees of the Company to the extent allowed by the law.

FAILURE TO FURNISH ACCURATE ITEMIZED WAGE STATEMENTS

(Labor Code §§ 226 and 226.3, and the “Records” section of the Applicable IWC Wage Order)

Labor Code § 226(a) states in pertinent part: “An employer, semimonthly or at the time of each payment of wages, shall furnish each of his or her employee, either as detachable part of the check, draft, or voucher paying the employee’s wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee... (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number...(8) the name and address of the legal entity that is the employer, and... (9) all applicable hourly rates in effect during each period and the corresponding number of hours worked at each hourly rate by the employee...”

The “Records” section of the applicable IWC Wage Order further provides, in pertinent part: “Every employer shall semimonthly or at the time of each payment of wages furnish to each employee...an itemized wage statement in writing showing (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee’s social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregate and shown as one item.”

Labor Code § 226(e)(1) provides: “An employee suffering injury as a result of knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.

Labor Code § 226(h) states, “an employee may also bring an action for injunctive relief to ensure compliance with this section and is entitled to an award of costs and reasonable attorneys’ fees.”

Labor Code § 226.3 imposes an additional civil penalty of \$250 per employee per violation in an initial citation and \$1,000 per employee per violation for any subsequent violation on the employer for violations of Labor Code § 226(a).

As discussed above, the Company failed to furnish Claimant and other Aggrieved Employees with accurate itemized wage statements that comply with the requirements of the Labor Code because the wage statements did not, among other things, include the total hours actually worked by the employee, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, the gross actual wages earned, and the net wages actually earned. Claimant will pursue all available remedies against the Company for its violations of the Labor Code on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

///
///
///

FAILURE TO MAINTAIN ACCURATE RECORDS

(Labor Code §§ 1174, 1174.5, and the “Records” section of the Applicable IWC Wage Order)

Labor Code § 1174 states, “[e]very person employing labor in this state shall... [k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, ..., employees employed at the respective plants or establishments.”

The “Records” section of the applicable IWC Wage Order states that every employer shall keep accurate information with respect to each one of its employees, including time records showing when the employee begins and ends each work period and meal period, total hours worked in the payroll period and applicable rates of pay, and total wages paid each payroll period.

Labor Code § 1174.5 imposes a civil penalty of \$500 for an employer’s failure to maintain accurate and complete records. This civil penalty is in addition to the civil penalty of \$100 per pay period, per Aggrieved employee that would be imposed pursuant to Labor Code § 2699 for a violation of Labor Code § 1174(d).

As set forth above, the Company violated its recordkeeping requirements by failing to accurately record employee hours worked including, but not limited to, the Company’s failure to record the proper beginning and end of each work period, the meal periods, the total hours worked during the pay period, the applicable rates of pay, and the actual wages earned and paid. Claimant will pursue all available remedies for the Company’s violations on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

RETALIATION

(Labor Code §§ 98.6 and 1102.5)

Labor Code § 98.6(a) states, “[a] person shall not discharge an employee or in any manner discriminate, retaliate, or take any adverse action against any employee or applicant for employment because the employee or applicant ... made a written or oral complaint that he or he is owed unpaid wages, ... or because of the exercise by the employee or applicant for employment on behalf of himself, herself, or others of any rights afforded him or her.” In addition to other remedies available, an employer who violates Labor Code § 98.6 is “liable for a civil penalty not exceeding ten thousand dollars (\$10,000) per employee for each violation of this section, to be awarded to the employee or employees who suffered the violation.” (Labor Code § 98.6(a)(3).)

Labor Code § 1102.5(b) states, “[a]n employer, or any person acting on behalf of the employer, shall not retaliate against an employee for disclosing information, or because the employer believes that the employee disclosed or may disclose information, ... to a person with authority over the employee or another employee who has the authority to investigate, discover, or correct the violation or noncompliance, ... if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee’s job duties.” In addition to other penalties, “an

employer that is a corporation or limited liability Companies is liable for a civil penalty not exceeding ten thousand dollars (\$10,000) for each violation of this section.” (Labor Code § 1102.5(f).)

As set forth above, the Company engaged in retaliation against Claimant and wrongfully terminated him after he made complaints to his supervisor regarding non-compliant breaks, not receiving compensation due to him, and requesting an eyewash station. Claimant will pursue all available remedies for the Company’s violations to the extent allowed by law.

**CIVIL PENALTIES FOR VIOLATIONS OF THE LABOR CODE AND THE APPLICABLE
IWC WAGE ORDER**

(Labor Code §§ 210, 226.3, 558, 558.1, 1174.5, 1197.1, and 2699(f))

Labor Code § 210 provides that any person who fails to pay wages as provided in Labor Code § 204 shall be subject to a civil penalty of \$100 for any initial violation for each failure to pay each employee and for each subsequent violation, or any willful or intentional violation, \$200 for each failure to pay each employee, plus 25% of the amount unlawfully withheld, in addition to any other penalty.

For violations of Labor Code § 226(a), Labor Code § 226.3 imposes a civil penalty of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation.

Labor Code § 558 subjects any employer or any person acting on behalf of an employer who violates Part 2, Chapter 1, of the Labor Code (Labor Code §§ 500-558.1) or any provision regulating the hours and days of work in any IWC Wage Order to a civil penalty as follows: “[f]or any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.”

Labor Code § 558.1(a) further states that “[a]ny employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wage or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.” This includes the owners, officers, directors, or managing agents of the employer. (Labor Code § 558.1(b).)

For violations of Labor Code § 1174 subdivisions (b), (c), and (d), Labor Code § 1174.5 imposes a civil penalty of \$500.

Similarly, Labor Code § 1197.1 subjects any employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law, or by an order of the commission to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to Section 203 as follows: “(1) For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid. This amount shall be in addition to an amount sufficient to recover underpaid wages, liquidated

damages pursuant to Section 1194.2, and any applicable penalties imposed pursuant to Section 203. (2) For each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. This amount shall be in addition to an amount sufficient to recover underpaid wages, liquidated damages pursuant to Section 1194.2, and any applicable penalties imposed pursuant to Section 203. (3) Wages, liquidated damages, and any applicable penalties imposed pursuant to Section 203, recovered pursuant to this section shall be paid to the affected employee.”

Labor Code § 2699(f) imposes a civil penalty of \$100 per pay period, per employee for the initial violation and \$200 per pay period, per employee for each subsequent violation for all Labor Code provisions for which a civil penalty is not specifically provided, including, but not limited to, Labor Code §§ 98.6, 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1102.5, 1174(c), 1174(d), 1194, 1197, 1197.1, 1198, 2802, and relevant IWC Wage Orders.

As set forth above, the Company violated the Labor Code and the applicable IWC Wage Order by failing to provide legally compliant meal, rest, and/or recovery periods and/or timely pay premium wages; failing to timely pay all minimum, regular, and/or overtime wages; failing to reimburse for necessary business expenses; failing to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties; failing to furnish accurate itemized wage statements; failing to maintain accurate records; and engaging in retaliation. As a result, the Company is liable for civil penalties under Labor Code §§ 210, 226.3, 558, 558.1, 1174.5, 1197.1, and 2699(f). Claimant will pursue all available remedies including, but not limited to, those stated herein for the Company’s violations on behalf of himself and all other Aggrieved Employees to the extent allowed by law.

ATTORNEY’S FEES, COSTS, INTEREST, LIQUIDATED DAMAGES, AND PENALTIES

(Labor Code §§ 210, 218.5, 218.6, 226(e), 558, 1194, 1194.2, 1197.1, and 2698 *et seq.*)

Labor Code §§ 210, 218.5, 218.6, 226(e), 558, 1194, 1194.2, 1197.1, and 2698 *et seq.*, among others, give employees, such as Claimant, the right to recover in a civil action the full amount of damages, liquidated damages, and penalties, including interest thereon, as well as reasonable attorney’s fees and costs.

Under Labor Code § 2699(g)(1), an aggrieved employee, such as Claimant, is entitled to an award of reasonable attorney’s fees and costs. Pursuant to Labor Code § 2699(i), an aggrieved employee, such as Claimant, is entitled to collect 25% of the penalty assessment. Accordingly, the Company is liable for these items. Claimant has already incurred actual damages, costs, and attorney’s fees, and he will continue to incur such costs as a result of the Company’s unlawful actions. Claimant will pursue all available remedies against the Company, including those provided under the PAGA, on behalf of himself and all other Aggrieved Employees to the extent permitted by California law for the violations of law described herein and those that may be later discovered.

CONCLUSION

Based on the foregoing, the Company has violated, and continues to violate, the Labor Code and the applicable IWC Wage Order, thereby depriving Claimant and other Aggrieved Employees of the rights

and protections afforded to them. Claimant has satisfied the prerequisites of the PAGA to serve as a representative of all Aggrieved Employees, the general public, and the state of California in order to enforce California labor laws and to seek civil penalties for the provisions set forth herein, as well as those which may be later discovered.

Accordingly, if the LWDA declines to intervene or act within the time prescribed by the PAGA, Claimant may elect to initiate and/or amend a civil action, on behalf of himself and all other Aggrieved Employees, as permitted by the PAGA.

Very truly yours,



Nathan Reese

EXHIBIT B

July 10, 2023

Attorneys at Law

3555 Fifth Avenue Suite 200
San Diego, California 92103
619.692.0800 voice
619.692.0822 fax

www.grahamhollis.com

Allison E. Schubert
aschubert@grahamhollis.com
619.436.5592 direct

VIA ONLINE ELECTRONIC FILING

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

CERTIFIED MAIL (RETURN RECEIPT)

FreedomRoads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069-4346

FreedomRoads, LLC
c/o National Registered Agents, Inc., Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

**Re: LWDA Case No.: LWDA-CM-961993-23
Amended Notice of Christopher Dudley's PAGA Claims
Against FreedomRoads, LLC dba Camping World**

Dear Labor and Workforce Development Agency and FreedomRoads LLC dba Camping World:

This letter shall serve as Christopher Dudley's ("Claimant") amended written notice to the California Labor and Workforce Development Agency ("LWDA") and FreedomRoads LLC dba Camping World ("the Company") of the alleged California Labor Code ("Labor Code") violations Claimant claims that the Company committed against him and all other aggrieved employees in California during the relevant statutory period. Claimant provides this amended notice, which includes additional facts in support of the legal theories regarding the Company's Labor Code violations alleged in the original written notice, in accordance with the Private Attorneys General Act of 2004 (codified in Labor Code §§ 2698 *et seq.*, "PAGA"), Labor Code § 2699.3.

Pursuant to Labor Code § 2699(a), and by way of this amended notice, Claimant also intends to represent himself and all other current and former non-exempt employees who performed work for the Company in California and who have suffered at least one of the wage and hour violations described herein during the relevant time period ("Aggrieved Employees").

Graham S.P. Hollis

Vilmarie Cordero

Hali Anderson

Nathan Reese

Erik Dos Santos

Nora Steinhagen

Alyssa Smith

Allison Schubert

Alex Kuner

Dawn M. Berry

Brisa Martinez

Taylor M. Gee

*Provisionally Licensed Lawyer

Claimant incorporates by reference all of the factual allegations and legal theories asserted in Claimant's June 14, 2023 written notice as if stated herein. A true and correct copy of Claimant's original notice letter ("Original Notice") is attached as **Exhibit A**. Since the filing of the Original Notice, Claimant has become aware of new information and amends the Original Notice to add the following:

ADDITIONAL FACTS

Claimant alleges that the Company had a policy, practice, procedure, guideline, and/or culture of failing to include non-discretionary bonuses in the regular rate of pay for purposes of calculating overtime wages and meal and rest period premium wages paid to him and other Aggrieved Employees. Consequently, Claimant and other Aggrieved Employees were not paid the appropriate amount for overtime wages and meal and rest period premium wages. For instance, Claimant received a non-discretionary productivity bonus for each calendar month in which he satisfied productivity targets set forth in the applicable bonus plan. The Company failed to use Claimant's non-discretionary compensation when calculating the regular rate of pay for purposes of determining payments for overtime compensation and premium wages. Thus, when Claimant received overtime and premium wages, he was not paid the correct amount.

