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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

RYAN JAMES, individually, and on
behalf of other members of the
general public similarly situated,

Plaintiff,

vs.

CMH MANUFACTURING WEST,
INC., a Nevada corporation; CMH
HOMES, INC., a Tennessee
corporation; CLAYTON HOMES,
INC., a Delaware corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: 2:26-cv-00527-AC

**FIRST AMENDED COMPLAINT –
PAGA ENFORCEMENT ACTION**

(1) Claim for Civil Penalties for
Violations of California Labor Code,
Pursuant to PAGA, §§ 2698, *et seq.*

1 Plaintiff Ryan James, as an aggrieved employee and on behalf of the State
2 of California and all other non-party Aggrieved Employees, alleges as follows:

3 **JURISDICTION AND VENUE**

4 1. This is an enforcement action under the Labor Code Private Attorneys
5 General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to
6 recover civil penalties and any other available relief on behalf of Plaintiff, the State
7 of California, and other current and former employees who worked for Defendants
8 in California as non-exempt, hourly paid employees and received at least one wage
9 statement and against whom one or more violations of any provision in Division
10 