As a result of the Company's failure to include non-discretionary bonuses into the regular rate of pay when calculating overtime and premium wages, Claimant's and other Aggrieved Employees' wage statements did not accurately reflect their gross wages earned, net wages earned, and all applicable hourly rates in effect during the pay period. Thus, Aggrieved Employees' wage statements failed to accurately reflect gross wages earned by the employees or all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. The Company therefore violated Labor Code § 226. In addition, Claimant and other former Aggrieved Employees are owed waiting time penalties for the Company's failure to timely pay all overtime and meal and rest premium wages due upon separation of employment. (See *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal.5th 93 [meal and rest period premiums constitute wages due and owing and thus must be factored into potential waiting time penalties].)

All facts, claims and/or legal theories contained within this amended notice as well as in the Original Notice are alleged and/or asserted on behalf of Claimant and all other Aggrieved Employees. The facts, claims and/or legal theories contained in this amended written notice, as well as those in the Original Notice, are based on information available at the time of the respective writing. Since Claimant's investigation is ongoing, Claimant reserves his right to assert any and all related facts, claims, and/or theories discovered after the sending of this letter on behalf of himself and other current and former aggrieved employees against the Company and/or other persons that may be later discovered. Such other persons include, but are not limited to, those persons who have acted as an agent, subsidiary, servant, employee, co-conspirator, alter-ego, and/or joint venture of the Company, as well as those persons who caused and/or concurrently contributed to the various acts and/or admissions of each and every one of the others, including the Company, in proximately causing the wrongful conduct, harm, and/or damages alleged in this amended notice and/or Original Notice or otherwise participated in or ratified any or all of the acts and/or omissions complained of in this amended notice and/or Original Notice, and/or were acting within the authority and/or scope of the Company. Claimant reserves the right to revise these facts and/or add any new claims by amending this letter and/or by adding facts and/or claims to his civil complaint.

CONCLUSION

Based on the foregoing, the Company has violated the Labor Code and applicable IWC Wage Order, thereby depriving Claimant and other Aggrieved Employees of the rights and protections afforded to them. Claimant has satisfied the prerequisites of the PAGA to serve as a representative of all Aggrieved Employees, the general public, and the state of California in order to enforce California labor laws and to seek civil penalties for the provisions set forth herein, as well as those which may be later discovered.

Very truly yours,


Allison Schubert

Enclosures: Exhibit A – Letter to the LWDA, dated June 14, 2023 (“Original Notice”)

EXHIBIT C



POTTER HANDY, LLP

A Law Firm

100 Pine St., Ste 1250
San Francisco, CA 94111

James M. Treglio
JimT@PotterHandy.com
Phone: (858) 375-7385
Fax: (888) 422-5191

August 31, 2023

Filed Via LWDA's PAGA Claim Notice Online Form

Copy Sent Via Certified Mail to:

Human Resources
Freedomroads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069

National Registered Agents, Inc.
Registered Agent for Service of Process for
Freedomroads, LLC
330 N Brand Blvd Ste 700
Glendale, CA 91203

Freedomroads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069

Re: Christopher Dudley v. Freedomroads, LLC,
California Labor Code § 2699 Penalties; Notice of Intent to File Suit

Dear Counsel:

This office represents Plaintiff Christopher Dudley ("Plaintiff") and a proposed group of current and former employees working for Freedomroads, LLC ("Freedomroads" or "Defendant/s") in the State of California for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 227.3, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198,¹ 1199, 1400-1408, as well as IWC Wage Order No. 7-2001 and 8 CCR §3380. Plaintiff wishes to bring a representative action on behalf of himself and the State of California as well as on behalf of the following groups of aggrieved employees:

(1) all individuals who are or were employed by Defendants or their predecessor or merged entities in California in an hourly, non-exempt position, who were not provided with duty-free meal periods, from one year prior to the mailing of this notice through the

¹ All alleged violations of IWC Wage Order 7-2001 are also deemed to be alleged violations of Labor Code § 1197 and 1198.

- present (“meal period aggrieved employees”);*
- (2) *all individuals who are or were employed by Defendants or their predecessor or merged entities in California in an hourly, non-exempt position, who worked shifts in excess of three and a half hours, from one year prior to the mailing of this notice through the present (“rest period aggrieved employees”);*
- (3) *all individuals who are or were employed by Defendants, or their predecessor or merged entities in California as hourly, non-exempt employees, who work or worked in excess of eight hours in a day or forty hours in a workweek from any time from one year prior the filing of this notification through the present (“overtime aggrieved employees”);*
- (4) *all individuals who are or were employed by Defendants, or their predecessor or merged entities in California in an hourly, non-exempt position, who were not provided with accurate wage statements from one year prior to the mailing of this notice through the present (“wage statement aggrieved employees”);*
- (5) *all individuals who are or where employed by Defendants or their predecessor or merged entities in California in an hourly, non-exempt position, and who were paid more than seven days after the close of payroll for that time between one year prior to the filing of this notification through the present, (“late payment aggrieved employees”);*
- (6) *all individuals who are or were employed by Defendants or their predecessor or merged entities in California as hourly, non-exempt employees, who were not paid their wages at the time of termination or within seventy-two (72) hours of their resignation and have not been paid those sums for thirty (30) days thereafter, from one year prior to the mailing of this notice through the present (“waiting time aggrieved employees”);*
- (7) *all individuals who are or were employed by Defendants or their predecessor or merged entities in California as hourly, non-exempt employees, who were not provided with appropriate personal protective equipment, from one year prior to the mailing of this notice through the present (“PPE aggrieved employees”);*
- (8) *all individuals who are or were employed by Defendants, or their predecessor or merged entities in California as hourly, non-exempt employees, who are or were not*

paid reporting time pay from any time from one year prior the filing of this notification through the present (“reporting time pay aggrieved employees”);

(9) all individuals who are or were employed by Defendants or their predecessor or merged entities in California as hourly, non-exempt employees, who were not paid their vacation time wages from one year prior to the mailing of this notice through the present (“vacation time wages aggrieved employees”);

(10) all individuals who are or were employed by Defendants or their predecessor or merged entities in California as hourly, non-exempt employees, who were laid off without receiving any Worker Adjustment and Retraining Notification from one year prior to the mailing of this notice through the present (“WARN aggrieved employees”);

Collectively, hereinafter referred to as the “Aggrieved Employees” or “aggrieved employees.”

This letter is to provide notice to you and to the California Labor Workforce Development Agency of some of the facts and legal theories in connection with the above referenced aggrieved employees in compliance with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*²

Factual Background

Plaintiff and the aggrieved employees are and were employed by Freedomroads, LLC, a Minnesota limited liability company based in Lincolnshire, Illinois. Freedomroads is the nation's largest RV retailer. It sells and rents new and used recreational vehicles and accessory products through more than 100 locations in 30-plus states.

On February 8, 2020, Plaintiff was hired by Defendants as a service technician assigned to work in Fresno, California. Plaintiff was paid a salary of \$35 per hour, plus bonuses if he meets his goals.

Plaintiff and the aggrieved employees are scheduled to work for 45-50 hours per week. Although Defendants paid Plaintiff and the Aggrieved Employees for overtime,

² See *Cardenas v. McLane FoodServices, Inc.* (C.D. Cal. Jul. 8, 2011) 796 F. Supp. 2d 1246, 1261; *Moua v. Int'l Bus. Machines Corp.* (N.D. Cal. Jan. 31, 2012) 2012 WL 370570, at *5; *York v. Starbucks Corp.*, (C.D. Cal. Nov. 1, 2012) 2012 WL 10890355, at *4.

Defendants did not include their bonuses in computing for the overtime wages of Plaintiff and the Aggrieved Employees.

Plaintiff and the aggrieved employees are also not given legally compliant meal and rest periods. Defendants required Plaintiff and the aggrieved employees to remain on-call during their breaks. As a result, Plaintiff and the aggrieved employees' meal and rest periods were constantly interrupted.

When Defendants terminated Plaintiff on April 7, 2023, Defendants did not include Plaintiff's holiday pay and paid time off in his final pay.

Plaintiff and the aggrieved employees are not given enough safety equipment like eyewash stations, goggles, and gloves despite all the hazardous chemicals and materials they are exposed to at work every day such as asbestos on the highway next to Defendants' office, the brake dust, and all the exhaust fumes from different appliances.

Defendants also had a policy of letting Plaintiff and the aggrieved employees go home when there is not enough work. However, Defendants refused to pay Plaintiff and the aggrieved employees reporting time compensation. Defendants only paid Plaintiff and the aggrieved employees for the hours worked instead of one-half the scheduled hours even when their scheduled shifts were cut by more than half.

Plaintiff and the aggrieved employees were likewise not paid by Defendants their vacation time wages. Worse, Defendants marked vacation days as used without the consent of Plaintiff and the aggrieved employees.

In November 2022, Defendants had a nationwide mass layoff. However, Defendants failed to provide the appropriate Worker Adjustment and Retraining Notification to the laid off employees.

Claims Asserted by Plaintiff

- i. Plaintiff and the Aggrieved Employees Were Not Paid Proper Overtime Compensation for All Hours Worked in Excess of 8 Hours in Day or Forty Hours in a Workweek

Labor Code § 510 requires an employer to compensate an employee who works more

than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee. Further, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day of work. In accordance with Labor Code § 1194, Plaintiff and the overtime aggrieved employees could not then agree and cannot now agree to work for a lesser wage than the amount proscribed by Labor Code §§ 510 and 1194.

Plaintiff and the aggrieved employees are scheduled to work for 45-50 hours per week. Although Defendants paid Plaintiff and the Aggrieved Employees for overtime, Defendants did not include their bonuses in computing for the overtime wages of Plaintiff and the Aggrieved Employees.

Because Plaintiff and the aggrieved employees spent eight hours or more working on “compensated” time, their overtime rate of pay should have included their bonuses. Instead, Defendants excluded the bonuses in determining the appropriate rate of pay for the overtime wages of Plaintiff and the aggrieved employees, in violation of Cal. Labor Code §§ 510, 1194, and Wage Order 7-2001. Plaintiff is an aggrieved employee for purposes of seeking penalties under PAGA.

ii. Plaintiff and the Meal Period Aggrieved Employees Are Not and Were Not Provided with Meal Periods of Thirty Minutes of Interrupted Off-Duty Time

Labor Code § 512 requires employers to provide employees with thirty (30) minute uninterrupted and duty-free meal period within the first five hours of work. “An on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal break.” (*Lubin v. The Wackenhut Corp.* (2016) 5 Cal. App. 5th 926, 932.) The written agreement must include a provision allowing the employee to revoke it at any time. *Id.*

Generally, the DLSE and courts have “found that the nature of the work exception applies: ‘(1) where the work has some particular external force that requires the employee to be on duty at all times, and (2) where the employee is the sole employee of a particular employer.’” (*Id.* at p. 945; *Abdullah v. U.S. Security Associates, Inc.* (9th Cir. 2013) 731 F.3d 952, 958-959.) “[I]t is the employer’s obligation to determine whether the nature of the work prevents an employee from being relieved *before* requiring an employee to take an on-

duty meal period.” (*Lubin, supra*, 5 Cal. App. 5th at p. 946.) Nor may an employer “discharge its duty by arguing that its clients who requested on-duty meal periods determined that the nature of the work prevented officers from being relieved of all duty.” (*Id.* at p. 947; *Benton, supra*, 220 Cal. App. 4th at p. 729.)

As with rest periods, under Labor Code § 512, if an employer maintains a uniform policy that does not authorize and permit the amount of meal time called for under the law (as specified in the applicable Wage Order), “it has violated the wage order and is liable.” The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not—if, for example, it adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-hour shift when two are required—***it has violated the wage order and is liable.***

Brinker Rest. Corp. v. Sup. Ct. (2012) 53 Cal.4th 1004, 1033. (Emphasis added.)

As a result of their meal period policies requiring Plaintiff and the aggrieved employees to remain on premises and on-call during meal periods, Defendants violated Labor Code § 512 and IWC Wage Order No. 7 by failing to provide duty-free meal periods to Plaintiff and the aggrieved employees of 30 minutes or more. Most of the time, the Plaintiff and the aggrieved employees’ meal periods were interrupted.

Thus, Defendants unlawfully retained control of Plaintiff and the aggrieved employees during their meal periods, even though the nature of the work did not necessitate an on-duty meal period (and by failing to enter into proper on-duty meal period agreements). See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 275 (holding that on-premises breaks violate California law). As a result of Defendants’ failure to authorize or permit lawful meal periods, Plaintiff and the aggrieved employees frequently did not receive duty-free thirty-minute duty-free meal periods within the first five (5) hours of their work. Defendant also failed to pay Plaintiff and the meal period aggrieved employees meal period premiums for each workday that the employees did not receive a compliant meal period.

Labor Code § 226.7 provides “an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or

applicable regulation, standard, or order of the Industrial Welfare Commission ("IWC"). Similarly, IWC Wage Order 7-2001 prohibits an employer from "employ[ing] any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes. IWC Wage Order 7-2001 further obligates employers to provide an employee to "pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided." Accordingly, for each day that Plaintiff and the aggrieved employees did not receive compliant meal periods, they are entitled to receive meal period premiums pursuant to Labor Code § 226.7 and Wage Order 7-2001.

iii. Plaintiff and the Aggrieved Employees were not Provided Duty Free Compliant Rest Periods

Pursuant to Labor Code § 226.7, and Wage Order 7-2001, Defendants failed to provide Plaintiff and the other rest period aggrieved employees with duty-free rest periods of not less than ten (10) minutes for every major fraction of four hours worked.

Labor Code § 226.7 provides "an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ("IWC")." Under IWC Wage Order 7-2001 an employer must authorize and permit all employees to take ten (10) minute duty free rest periods for every major fraction of four hours worked.

Defendants failed to implement a lawful rest period policy that informed Plaintiff and the aggrieved employees of their right to receive lawful rest periods for shifts greater than 3.5 hours. To the extent that Plaintiff and the rest period aggrieved employees could stop work during their shifts, they were nonetheless on-call, not allowed to leave the building, and were not provided with duty-free rest periods. *See Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016) (holding that on-duty rest breaks violate California law).

Pursuant to Labor Code § 226.7 and Wage Order 7-2001, Defendants failed to provide Plaintiff and the rest period aggrieved employees with duty-free rest periods of not less than ten (10) minutes for every major fraction of four (4) hours worked. The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not-if, for example, it

adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-hour shift when two are required-***it has violated the wage order and is liable.***

Brinker Rest. Corp. v. Sup. Ct., supra, 53 Cal.4th at 1033. (Emphasis added.)

Since Defendants did not offer employees the opportunity to receive a compliant off-duty ten minute rest periods, "the court may not conclude employees voluntarily chose to skip ... breaks." *Alberts v. Aurora Behavioral Health Care*, (2015) 241 Cal. App. 4th 388, 410 ("[i]f an employer fails to provide legally compliant meal or rest breaks, the court may not conclude employees voluntarily chose to skip those breaks."); accord *Brinker Rest. Corp. v. Sup. Ct., supra*, 53 Cal.4th at 1033 ("No issue of waiver ever arises for a rest break that was required by law but never authorized; if a break is not authorized, an employee has no opportunity to decline to take it.").

Even an employer who maintains an otherwise compliant rest period policy, "reminded their employees of their availability-and the importance-of taking breaks on a daily basis, and even went so far as to conduct regular audits to ensure that employees were being offered rest breaks" will still be liable for rest period violations if the employees were not separately or properly compensated for the non-productive time associated with rest periods under a piece-rate compensation system. *Amaro v. Gerawan Farming, Inc.*, 2016 U.S. Dist. LEXIS 66842 * (E.D. Cal. May 19, 2016) *aff'd* *Amaro v. Gerawan*, 2016 U.S. Dist. LEXIS 112540, 2016 WL 4440966, at * 11 (E.D. Cal. Aug. 22, 2016); rev. denied by 9th Cir. (9th Cir. Nov. 16, 2016).

In addition, Plaintiff and the rest period aggrieved employees were not compensated with one (1) hours' worth of pay at their regular rate of compensation when they were not provided with a compliant rest period.

iv. Defendants Violated and Continues to Violate Labor Code § 204

Labor Code § 204 expressly requires that "[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays." Pursuant to Labor Code § 204(d), these requirements are "deemed satisfied by the payment of wages for weekly, biweekly or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period."

Due to Defendants' failure to pay Plaintiff and the aggrieved employees for all overtime and rest and meal period premiums,³ Defendants failed to timely pay the aggrieved employees within seven (7) days of the close of the payroll period in accordance with Labor Code § 204 on a regular and consistent basis. *See Parson v. Golden State FC, LLC*, 2016 U.S. Dist. LEXIS 58299, 2016 WL 1734010, at *3-5 (N.D. Cal. May 2, 2016) (finding after *Ling* that a failure to pay rest period premiums can support claims under Labor Code §§ 203 and 204).

v. Defendants' Violation of Labor Code §§ 201-203

As a result of Defendants' failure to pay wages to Plaintiff and the aggrieved employees for overtime and meal period minimum wages and meal/rest period premiums, Defendant violated Labor Code § 203. Labor Code § 203 provides "if an employer willfully fails to pay . . . any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty. . ." for up to 30 days. Lab. Code § 203; *Mamika v. Barca*, (1998) 68 Cal.App.4th 487, 492.

When Defendants terminated Plaintiff on April 7, 2023, Defendants did not include Plaintiff's holiday pay and paid time off in his final pay.

Due to Defendants' faulty policies described above, all aggrieved employees whose employment with Defendant concluded were not compensated at the appropriate rate. Additionally, Defendants have failed to pay all aggrieved employees for all overtime, meal period premiums, and rest period premiums, whose sums were certain, at the time of termination or within seventy-two (72) hours of their resignation and have failed to pay those sums for thirty (30) days thereafter.

³ Courts routinely find that employees who do not receive meal/rest periods premiums are entitled to waiting time penalties under Labor Code § 203. *See e.g. In re Autozone, Inc.*, 2016 U.S. Dist. LEXIS 105746 *23 (N.D. Cal. Aug. 10, 2016) (denying the defendant's motion for summary judgment on the plaintiff's claim for waiting time penalties based upon the failure to provide rest period premiums and finding that the California Court of Appeals decision in *Ling vs. P.F. Chang's China Bistro, Inc.* (2016) 245 Cal. App. 4th 1242 "concerned only whether 'a section 203 waiting time claim based on section 226.7 premium pay is an action brought for the non-payment of wages under section 218.5'"); *Parson v. Golden State FC, LLC*, 2016 U.S. Dist. LEXIS 58299, 2016 WL 1734010, at *3-5 (N.D. Cal. May 2, 2016) (finding after *Ling* that a failure to pay rest period premiums can support claims under Labor Code §§ 203 and 204); *Brewer v. Gen. Nutrition Corp.* (N.D. Cal. Aug. 27, 2015) 2015 WL 5072039, at *19 [denying defendant's motion for summary judgment because "the premium payments due under section 226.7 are to be considered "wages" for purposes of sections 203 and 226."]; *Abad v. Gen. Nutrition Centers, Inc.* (C.D. Cal. Mar. 7, 2013) 2013 WL 4038617, at *3-4 [distinguishing *Kirby*, and finding "Plaintiffs' section 203 claim for failure to pay wages...can be based on amounts owed under section 226.7."].

vi. Defendants' Violation of Labor Code §§ 226(a) and 226.3

Further, Defendants failed to provide Plaintiff and the aggrieved employees accurate itemized wage statements in accordance with Labor Code § 226(a) (1, 2, 5, and 9). Labor Code § 226 obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage statement in writing showing:

- (1) gross wages earned;
- (2) total hours worked by the employee;
- (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate;
- (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item;
- (5) net wages earned;
- (6) the inclusive dates of the period for which the employee is paid;
- (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number;
- (8) the name and address of the legal entity that is the employer...;
- (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee...

Due to Defendants' failure to provide Plaintiff and the Aggrieved Employees lawful meal and rest periods (and pay missed rest period premiums and overtime), the wage statements issued by Defendants do not indicate the correct amount of gross wages earned, the correct total hours worked, the correct net wages earned, or the applicable and/or correct hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate in violation of Labor Code § 226(a)(1), (2), (5) and (9).

Thus, Plaintiff is an aggrieved employee within the meaning of PAGA and Defendants have violated Labor Code § 226(a)(1), (2), (5), and (9) with respect to Plaintiff and the aggrieved employees.

Labor Code § 226.3 provides that "[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to

provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.” As explained in detail above, Defendants failed to provide Plaintiff and the other aggrieved employees with accurate itemized wage statements. Accordingly, Plaintiff and the other aggrieved employees may also recover Labor Code § 226.3 penalties for Defendants’ violations of Labor Code § 226(a). *See Finder v. Leprino Foods Co.* (E.D. Cal. Mar. 12, 2015) No. 1:13-CV-2059 AWI-BAM, 2015 WL 1137151, at *7 [“the weight of authority counsels that violations of Section 226.3 may be the basis of a PAGA claim.”]; *Pedroza v. PetSmart, Inc.*, No. ED CV 11-298 GHK DTB, 2012 WL 9506073, at *6 (C.D. Cal. June 14, 2012) (“Lab. Code § 226.3 merely provides that failure to perform actions mandated by § 226(a) may trigger civil penalties.”).⁴

vii. Defendants Failed to Provide Personal Protective Equipment to Plaintiff and the Aggrieved Employees

8 California Code of Regulations (“CCR”) §3380(f) requires an employer like Defendants to do the following:

(f) Hazard assessment and equipment selection.

(1) The employer shall assess the workplace to determine if hazards are present, or are likely to be present, which necessitate the use of personal protective equipment (PPE). If such hazards are present, or likely to be present, the employer shall:

(A) Select, and have each affected employee use, the types of PPE that will protect the affected employee from the hazards identified in the hazard assessment;

(B) Communicate selection decisions to each affected employee; and,

(C) Select PPE that properly fits each affected employee.

The California Supreme Court likewise ruled in *Bendix Forest Products Corporation v. Division of Occupational Safety and Health* (1979), 25 Cal. 3d 465 that an employer is required to pay for personal protective equipment (PPE) if the law requires the employer to provide the PPE.

⁴ *Accord Singer v. Becton, Dickinson & Co., Med-Safe Sys.* (S.D.Cal. July 23, 2008) 2008 U.S. Dist. LEXIS 56326, *18; *Yadira v. Fernandez* (N.D. Cal. June 14, 2011) 2011 U.S. Dist. LEXIS 62894, *7–9, 2011 WL 2434043; *Willis v. Xerox Bus. Servs., LLC* (E.D. Cal. Nov. 15, 2013) No. 1:13-CV-01353-LJO, 2013 WL 6053831, at *7.

Plaintiff and the aggrieved employees are not given enough safety equipment like eyewash stations, goggles, and gloves despite all the hazardous chemicals and materials they are exposed to at work every day such as asbestos on the highway next to Defendants' office, the brake dust, and all the exhaust fumes from different appliances.

Based on the foregoing, Defendants are liable for violation 8 CCR §3380.

viii. Plaintiff and Reporting Time Pay Aggrieved Employees are not and were not Paid Reporting Time Pay

Labor Code § 1194 provides that:

Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or 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 minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit.

On the other hand, Section 5 of Wage Order No. 7-2001 provides that:

(A) Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage.

In some instances, Plaintiff and the reporting time pay aggrieved employees are required to report for work but are sent home when there is not enough work to be done. While Plaintiff and the aggrieved employees are paid, they are only paid for the hours that they worked even when their scheduled shifts were cut by more than half, in violation of Labor Code § 1194 and Wage Order No. 7-2001.

ix. Defendants' violation of Labor Code §§ 227.3

Labor Code § 227.3 provides that “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.”

However, Plaintiff and the aggrieved employees were not paid by Defendants their vacation time wages. Worse, Defendants marked vacation days as used without the consent of Plaintiff and the aggrieved employees, in violation of Labor Code §§ 227.3.

x. Defendants' failed to provide WARN to laid off employees

Relocations, Terminations and Mass Layoffs in California are regulated by Labor Code sections 1400-1408. Generally, “an employer may not order a mass layoff, relocation, or termination at a covered establishment unless, 60 days before the order takes effect, the employer gives written notice of the order” to employees and the Employment Development Department and shall include the notice elements required by the Federal Worker Adjustment and Retraining Notification Act (29 U.S.C. section. 2101 et seq.) (Labor Code section 1401(a)-(c)).

The Labor Code likewise provides that “an employer who fails to give notice as required by paragraph (1) of subdivision (a) of Section 1401 before ordering a mass layoff, relocation, or termination is liable to each employee entitled to notice who lost his or her employment” for back pay and the value of the cost of any benefits the employee may have been entitled to up to a maximum of 60 days or one-half the number of days that the employee was employed by the employer, whichever is smaller. An employer’s liability may be reduced by specific payments made. (Labor Code section 1402(a)-(c)).

In November 2022, Defendants had a nationwide mass layoff. However, Defendants failed to provide the appropriate Worker Adjustment and Retraining Notification to the laid off employees, in violation of Labor Code sections 1400-1408.

CONCLUSION

Therefore, pursuant to Labor Code § 2699.3, we write to inform you and the Labor and Workforce Development Agency, with whom this PAGA Notice has been filed, of our intent to pursue a PAGA representative action and a Class Action against Defendants seeking PAGA penalties under Labor Code § 2699 to be brought by Plaintiff, individually and on behalf of the aggrieved employees, as defined above.

Nevertheless, it is the policy of this firm to attempt to negotiate an early resolution of all matters where possible and beneficial to the aggrieved employees and all putative class members. If Defendants are interested in attempting to resolve this matter on a class-wide basis, including the PAGA claims, please contact me or have your lawyer contact me so that we can discuss an informal discovery plan and the possibility of early mediation on or before **September 20, 2023**. If we do not hear from you on or before **September 20, 2023**, we will proceed with this matter with the understanding that Defendants do not wish to negotiate an early resolution of this matter.

Kindly include the following addresses in all correspondence that you will send me:

jimt@potterhandy.com

waizaa@potterhandy.com

kevinw@potterhandy.com

melisaq@potterhandy.com

trinam@potterhandy.com

dudleyvcampingworldsalesz11577172@projects.filevine.com

Respectfully submitted,

/s/ James M. Treglio

James M. Treglio

EXHIBIT D

October 16, 2024

Attorneys at Law

3555 Fifth Avenue Suite 200
San Diego, California 92103
619.692.0800 voice
619.692.0822 fax

www.grahamhollis.com

Allison E. Schubert
aschubert@grahamhollis.com
619.436.5592 direct

VIA ONLINE ELECTRONIC FILING

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

CERTIFIED MAIL (RETURN RECEIPT)

FreedomRoads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069-4346

FreedomRoads, LLC
c/o National Registered Agents, Inc.,
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

**Re: LWDA Case No.: LWDA-CM-961993-23
Second Amended Notice of Christopher Dudley's PAGA Claims Against
FreedomRoads, LLC**

Graham S.P. Hollis

Vilmarie Cordero

Hali Anderson

Nathan Reese

Allison Schubert

Alex Kuner

Dawn M. Berry

Taylor M. Gee

Samara Bahu

Ommar Chavez

Monique R. Rodriguez

Dear Labor and Workforce Development Agency and FreedomRoads, LLC:

This letter shall serve as Christopher Dudley's ("Claimant") second amended written notice to the California Labor and Workforce Development Agency ("LWDA") and FreedomRoads, LLC ("the Company") of the alleged California Labor Code ("Labor Code") violations Claimant claims that the Company committed against him and all other current and former non-exempt employees of the Company in California during the relevant statutory period. Claimant provides this amended notice, which includes facts and theories to support the Labor Code violations alleged herein and in the original written notice, in accordance with the Private Attorneys General Act of 2004 (codified in Labor Code §§ 2698 *et seq.*, "PAGA"), Labor Code § 2699.3.

Pursuant to Labor Code § 2699(a), and by way of this amended notice, Claimant intend to represent himself and all other current and former non-exempt employees who performed work for the Company in California and who have suffered at least

one of the wage and hour violations described herein during the relevant time period (referred to herein as “Aggrieved Employees”).

Claimant incorporates by reference all of the factual allegations and legal theories asserted in the June 14, 2023 Original Notice (attached as **Exhibit A**) and the July 10, 2023 First Amended Notice (attached as **Exhibit B**), as if stated herein. Since the filing of the Original Notice and First Amended Notice, Claimant has become aware of new information and amends the First Amended Notice to add the following:

ADDITIONAL FACTS REGARDING IMPROPER ROUNDING POLICY

Regarding Claimant’s minimum, regular, and/or overtime wage claims as set forth in the Original Notice and First Amended Notice, Claimant asserts the following facts:

During the relevant time period, the Company maintained an unlawful rounding policy wherein Claimant’s and other Aggrieved Employees’ time entries were rounded to the nearest minute in a manner that is not fair and neutral, and results in the underpayment of earned wages over a period of time. Such practices are unlawful under *See’s Candy Shops, Inc. v. Superior Ct.*, 210 Cal. App. 4th 889, 901-902 (2012). Specifically, if an employee is clocking out for their shift, the Company rounds down their time entry to the nearest minute based on the time they initiated the punch-out transaction on the Company’s timekeeping system. Conversely, if an employee is clocking in for their shift, the Company will round down their time entry to the nearest minute based on the time they end the punch-in transaction on the Company’s timekeeping system. The Company’s rounding practice results in the shaving of actual time worked by Claimant and other Aggrieved Employees and recorded by the Company.

Claimant and other Aggrieved Employees were further mandated by the Company to complete various questions when clocking in and clocking out for their shifts, attesting to whether they received their meal and/or rest breaks, providing reasons why they did not receive proper meal and/or rest breaks, and whether they accurately recorded their hours worked, among other things. The Company recorded the time spent by Claimant and other Aggrieved Employees completing these attestation prompts. However, because the Company rounded employees’ time entries to the nearest minute based on when they initiated and/or terminated the punch in/out transaction, the Company did not compensate the employees for time spent answering the attestation prompts on the Company’s timekeeping system. As an example, if an employee initiated the punch-out transaction at 5:01:35 p.m. and ended the punch-out transaction at 5:02:23 p.m., the Company would round down their punch-out time entry to 5:01 p.m., thereby failing to account for all hours worked, including time spent answering the attestation questions.

Although the Company has, and has always had, the ability to capture and did capture the exact amount of time Aggrieved Employees’ worked during a shift, the Company still chose not to

compensate Aggrieved Employees for their actual time worked as a result of the rounding system. As a result of the Company's rounding policy, Claimant and other Aggrieved Employees have been systematically deprived of compensation for all hours worked, including minimum, regular, and/or overtime wages.

Regarding Claimant's failure to provide accurate itemized wage statements claims as set forth in the Original Notice and First Amended Notice, Claimant asserts the following facts:

As a result of the illegal rounding policy as described herein, the Company failed to provide Claimant and other Aggrieved Employees with accurate itemized wage statements. For example, during the applicable statutory period, the Company failed to furnish Claimant and other Aggrieved Employees with itemized wage statements that accurately stated the total hours worked during the pay period, the applicable hourly rates and the corresponding number of hours worked at each hourly rate, and the correct amount of gross and net wages earned.

Regarding Claimant's failure to pay all wages due and owing upon separation of employment as set forth in the Original Notice and First Amended Notice, Claimant asserts the following facts:

Because the Company's illegal rounding policy deprived Aggrieved Employees of compensation for all time actually worked, including minimum, regular, and overtime hours, Aggrieved Employees who separated from their employment with the Company during the relevant period were not paid all wages due and owing within the time frames mandated by Labor Code §§ 201-203.

All facts, claims, and/or legal theories contained within this amended notice are alleged and/or asserted on behalf of Claimant and all other Aggrieved Employees and are based on the information available at the time of the respective writing. Since Claimant's investigation is ongoing, Claimant reserves his right to assert any and all related facts, claims, and/or theories of liability discovered after the sending of this letter on behalf of himself and all other current or former Aggrieved Employees against the Company and/or other persons that may be discovered after the sending of this letter. Such other persons may include, but are not limited to, those persons who have acted as an agent, subsidiary, servant, employee, co-conspirator, alter-ego, and/or joint venture of the Company, as well as those persons who caused and/or concurrently contributed to the various acts and/or admissions of each and every one of the others, including the Company, in proximately causing the wrongful conduct, harm, and/or damages alleged herein or otherwise participated in or ratified any or all of the acts and/or omissions complained herein, and those who were acting within the authority and/or scope of the Company. Claimant reserves the right to revise these facts and/or add any new claims or legal theories by amending this written notice and/or by adding facts, claims, and/or legal theories to their civil complaint.

///

CONCLUSION

Based on the foregoing, the Company violated the Labor Code and applicable IWC Wage Order, thereby depriving Claimant and other Aggrieved Employees of the rights and protections afforded to them. Claimant has satisfied the prerequisites of the PAGA to serve as the representative of all Aggrieved Employees, the general public, and the state of California in order to enforce California labor laws and to seek civil penalties for the provisions set forth in this Second Amended Notice, and in the Original Notice and First Amended Notice, as well as those which may be later discovered.

Accordingly, if the LWDA declines to intervene or act within time prescribed by the PAGA, Claimant may elect to initiate and/or amend a civil action, on behalf of himself and all other Aggrieved Employees, as permitted by the PAGA.

Sincerely,



Allison E. Schubert

Enclosures: Exhibit A – Letter to the LWDA, dated June 14, 2023 (“Original Notice”)
Exhibit B – Letter to the LWDA, dated July 10, 2023 (“First Amended Notice”)

EXHIBIT E

August 29, 2023

Attorneys at Law

3555 Fifth Avenue Suite 200
San Diego, California 92103
619.692.0800 voice
619.692.0822 fax

www.grahamhollis.com

Allison E. Schubert
aschubert@grahamhollis.com
619.436.5592 direct

VIA ONLINE ELECTRONIC FILING

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

CERTIFIED MAIL (RETURN RECEIPT)

FreedomRoads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069-4346

FreedomRoads, LLC
c/o National Registered Agents, Inc.,
Agent for Service of Process
330 N Brand Blvd
Glendale, CA 91203

Re: Katherine Renee Reeve's Wage and Hour Claims Against
FreedomRoads, LLC dba Camping World

Dear Labor and Workforce Development Agency and FreedomRoads LLC dba Camping World:

Please be advised that Katherine Renee Reeves ("Claimant") has retained our firm to represent her for claims against her former employer, FreedomRoads, LLC dba Camping World ("the Company").

This letter shall serve as Claimant's written notice to the Labor and Workforce Development Agency ("LWDA") and the Company of the alleged Labor Code violations. Claimant claims that the Company committed against her and all other aggrieved employees in California. Claimant provides this notice in accordance with the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code ("Labor Code") § 2699.3. Claimant intends to file a civil action to enforce her rights under the Labor Code and seeks compensation accordingly.

Pursuant to Labor Code § 2699(a), and by way of this letter, Claimant intends to represent herself and all other current and former non-exempt employees who performed work for the Company in California and who have suffered at least one of the wage and hour violations described herein during the relevant time period ("Aggrieved Employees").

Graham S.P. Hollis

Vilmarie Cordero

Hali Anderson

Nathan Reese

Erik Dos Santos

Nora Steinhagen

Alyssa Smith

Allison Schubert

Alex Kuner

Dawn M. Berry

Brisa Martinez

Taylor M. Gee

*Provisionally Licensed Lawyer

FACTUAL BACKGROUND

FreedomRoads, LLC dba Camping World is a Minnesota limited liability company that sells, finances, and services recreational vehicles (“RVs”) and accessory products at dealerships across the United States, with approximately 22 locations in California. The Company is headquartered and has its principal place of business in Lincolnshire, Illinois.

Claimant was employed with the Company as a Finance Manager at Camping World in Vacaville, California, from approximately January 16, 2019, to May 6, 2023. Claimant’s role as Finance Manager entailed securing financing for clients purchasing new RVs. Claimant earned commissions from selling warranties, paint and fabric protection, insurance, and other financial products to these clients. Claimant would also prepare the clients’ paperwork for RV purchase transactions, such as bank and DMV paperwork needed to assist the clients in obtaining ownership of RVs. Claimant typically worked five days and an average of 60 to 70 hours per week.

For her work, Claimant was paid an hourly rate of \$15.00 per hour plus commissions as determined by the written “F&I Manager Compensation Plan” Claimant entered into with the Company. Claimant also received various types of incentive pay, including bonuses for vouchers redeemed by customers. Throughout her employment, Claimant was paid her hourly wages on a bi-weekly basis, while her commissions were paid in the final bi-weekly pay period of each month. At all relevant times, Claimant was a non-exempt employee.

The Company denied, and continues to deny, Claimant and other Aggrieved Employees specific rights afforded to them under the Labor Code and the applicable Industrial Welfare Commission (“IWC”) Wage Order. Specifically, the Company (1) failed to pay all minimum, regular, overtime, and/or double time wages; (2) failed to provide compliant meal periods and/or pay premium wages; (3) failed to authorize or permit compliant rest periods and/or pay premium wages; (4) failed to reimburse necessary business expenses; (5) failed to timely pay all wages due and owing upon separation of employment; (6) failed to furnish accurate itemized wage statements; (7) failed to maintain accurate records; and (8) unlawfully deducted wages and commissions.

Claimant and, on information and belief, other Aggrieved Employees were not paid all minimum, regular, overtime, and/or double time wages owed for all time actually worked on behalf of the Company. The Company required Claimant and other Aggrieved Employees to work through their meal periods, and often required them to perform tasks before clocking in and after clocking out, for which they received no remuneration. For instance, Claimant frequently worked during her meal periods; however, the Company automatically deducted at least thirty minutes from her daily wages for meal periods, regardless of whether she had been engaged in work duties during her meal periods. In addition, Claimant performed several hours of work each day while off-the-clock, typically while she was at home, to keep up with her assigned workload. These tasks included preparing paperwork, packaging deals, and scanning loan documents to lenders. She was also required to respond to communications from clients on her days off. Claimant was not paid for these hours worked. Claimant further contends that she was precluded from recording these hours worked because the ADP application she used to clock in and out on her phone was inaccessible outside of the dealership.

Claimant further alleges that she and other Aggrieved Employees were not paid overtime and/or double time wages for all hours worked in excess of eight (8) hours per day, twelve (12) hours per day, and/or forty (40) hours per week. Specifically, Claimant regularly worked shifts that were longer than twelve (12) hours, but she was paid no daily overtime or double time wages. Claimant also typically worked more than forty (40) hours per week, but she was paid no weekly overtime wages. Throughout her employment, all of Claimant's overtime and double time hours were paid at her base hourly rate of \$15 per hour. Claimant and other Aggrieved Employees earned less than one- and one-half times the applicable minimum wage for all hours worked during a given pay period and/or less than half of their compensation was attributed to commissions. Thus, Claimant and other Aggrieved Employees are not subject to the commissioned sales exemption and are entitled to overtime wages. (Cal. Code Regs., tit. 8, § 11040, subd. 3(D).)

The Company required Claimant and, on information and belief, other Aggrieved Employees to work through their meal periods, receive less than thirty (30) minute meal periods, take interrupted meal periods, or did not allow them to take meal periods before the end of their fifth and/or tenth hour of work. During her employment with the Company, Claimant was rarely, if ever, able to take a legally compliant meal period because she was frequently the only Finance Manager on-site and her assigned workload did not permit her to take compliant meal periods. Because Claimant was constantly in the process of working up deals, she had to be readily available to assist customers, prepare the necessary paperwork, and communicate with co-workers and lenders. As a result, Claimant was regularly forced to forgo her meal periods entirely to perform work duties. Claimant further alleges that she was not given the opportunity to take a second meal period when she worked more than ten hours in a workday. Nonetheless, the Company falsified Claimant's time records to show that she took compliant meal periods to preclude her from receiving meal period premiums. Claimant is informed and believes that other Aggrieved Employees similarly worked during their meal periods and/or received interrupted and/or untimely meal periods.

The Company further failed to provide Claimant and other Aggrieved Employees with ten (10) minute rest periods per every four-hour work period, or major fraction thereof. Claimant and, on information and belief, other Aggrieved Employees often worked during their rest periods, took short rest periods, or missed their rest periods altogether, because the Company required them to prioritize client appointments and other work-related tasks over taking lawful rest periods. Claimant further contends that her assigned workload, combined with the lack of relief provided by the Company, precluded her from taking lawful rest periods.

Although Claimant and, on information and belief, other Aggrieved Employees did not receive legally compliant meal and/or rest periods, the Company did not pay Claimant and other Aggrieved Employees the additional one hour of pay at the employee's regular rate of pay as required under Labor Code § 226.7 and the applicable IWC Wage Order. For instance, Claimant was not consistently paid meal period premiums for every workday in which she received a non-compliant meal period, and she never received a rest period premium. Claimant was also not paid at the correct regular rate of pay for the few meal period premiums that she received because the Company did not factor in her commissions, bonuses, and other incentive pay into her regular rate of pay. Accordingly, the Company owes Claimant and other Aggrieved Employees meal and/or rest period premiums at the correct regular rate of compensation for each workday that they were not provided with a compliant meal and/or rest period.

The Company also failed to reimburse Claimant and, on information and belief, other Aggrieved Employees for all necessary business expenses incurred in the discharge of their job duties. Specifically, Claimant and

other Aggrieved Employees were required to use their personal cell phones for internal communications and were reprimanded by their supervisors for not doing so, yet they were not reimbursed a reasonable percentage of their phone bill by the Company.

As a direct result of the aforementioned Labor Code violations, the Company did not pay Claimant and, on information and belief, other Aggrieved Employees all wages due and owing upon separation of employment, including minimum, regular, overtime, and/or double time wages for all hours worked, meal and rest period premium wages, and earned commissions. Additionally, Claimant was not immediately paid all of her earned wages upon her termination on approximately May 6, 2023. Claimant did not receive her final paycheck until June 2, 2023, which did not include all of her earned wages or accrued paid time off (“PTO”) hours. Claimant and other former Aggrieved Employees are therefore entitled to waiting time penalties pursuant to Labor Code § 203.

Claimant contends that the Company furnished Aggrieved Employees, including herself, with wage statements that do not comply with California law. Claimant alleges that the wage statements furnished to her and other Aggrieved Employees did not correctly show the information required by Labor Code § 226(a), including, but not limited to, the total hours actually worked by the employee, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, the gross wages actually earned, the net actual wages earned, and the proper pay period information. Specifically, Claimant’s wage statements did not include the applicable hourly rates in effect during the pay period. Due to the missing and/or incorrect information, Claimant and other Aggrieved Employees were unable to promptly and easily determine the total number of hours worked or the applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

The Company further failed to maintain accurate records reflecting all of Claimant’s and other Aggrieved Employees’ actual time worked, the beginning and end of each meal period and workday, and actual wages earned and paid, in violation of California law. For instance, the Company falsified Claimant’s and, on information and belief, other Aggrieved Employees’ time records to reflect that compliant meal periods had been taken, when in fact, Aggrieved Employees were unable to take compliant meal periods. This resulted in inaccurate records of actual time worked and wages paid.

Furthermore, the Company unlawfully deducted Claimant’s and, on information and belief, other Aggrieved Employees’ earned wages and commissions. For instance, Claimant’s commissions were deducted for cancelled warranties, returned products, and rescinded contracts on sales made by employees other than Claimant. In some instances, Claimant’s commissions were deducted for warranties that were sold before Claimant had even started working for the Company. Thus, the Company improperly forced Claimant and, on information and belief, other Aggrieved Employees to insure the Company’s business losses through the deduction of their earned wages, in violation of California law.

Due to the foregoing Labor Code violations, the Company denied, and continues to deny, Claimant and other Aggrieved Employees certain rights afforded them under the Labor Code and applicable IWC Wage Order. Claimant makes these claims against the Company on behalf of herself and other Aggrieved Employees.

All facts, claims, and/or legal theories contained within this written notice are alleged and/or asserted on behalf of Claimant and all other Aggrieved Employees. The facts, claims, and/or legal theories contained in this written notice are based on the information available at the time of this writing. Since Claimant's investigation is ongoing, Claimant reserves her right to assert any and all related facts, claims, and/or theories of liability discovered after the sending of this letter on behalf of herself and all other current or former Aggrieved Employees against the Company and/or other persons that may be discovered after the sending of this letter. Such other persons may include, but are not limited to, those persons who have acted as an agent, subsidiary, servant, employee, co-conspirator, alter-ego, and/or joint venture of the Company, as well as those persons who caused and/or concurrently contributed to the various acts and/or admissions of each and every one of the others, including the Company, in proximately causing the wrongful conduct, harm, and/or damages alleged herein or otherwise participated in or ratified any or all of the acts and/or omissions complained herein, and those who were acting within the authority and/or scope of the Company. Claimant reserves the right to revise these facts and/or add any new claims or legal theories by amending this written notice and/or by adding facts, claims, and/or legal theories to her civil complaint.

**FAILURE TO PAY ALL MINIMUM, REGULAR, OVERTIME, AND/OR
DOUBLE TIME WAGES**

(Labor Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the
“Minimum Wages” and “Hours and Days of Work” sections of the Applicable IWC Wage Order)

Labor Code § 1197 states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The “Minimum Wages” section of the applicable IWC Wage Order further provides 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.”

Labor Code § 1197.1 provides that, “[a]ny employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law or by an order of the commission shall be subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to § 203...”

Labor Code § 1198 states, “[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Labor Code § 510 provides, “[e]ight 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.” The “Hours and Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Order mandate the same requirements.

Labor Code § 1194(a) mandates that “...any employee receiving less than the legal minimum wage or 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 minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” Liquidated damages in an amount equal to the minimum wages unlawfully unpaid and interest thereon are provided for under Labor Code § 1194.2.

Labor Code § 558 provides that “any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty” of \$50 for each underpaid employee for each pay period for which the employee was underpaid for any initial violation, and \$100 for each underpaid employee for each pay period for which the employee was underpaid for each subsequent violation.

As set forth above, the Company failed to timely pay Claimant and, on information and belief, other Aggrieved Employees all minimum, regular, overtime, and/or double time wages for all time engaged in work on behalf of the Company, including during meal periods, and before clocking in and after clocking out for their scheduled shifts. Claimant further contends that she and other Aggrieved Employees were not paid one- and one-half times their regular rate of pay for all overtime hours worked, nor were they paid two times their regular rate of pay for double time hours worked. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

FAILURE TO PROVIDE COMPLIANT MEAL PERIODS AND/OR PAY PREMIUM WAGES
(Labor Code §§ 226.7, 512, 558, and the “Meal Periods” section of the Applicable IWC Wage Order)

Labor Code § 226.7(b) states, “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission...” Labor Code § 226.7(c) further states, “[i]f an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”

Labor Code § 512(a) states, “[a]n employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes...[and] shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.” A meal period generally comports with the requirements of California law if the employee has at least 30 minutes of uninterrupted time and the employee is relieved of any and all duty and is free to leave the premises during such time. (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1036.) California law further prohibits employers from “...undermining [its] formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omit breaks.” (*Id.* at p. 1040 [internal citations omitted].)

The “Meal Periods” section of the applicable IWC Wage Order states, “[n]o employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work the meal period may be waived by mutual consent of the employer and the employee.” Moreover, “[i]f an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the meal period is not provided.”

The “Meal Periods” section of the applicable IWC Wage Order also states, “[u]nless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an ‘on duty’ meal period and counted as time worked. An ‘on duty’ meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.”

Labor Code § 558 provides that “any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty” of \$50 for each underpaid employee for each pay period for which the employee was underpaid for any initial violation, and \$100 for each underpaid employee for each pay period for which the employee was underpaid for each subsequent violation.

As set forth above, the Company failed to provide Claimant and, on information and belief, other Aggrieved Employees with the opportunity to take uninterrupted, off-duty meal periods of at least 30-minutes before the start of their sixth and/or eleventh hour of work, as required by California law. The Company further failed to pay Claimant and, on information and belief, other Aggrieved Employees one hour of premium wages at their regular rate of pay for each day a compliant meal period was not provided. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

**FAILURE TO AUTHORIZE OR PERMIT COMPLIANT REST PERIODS AND/OR PAY
PREMIUM WAGES**

(Labor Code § 226.7, and the “Rest Periods” section of the applicable IWC Wage Order)

The “Rest Periods” section of the applicable IWC Wage Order provides:

(A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes of net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

(B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. (Emphasis added.)

An employer has not authorized or permitted lawful off-duty rest periods unless the employer relieves its employees of any and all work-related duties and relinquishes all control over how its employees spend their time during rest periods. (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 267, 269.)

In pertinent part, Labor Code § 226.7 provides:

(b) An employer shall not require an employee to work during a ... rest ... period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, ...

(c) If an employer fails to provide an employee a ... rest ... period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for workday that the ... rest ... period is not provided.

As discussed herein, the Company failed to authorize and permit Aggrieved Employees, including Claimant, to take an off-duty, uninterrupted 10-minute rest period for every four (4) hours worked or major fraction thereof. Therefore, Claimant and other Aggrieved Employees are entitled to receive one-hour of premium wages for each day a legally compliant rest period was not provided. Claimant will pursue all available remedies against the Company for its violations of the Labor Code on behalf of herself and all Aggrieved Employees to the extent permitted by law.

FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENSES

(Labor Code § 2802)

Labor Code § 2802(a) provides in pertinent part, “[a]n 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.”

Labor Code § 2802(b) states, “[a]ll awards made by a court or by the Division of Labor Standards Enforcement for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss.” Accordingly, Claimant will request that she receive interest on the applicable amount.

Furthermore, Labor Code § 2802(c) states, “[f]or purposes of this section, the term ‘necessary expenditures or losses’ shall include all reasonable costs, including, but not limited to, attorney’s fees incurred by the

employee enforcing the rights granted by this section.” Consequently, Claimant will also request reimbursement of the attorney’s fees incurred in pursuing this matter.

As set forth above, the Company required Claimant and, on information and belief, other Aggrieved Employees to use their personal cell phones for work-related communications. However, Claimant and other Aggrieved Employees were not reimbursed a reasonable percentage of their cell phone bill. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

**FAILURE TO PAY ALL WAGES DUE AND OWING UPON SEPARATION OF
EMPLOYMENT**

(Labor Code §§ 201, 202, and 203)

Labor Code § 201 states, in pertinent part, “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.”

Labor Code § 202 states, in pertinent part: “If an employee not having a written contract for a definite period 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.”

Labor Code § 203(a) further states, “[i]f an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, 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 or until an action therefore is commenced; but the wages shall not continue for more than 30 days.”

As set forth above, the Company violated these Labor Code sections by not paying Claimant and other former Aggrieved Employees all minimum, regular, overtime, and/or double time wages owed, earned commissions and contractual wages, or meal and rest period premium wages owed, within the required time upon separation of their employment. Based on information and belief, Claimant further contends that the Company did not pay former Aggrieved Employees, including herself, the required waiting time penalties for the late payment of wages. Claimant will pursue all available remedies for these alleged violations on behalf of herself and all other former Aggrieved Employees of the Company to the extent allowed by the law.

FAILURE TO FURNISH ACCURATE ITEMIZED WAGE STATEMENTS

(Labor Code §§ 226 and 226.3, and the “Records” section of the Applicable IWC Wage Order)

Labor Code § 226(a) states in pertinent part: “An employer, semimonthly or at the time of each payment of wages, shall furnish each of his or her employee, either as detachable part of the check, draft, or voucher paying the employee’s wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee... (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification

number...(8) the name and address of the legal entity that is the employer, and... (9) all applicable hourly rates in effect during each period and the corresponding number of hours worked at each hourly rate by the employee..."

The "Records" section of the applicable IWC Wage Order further provides, in pertinent part: "Every employer shall semimonthly or at the time of each payment of wages furnish to each employee...an itemized wage statement in writing showing (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee's social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregate and shown as one item."

Labor Code § 226(e)(1) provides: "An employee suffering injury as a result of knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand (\$4,000), and is entitled to an award of costs and reasonable attorney's fees.

Labor Code § 226(h) states, "an employee may also bring an action for injunctive relief to ensure compliance with this section and is entitled to an award of costs and reasonable attorneys' fees."

Labor Code § 226.3 imposes an additional civil penalty of \$250 per employee per violation in an initial citation and \$1,000 per employee per violation for any subsequent violation on the employer for violations of Labor Code § 226(a).

As discussed above, the Company failed to furnish Claimant and other Aggrieved Employees with accurate itemized wage statements that comply with the requirements of the Labor Code because the wage statements did not, among other things, include the total hours actually worked by the employee, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, the gross actual wages earned, and the net wages actually earned. Claimant will pursue all available remedies against the Company for its violations of the Labor Code on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

FAILURE TO MAINTAIN ACCURATE RECORDS

(Labor Code §§ 1174, 1174.5, and the "Records" section of the Applicable IWC Wage Order)

Labor Code § 1174 states, "[e]very person employing labor in this state shall... [k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, ..., employees employed at the respective plants or establishments."

The "Records" section of the applicable IWC Wage Order states that every employer shall keep accurate information with respect to each one of its employees, including time records showing when the employee begins and ends each work period and meal period, total hours worked in the payroll period and applicable rates of pay, and total wages paid each payroll period. The "Records" section of the applicable IWC Wage Order further provides that if the employee is paid according to an incentive plan, an explanation of the

incentive plan formula shall be provided to employees and an accurate production record shall be maintained by the employer.

Labor Code § 1174.5 imposes a civil penalty of \$500 for an employer's failure to maintain accurate and complete records. This civil penalty is in addition to the civil penalty of \$100 per pay period, per Aggrieved employee that would be imposed pursuant to Labor Code § 2699 for a violation of Labor Code § 1174(d).

As set forth above, the Company violated its recordkeeping requirements by failing to accurately record employee hours worked including, but not limited to, the Company's failure to record the proper beginning and end of each work period, the meal periods, the total hours worked during the pay period, the applicable rates of pay, and the actual wages earned and paid. Claimant will pursue all available remedies for the Company's violations on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

UNLAWFUL DEDUCTION OF WAGES AND COMMISSIONS

(Labor Code §§ 221, 224, and 225.5)

Labor Code § 221 provides: "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee."

Employers are prohibited from making wage deductions except where authorized by law. Specifically, Labor Code section 224 provides that it is unlawful for an employer to make deductions from an employee's wages except where:

[T]he employer is required or empowered so to do by state or federal law or when a deduction is expressly authorized in writing by the employee to cover insurance premiums, hospital or medical dues, or other deductions not amounting to a rebate or deduction from the standard wage arrived at by collective bargaining or pursuant to wage agreement or statute, or when a deduction to cover health and welfare or pension plan contributions is expressly authorized by a collective bargaining or wage agreement.

California courts have consistently interpreted Labor Code section 224 to mean that deductions are unlawful if made to benefit the employer. (See *City of Oakland v. Hassey* (2008) 163 Cal.App.4th 1477, 1501 [lawful wage deductions are for the benefit of employee, not employer, citing 3 Op.Atty.Gen. 178, 3-27-44]; *Davis v. Farmers Ins. Exchange* (2016) 245 Cal.App.4th 1302.) Furthermore, the California Division of Labor Standard Enforcement Policies and Interpretations Manual states, "Section 224 may not...be relied upon to allow an employer to deduct an amount from an employee's pay which is for the use or benefit of the employer." (DLSE Manual (Rev. 2009) § 11.3.3.)

For violations of Labor Code section 221, Labor Code section 225.5 imposes a civil penalty of \$50 for any initial violation and \$100 for each subsequent willful violation, plus 25 percent of the amount unlawfully withheld. This penalty is in addition to and entirely independent from any other penalty provided under Labor Code sections 200-244 *et seq.*

As set forth above, the Company unlawfully deducted commissions and other wages paid to Claimant and other Aggrieved Employees by deducting earned commissions for the return and/or cancellation of sales not attributable to them. These deductions constitute an unlawful deduction from wages as the deduction is for the sole benefit of the Company, as it allows the Company to pass on its business costs to Aggrieved Employees. Claimant will pursue all available remedies for the Company's violations on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

**CIVIL PENALTIES FOR VIOLATIONS OF THE LABOR CODE AND THE APPLICABLE
IWC WAGE ORDER**

(Labor Code §§ 225.5, 226.3, 558, 558.1, 1174.5, 1197.1, and 2699(f))

For violations of Labor Code section 221, Labor Code section 225.5 imposes a civil penalty of \$50 for any initial violation and \$100 for each subsequent willful violation, plus 25 percent of the amount unlawfully withheld. This penalty is in addition to and entirely independent from any other penalty provided under Labor Code sections 200-244 *et seq.*

For violations of Labor Code § 226(a), Labor Code § 226.3 imposes a civil penalty of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation.

Labor Code § 558 subjects any employer or any person acting on behalf of an employer who violates Part 2, Chapter 1, of the Labor Code (Labor Code §§ 500-558.1) or any provision regulating the hours and days of work in any IWC Wage Order to a civil penalty as follows: “[f]or any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.”

Labor Code § 558.1(a) further states that “[a]ny employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wage or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.” This includes the owners, officers, directors, or managing agents of the employer. (Labor Code § 558.1(b).)

For violations of Labor Code § 1174 subdivisions (b), (c), and (d), Labor Code § 1174.5 imposes a civil penalty of \$500.

Similarly, Labor Code § 1197.1 subjects any employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law, or by an order of the commission to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to Section 203 as follows: “(1) For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid. This amount shall be in addition to an amount sufficient to recover underpaid wages, liquidated damages pursuant to Section 1194.2, and any applicable penalties imposed pursuant to Section 203. (2) For each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid

employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. This amount shall be in addition to an amount sufficient to recover underpaid wages, liquidated damages pursuant to Section 1194.2, and any applicable penalties imposed pursuant to Section 203. (3) Wages, liquidated damages, and any applicable penalties imposed pursuant to Section 203, recovered pursuant to this section shall be paid to the affected employee.”

Labor Code § 2699(f) imposes a civil penalty of \$100 per pay period, per employee for the initial violation and \$200 per pay period, per employee for each subsequent violation for all Labor Code provisions for which a civil penalty is not specifically provided, including, but not limited to, Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1174(c), 1174(d), 1194, 1197, 1197.1, 1198, 2802, and relevant IWC Wage Orders.

As set forth above, the Company violated the Labor Code and the applicable IWC Wage Order by failing to timely pay all minimum, regular, overtime, and/or double time wages; failing to provide legally compliant meal and rest periods and/or pay premium wages; failing to reimburse for necessary business expenses; failing to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties; failing to furnish accurate itemized wage statements; failing to maintain accurate records; and unlawfully deducting earned wages and commissions. As a result, the Company is liable for civil penalties under Labor Code §§ 225.5, 226.3, 558, 558.1, 1174.5, 1197.1, and 2699(f). Claimant will pursue all available remedies including, but not limited to, those stated herein for the Company’s violations on behalf of herself and all other Aggrieved Employees to the extent allowed by law.

ATTORNEY’S FEES, COSTS, INTEREST, LIQUIDATED DAMAGES, AND PENALTIES
(Labor Code §§ 218.5, 218.6, 226(e), 558, 1194, 1194.2, 1197.1, and 2698 *et seq.*)

Labor Code §§ 218.5, 218.6, 226(e), 558, 1194, 1194.2, 1197.1, and 2698 *et seq.*, among others, gives employees, such as Claimant, the right to recover in a civil action the full amount of damages, liquidated damages, and penalties, including interest thereon, as well as reasonable attorney’s fees and costs.

Under Labor Code § 2699(g)(1), an aggrieved employee, such as Claimant, is entitled to an award of reasonable attorney’s fees and costs. Pursuant to Labor Code § 2699(i), an aggrieved employee, such as Claimant, is entitled to collect 25% of the penalty assessment. Accordingly, the Company is liable for these items. Claimant has already incurred actual damages, costs, and attorney’s fees, and she will continue to incur such costs as a result of the Company’s unlawful actions. Claimant will pursue all available remedies against the Company, including those provided under the PAGA, on behalf of herself and all other Aggrieved Employees to the extent permitted by California law for the violations of law described herein and those that may be later discovered.

CONCLUSION

Based on the foregoing, the Company has violated, and continues to violate, the Labor Code and the applicable IWC Wage Order, thereby depriving Claimant and other Aggrieved Employees of the rights and protections afforded to them. Claimant has satisfied the prerequisites of the PAGA to serve as a representative of all Aggrieved Employees, the general public, and the state of California in order to enforce

California labor laws and to seek civil penalties for the provisions set forth herein, as well as those which may be later discovered.

Accordingly, if the LWDA declines to intervene or act within the time prescribed by the PAGA, Claimant may elect to initiate and/or amend a civil action, on behalf of herself and all other Aggrieved Employees, as permitted by the PAGA.

Very truly yours,



Allison E. Schubert

EXHIBIT F

LAW OFFICES OF
LAVI & EBRAHIMIAN, LLP
8889 W. OLYMPIC BLVD., SUITE 200
BEVERLY HILLS, CALIFORNIA 90211
TELEPHONE: (310) 432-0000
FACSIMILE: (310) 432-0001
WWW.LELAWFIRM.COM

September 18, 2024

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION 2699.3**

To: California Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612
Via Online Submission Only

<u>FREEDOMROADS, LLC</u> Registered Agent for Process Service c/o National Registered Agents, Inc. 330 N. Brand Blvd, Suite #700 Glendale, CA 91203 <u>Certified No.: 9589 0710 5270 0415 3818 90</u>	<u>FREEDOMROADS, LLC</u> Attn.: Legal Department 250 Parkway Drive, Suite 270 Lincolnshire, IL 60069 <u>Certified No.: 9589 0710 5270 0415 3819 06</u>
<u>FREEDOMROADS, LLC</u> Attn.: Legal Department 2 Marriott Drive Lincolnshire, IL 60069 <u>Certified No.: 9589 0710 5270 0415 3819 13</u>	<u>FREEDOMROADS, LLC</u> Attn.: Legal Department 24901 Pico Canyon Road Stevenson Ranch, CA 91381 <u>Certified No.: 9589 0710 5270 0415 3819 20</u>

From: PATRICE D. JOHNSON, on behalf of herself and all other current and former aggrieved California-based hourly non-exempt employees of FREEDOMROADS, LLC.

c/o Joseph Lavi, Esq.
Vincent C. Granberry, Esq.
Eric D. Tims, Esq.
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Boulevard, Suite 200
Beverly Hills, California 90211
Email: jlavi@lelawfirm.com
vgranberry@lelawfirm.com
etims@lelawfirm.com

Our firm has been retained by aggrieved employee PATRICE D. JOHNSON concerning a representative action pursuant to the Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.* ("PAGA") against her employer, FREEDOMROADS, LLC.

We are filing this written notice with the Labor and Workforce Development Agency (“LWDA”) pursuant to the provisions of the California Labor Code Sections 2699, 2699.3, and 2698, *et seq.* The purpose of this letter is to inquire whether LWDA intends to investigate and seek civil penalties associated with my client’s allegations of violations of the Labor Code by her Employer. In addition to submitting this letter and the \$75.00 filing fee via the online PAGA filing system, I am causing a copy of this letter to be mailed to the Department of Industrial Relations – Accounting Unit.

FACTUAL STATEMENT AND THEORIES OF LABOR CODE VIOLATIONS

Aggrieved employee PATRICE D. JOHNSON (“Plaintiff” or “Employee”) was employed by FREEDOMROADS, LLC. (“Defendant” or “Employer”) as an hourly non-exempt employee from in or around February 21, 2024, until on or about August 9, 2024.

1. *Failure to Pay Overtime Wages for Overtime Hours Work and Failure to Pay Overtime wages at the Proper Overtime Rate of Pay in Violation of Labor Code Section 510 and 1194*

Employee alleges that during her employment, Employer failed to pay her and other current and former aggrieved California-based hourly non-exempt employees for the overtime hours that they worked at their overtime rate of pay.

Labor Code section 510, subdivision (a), states in relevant part:

“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.”

Further, Labor Code section 1198 provides,

The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

Labor Code section 1194 provides, “...any employee receiving less than the legal minimum wage or 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 minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

Employee alleges that during her employment, Employer failed to pay her and other current and former aggrieved California-based hourly non-exempt employees overtime wages for overtime hours worked due to Employer's policies, practices, and/or procedures.

Employee and other current and former aggrieved California-based hourly non-exempt employees were not paid for this time resulting in Employers' failure to pay minimum wage for all the hours Employee and other current and former aggrieved California-based hourly non-exempt employees worked.

Employer's aforementioned policies, practices, and/or procedures resulted in time each day in which Employee and other current and former aggrieved California-based hourly non-exempt employees were subject to the control of Employer without being compensated for that time. To the extent that the foregoing unpaid time resulted from Employee and other current and former aggrieved California-based hourly non-exempt employees being subject to the control of Employer when they worked more than eight (8) hours in a workday, more than forty (40) hours in a workweek, and/or seven days in a workweek, Employer failed to pay them at their overtime rate of pay for all the overtime hours they worked.

Furthermore, overtime is based upon an employee's regular rate of pay. "The regular rate at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf, of the employee." See Division of Labor Standards Enforcement – Enforcement Policies and Interpretations Manual, Section 49.1.2.

In this case, Employee alleges that when she and other current and former aggrieved California-based hourly non-exempt employees earned overtime wages, Employers failed to pay them overtime wages at the proper overtime rate of pay due to Employers' failure to include all remuneration when calculating the overtime rate of pay. Specifically, Employers maintained a policy, practice, and/or procedure of failing to include all remuneration, such as commission and incentive pay, when calculating Employee's and other current and former aggrieved California-based hourly non-exempt employees' regular rate of pay for the purpose of paying overtime.

Employer's foregoing policies, practices, and/or procedures resulted in Employer failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees at their overtime rate of pay for all overtime hours worked, in violation of Labor Code sections 510, 1194, 1198, and the Wage Order.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 2699(f)(2) and 558, subdivisions (a)(1)-(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to pay overtime wages at the lawful overtime rate for all overtime hours worked, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay such overtime wages for all overtime hours worked rendered

Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

2. *Failure to Authorize or Permit Meal Periods and Failure to Pay Meal Period Premiums in Violation of Labor Code Sections 512 and 226.7*

Employee alleges that during her employment, Employer failed to authorize or permit all legally required and compliant meal periods and/or pay meal period premiums. California law requires an employer to provide an employee an uninterrupted meal period of no less than thirty (30) minutes in which the employee is relieved of all duties and the employer relinquishes control over the employee's activities prior to the employee's sixth hour of work. Labor Code §§226.7, 512; Wage Order 4, §11; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second such meal period of not less than thirty (30) minutes prior to the start of the eleventh hour of work. *Id.* If the employer requires the employee to remain at the work site or facility during the meal period, the meal period must be paid. This is true even where the employee is relieved of all work duties during the meal period. *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968. If an employer fails to provide an employee a meal period in accordance with the law, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday that a legally required and compliant meal period was not provided. Labor Code §226.7; Wage Order 4, §11.

Employee alleges that Employer failed to authorize or permit her and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant meal periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees timely, uninterrupted, duty-free meal breaks of at least 30 minutes for every five hours worked.

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a meal period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant meal periods, in violation of Labor Code section 226.7 and Wage Order 4 at § 11.

Finally, on occasions when Employer paid Employee and other current and former aggrieved California-based hourly non-exempt employees a "premium" wage for late, missed, short, on-premise, on-duty, and/or interrupted meal periods, Employers failed to pay the one (1) additional hour of pay at Employee's and other current and former aggrieved California-based

hourly non-exempt employees' regular rate of compensation. Specifically, Employers maintained a policy, practice, and/or procedure of failing to include all remuneration, such as commission pay and incentive pay, when calculating Employee's and other current and former aggrieved California-based hourly non-exempt employees' regular rate of pay for the purpose of paying meal period premium wages.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 558 and/or Labor Code section 2699(f)(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to authorize or permit all legally required and compliant meal periods and/or failure to pay meal period premium wages, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay meal period premiums and/or pay meal period premiums at the proper regular rate of pay rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

3. *Failure to Authorize or Permit Rest Periods and Failure to Pay Rest Period Premiums in Violation of Labor Code Section 226.7*

Employee alleges that during her employment, Employer failed to authorize or permit all legally required and compliant rest periods and/or failed to pay rest period premiums. California law requires that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof...." Wage Order 4, § 12. "Employees are entitled to 10 minutes' rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on." *Brinker Restaurant Corp. v. Sup. Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004, 1029; Labor Code §226.7. Additionally, the rest period requirement "obligates Employer to permit – and authorizes employees to take – off-duty rest periods." *Augustus v. ABM Security Services, Inc.* (2016) 5 Cal.5th 257, 269. That is, during rest periods an employer must relieve employees of all duties and relinquish control over how employees spend their time. *Id.* If the employer fails to authorize or permit a required rest period, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday the employer did not authorize or permit a legally required rest period. Labor Code section 226.7; Wage Order 4 at § 12.

Employee alleges that Employer failed to authorize or permit her and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant rest periods due to Employer's policies, practices, and/or procedures.

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a rest period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant rest periods, in violation of Labor Code section 226.7 and Wage Order 4 at § 12.

Finally, on occasions when Employers did pay Employee and other current and former aggrieved California-based hourly non-exempt employees a “premium” wage for late, missed, short, on-premise, on-duty, and/or interrupted rest periods, Employers failed to pay the one (1) additional hour of pay at Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ regular rate of compensation. Specifically, Employers maintained a policy, practice, and/or procedure of failing to include all remuneration, such as commission and incentive pay, when calculating Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ regular rate of pay for the purpose of paying rest period premiums.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2), on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer’s failure to authorize or permit all legally required and compliant rest periods and/or failure to pay rest period premium wages, Employee will also seek civil penalties for Defendant’s violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay rest period premiums and/or pay rest period premiums at the proper regular rate of pay rendered Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

4. Failure To Pay Wages for Accrued Paid Sick Days At The Regular Rate of Pay In Violation Of Labor Code Section 246

Defendants had a policy and/or procedure where Employee and other current and former aggrieved California-based hourly non-exempt employees accrued paid sick time.

Labor Code section 246, subdivision (a), states in relevant part “[a]n employee who...works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days.” Additionally, an employee accrues paid sick days at the rate of no-less-than one (1) hour per every thirty (30) hours worked, beginning at the commencement of employment. Labor Code section 246(b).

Here, Employee and other current and former aggrieved California-based hourly non-exempt employees were employed by Employers for 30 or more days and were entitled to paid sick days. Also, Employee and other current and former aggrieved California-based hourly non-exempt employees began accruing paid sick days since the beginning of each of their respective employment with Employers.

Labor Code section 246, subdivision (l), provides that an employer shall calculate the paid sick time for non-exempt employees in the same manner as the regular rate of pay for the workweek in which the employee elected to use paid sick time. “The regular rate at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf, of the employee.” See Division of Labor Standards Enforcement – Enforcement Policies and Interpretations Manual, Section 49.1.2.

In this case, Employee alleges that when she and other current and former aggrieved California-based hourly non-exempt employees elected to use paid sick time, Employers failed to pay them sick time wages at the proper sick time rate of pay due to Employers’ failure to include all remuneration when calculating the sick time rate of pay. Specifically, Employers maintained a policy, practice, and/or procedure of failing to include all remuneration, including but not limited to commission pay and incentive pay, when calculating Employees and other current and former aggrieved California-based hourly non-exempt employees’ regular rate of pay for the purpose of paying sick time.

5. Failure to Timely Pay Earned Wages During Employment in Violation of Labor Code Section 204

Employee alleges that during her employment, Employer failed to timely pay Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ earned wages. In California, wages must be paid at least twice during each calendar month on days designated in advance by the employer as regular paydays, subject to some exceptions. Labor Code §204(a). Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid between the 16th and the 26th day of that month and wages earned between the 16th and the last day, inclusive, of any calendar month must be paid between the 1st and 10th day of the following month. *Id.* Other payroll periods such as those that are weekly, biweekly, or semimonthly, must be paid within seven (7) calendar days following the close of the payroll period in which wages were earned. Labor Code §204(d).

As a derivative of Employee’s claims above, Employee alleges that Employer failed to timely pay her and other current and former aggrieved California-based hourly non-exempt employees’ earned wages (including overtime wages, meal period premium wages, and/or rest period premium wages), in violation of Labor Code section 204. Employer’s aforementioned policies, practices, and/or procedures resulted in Employer failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees their earned wages within the applicable time frames outlined in Labor Code 204.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California.

6. *Secret Payment of Wages Lower Than Designated by Statute, in Violation of Labor Code Section 223*

Labor Code section 223 provides that, where any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or contract. By engaging in the unlawful conduct alleged herein, including by failing to pay wages no less than the applicable legal minimum and overtime wages, and also meal and rest break premiums, as established by Labor Code sections 226.7, 510, 1194, 1197 and sections 11 and 12 of the applicable IWC Wage Orders, as incorporated by Labor Code section 1198, the Employer secretly paid a lower wage than designated by statute while purporting to pay the wages designated by statute, in violation of Labor Code section 223. The Employee with therefore pursue the civil penalties established by Labor Code section 225.5 for all such violations of Labor Code section 223, on behalf of the LWDA and against Employer if authorized to file a representative action on behalf of the State of California.

7. *Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code 226*

Labor Code section 226(a) states that “[a]n employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee...an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee...(3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer...and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee....”

Employee alleges that as a derivative of Employee’s claims above, Employer failed to provide accurate wage and hour statements to Employee and other current and former aggrieved California-based hourly non-exempt employees who were subject to Employer’s control for uncompensated time and who did not receive all their earned wages (including overtime wages, meal period premium wages, and/or rest period premium wages), as such failures rendered Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 226.3 and/or Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

8. Failure to Timely Pay all Earned Wages and Final Wages due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, 203

Labor Code section 201(a) states that “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code section 202(a) continues, “[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter....” Finally, Labor Code section 203(a) provides, “[i]f an employer willfully fails to pay...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 or until an action therefor is commenced; but the wages shall not continue for more than 30 days....”

As a result of the aforementioned violations of the Labor Code, Employee alleges that she was not paid her final wages in a timely manner as required by Labor Code section 203. Earned wages (including overtime wages, meal period premium wages, and/or rest period premium wages) (all described above), were not paid at the time of Employee’s separation of employment. Employee is informed and believes and thereon alleges that former aggrieved California-based hourly non-exempt employees who separated from Employer, whether voluntarily or involuntarily, were not paid all wages due in a timely manner, as required by Labor Code sections 201, 202, and 203.

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

9. Employer’s Other Violations of the California Labor Code

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 (“*Huff*”), as an aggrieved employee, Employee has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against the employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Employee, as an “aggrieved” employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

Labor & Workforce Development Agency
Re: PATRICE D. JOHNSON v. FREEDOMROADS, LLC, et al.
September 18, 2024
Page 10 of 10

CONCLUSION

Our client intends to file a representative action pursuant to PAGA concerning her wage claims as warranted by Employer's violations of Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 246, 510, 512, 1194, 1197, and sections 3, 4, 11 and 12 of the applicable IWC Wage Orders. This letter is being sent to you as an inquiry into whether LWDA wishes to investigate my client's claims for civil penalties associated with Employer's violations of the Labor Code, as alleged herein. Thank you for your assistance and cooperation in this matter. If you have any questions or concerns, please contact me at the above-listed information.

Very truly yours,
LAVI & EBRAHIMIAN, LLP

Eric D. Tims

Eric D. Tims, Esq

EXHIBIT G

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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

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

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

February 11, 2025

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

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

Freedomroads, LLC
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069

Gander RV & Outdoors
250 Parkway Drive, Suite 270
Lincolnshire, IL 60069

Camping World Holdings Group, Inc.
2 Marriott Drive
Lincolnshire, IL 60069

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

Good Sam Enterprises, LLC
2750 Park View Court, Suite 240
Oxnard, CA 93036

Dear LWDA Officer and Company Representatives:

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

**FREEDOMROADS, LLC;
CAMPING WORLD HOLDINGS GROUP, INC.;
GOOD SAM ENTERPRISES, LLC;
GANDER RV & OUTDOORS**

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. 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 Business Development Representative from about February 2023 to May 2023. 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 maintained a policy and practice of requiring off-the-clock work.

For example, Defendants often required Plaintiff and the aggrieved employees to complete work duties during their unpaid meal periods. Each time Plaintiff and the aggrieved employees worked through all or part of their unpaid meal periods, this resulted in unpaid off the clock work. This unlawful policy resulted in an underpayment of regular wages to Plaintiff and the aggrieved employees.

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 overtime at the regular rate of pay. Plaintiff and the aggrieved employees earned commissions and other forms of non-excludable remuneration which Defendants failed to include in the overtime rate.

An illustrative example of Defendants’ regular rate of pay violation is found on Plaintiff’s wage statement for the pay period from 05/01/2023 to 05/14/2023 as it pertains to overtime is shown below:

CO. FILE DEPT. CLOCK CHK-NO.
F2Q 229207 STID43 RSCA 0064917158

FreedomRoads, LLC
2 Marriott Drive
Lincolnshire, IL 60069

Earnings Statement

Period Beginning: 05/01/2023
Period Ending: 05/14/2023
Pay Date: 05/19/2023

Filing Status: [REDACTED]

LARISSA B ESPINOZA

RIVERSIDE, CA [REDACTED]

Employee ID: 383888

Earnings	Rate	Hours	This Period	Year to Date
Regular		62.12	1,056.04	
Overtime		0.40	10.28	
Commission		0.00	25.00	
Float Holiday		8.00	136.00	
Paid Time Off		9.94	168.98	
Gross Pay			1,396.30	6,407.56

Important Notes

Other Benefits and
Information

This Period Year to Date

Extract from Plaintiff's wage statement for pay period 05/01/2023 to 05/14/2023

During this pay period, Plaintiff earned \$25 in commission. However, Defendants failed to properly include the additional pay in Plaintiff's overtime rate, as the 0.40 overtime hours were paid at 1.5x Plaintiff's base rate of \$17, rather than 1.5x her regular rate of pay. Defendants committed the same "regular rate of pay" violation against Plaintiff and other aggrieved employees as a matter of common payroll administration and company policy in a manner susceptible to common proof. This resulted in the underpayment of wages to employees.

For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendants should have (but failed to) pay overtime "at a rate no less than one and one-half times the regular rate of pay for an employee" and "twice the regular rate of pay" for double time hours as required by the plain language of Labor Code section 510(a) 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.

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 24 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.

To the extent Defendants paid sick leave hours in the same pay period that the aggrieved employees earned bonuses or other forms of non-excludable remuneration, Plaintiff believes and alleges that Defendants underpaid the paid sick leave by failing to factor all forms of non-discretionary income into the regular rate of pay.

The failure to calculate and pay paid sick leave at one of the lawful rates set forth in Labor Code § 246(l)(1)-(3) and 247 et seq. was applied as a matter of common policy and practice to aggrieved employees in those periods where they earned additional payments, non-discretionary bonuses, or other forms of non-excludable remuneration and also received paid sick leave.

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

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.

First, Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to the high demands of the job. Thus, Plaintiff and the aggrieved employees often missed or otherwise experienced non-compliant meal periods.

Each time Plaintiff and the aggrieved employees worked through their meal period or otherwise experienced a non-compliant meal period, Plaintiff and the aggrieved employees were owed a meal period premium. As a matter of common practice, Defendants failed to pay all owed meal period premiums to Plaintiff and the aggrieved employees.

Second, to the extent Plaintiff and the aggrieved employees received a meal period premium in the same pay period they earned commissions or other non-excludable remuneration, based on Defendants' failure to pay all overtime at the regular rate of pay as discussed in the above section, Plaintiff believes and alleges Defendants failed to pay meal period premiums at the regular rate of pay.

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 Rest Period Premium Wages
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.

Labor Code sections 226.7 and 516 and the IWC Wage Orders 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. Labor Code section 226.7 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 fraction 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.

Defendants failed to provide all rest periods to which employees were entitled and failed to pay rest period premiums to Plaintiff and other aggrieved employees. Plaintiff and other aggrieved employees were rarely, if at all, authorized or permitted to take all their rest periods.

Each time Plaintiff and the aggrieved employees experienced a noncompliant rest period, they were owed a rest period premium at the lawful rate. However, as a matter of policy and practice, Defendants failed to pay Plaintiff and other aggrieved employees a rest period premium at the lawful rate of pay.

To the extent Defendants ever paid a rest period premium, 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 all additional non-excludable remuneration including commissions into the premium 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.

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 premiums, overtime, regular, sick leave, and other earnings on time each payday.

As explained above, Defendants failed to pay Plaintiff and the aggrieved employees all wages owed for overtime and meal and rest period premiums. Therefore, Defendants failed to pay all wages owed no later than seven (7) calendar days following the close of the payroll period in violation of Labor Code section 204(a).

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 aggrieved employees during their employment as set forth in this notice and 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.

Further, Defendants failed to accurately list Plaintiff’s and the aggrieved employees’ applicable hourly rates in effect and number of hours worked. Specifically, Defendants failed to list

Plaintiff's and the aggrieved employees' hourly rate. Additionally, Defendants failed to include the applicable hourly rate and total hours worked for the "Commission" payment. An illustrative example of this is shown below:

CO. F2Q	FILE 229207	DEPT. STID43	CLOCK RSCA	CHK. NO. 0064917158	Earnings Statement Period Beginning: 05/01/2023 Period Ending: 05/14/2023 Pay Date: 05/19/2023 LARISSA B ESPINOZA [REDACTED] RIVERSIDE, CA [REDACTED]
FreedomRoads, LLC 2 Marriott Drive Lincolnshire, IL 60069					
Filing Status: [REDACTED]					
Employee ID: 383888					

Earnings	Rate	Hours	This Period	Year to Date	Important Notes Other Benefits and Information This Period Year to Date
Regular		62.12	1,056.04		
Overtime		0.40	10.28		
Commission		0.00	25.00		
Float Holiday		8.00	136.00		
Paid Time Off		9.94	168.98		
Gross Pay			1,396.30	6,407.56	

Extract from Plaintiff's wage statement for pay period 05/01/2023 to 05/14/2023

Here, Plaintiff's records show Defendants failed to include the applicable hourly rate in effect for any of the earnings listed on Plaintiff's paystub. Specifically, Plaintiff earned an hourly rate of \$17. However, this is not listed on any of the corresponding earnings on Plaintiff's paystubs.

Further, Plaintiff's records show Defendants failed to include the applicable hourly rate and total hours worked for the "Commission" payment. Defendants lists the hours worked for regular, overtime, holiday, and paid time off without corresponding information in the rate and hours column for the "Commission" payment.

Plaintiff's rate and hours are inaccurate because there is no amount listed in violation of Labor Code section 226. Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the rate and hours worked without reference to other documents or information.

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

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

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.

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

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

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

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

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

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

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

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

- LITIGATION HOLD NOTICE -

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

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

- CONCLUSION -

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

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

Sincerely,

A handwritten signature in black ink that reads "Elyssa Martinez". The script is cursive and fluid.

Elyssa Martinez

Cc Plaintiff Larissa Espinoza

Counsel for Defendants
Fisher & Phillips LLP
Alden Parker
aparker@fisherphillips.com

jkl

ARCH LEGAL, P.C.
Nathan Reese (SBN 283150)
nreese@archlegal.com
Allison E. Schubert (SBN 339991)
aschubert@archlegal.com
3555 Fifth Avenue, Suite 200
San Diego, California 92103
Telephone: 619.692.0800
Facsimile: 619.692.0822

Attorneys for Plaintiff CHRISTOPHER DUDLEY

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

5/13/2026 2:35:20 PM

Clerk of the Superior Court
By K. Tirado ,Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

CHRISTOPHER DUDLEY, in his
representative capacity, on behalf of the
State of California, the general public and
all aggrieved employees of Defendant,
Plaintiff,

v.

FREEDOMROADS, LLC, a Minnesota
limited liability company; and DOES 1
through 50 inclusive
Defendant.

Case No.: 37-2023-00036238-CU-OE-CTL

PROOF OF SERVICE

Dept: C-72
Judge: Hon. Marcella O. McLaughlin

Complaint Filed: August 21, 2023
Trial Date: None set

I, Carrie Rogers, declare at the time of service I was over 18 years old and not a party to the action. I am employed in San Diego County, California. My business address is 3555 Fifth Avenue, Suite 200, San Diego, California 92103. On May 13, 2026, I served the following document(s):

- FIRST AMENDED COMPLAINT FOR DAMAGES, PENALTIES, RESTITUTION, AND INJUNCTIVE RELIEF.**

Upon:

Fisher & Phillips, LLP

Todd Scherwin
Harrison Thorne
Bronte Mehdián
444 S. Flower Street, Suite 1500
Los Angeles, CA 90071
tscherwin@fisherphillips.com
hthorne@fisherphillips.com
bmehdian@fisherphillips.com

Counsel for Defendant FreedomRoads, LLC

LAVI & EBRAHIMIAN, LLP

Vincent C. Granberry
Malcolm Clayton
Daniel U. Frydman
8889 West Olympic Blvd., Suite 200
Beverly Hills, CA 90211
vgranberry@lelawfirm.com
mclayton@lelawfirm.com
dfrydman@lelawfirm.com
JohnsonFreedomRoadsClass@lelawfirm.filevineap.com

Counsel for Plaintiff Patrice D. Johnson

Ferraro Vega Employment Lawyers

Dorota A. James
Isabel Tostada
Leah Carcione
3333 Camino del Rio South, Suite 300
San Diego, California 92108
dorota@ferrarovega.com
isabel@ferrarovega.com
leah@ferrarovega.com

Counsel for Plaintiff Larissa Espinoza

☒ (**BY ELECTRONIC TRANSMISSION**) I caused service of such document(s) by emailing the document(s) to the person(s) at the email address(es) listed above based on a Court order, statute, local rule, or an agreement of the parties to accept service of such document(s) by email. No electronic message or other indication that the transmission was unsuccessful was received by the serving party within a reasonable time after the transmission.

///

///

ARCHLEGAL, P.C.
3555 FIFTH AVENUE, SUITE 200
SAN DIEGO, CALIFORNIA 92103

1 I declare under penalty of perjury under the laws of the State of California that the above is true
2 and correct. Executed on May 13, 2026 in San Diego, California.

3
4 
Carrie B. Rogers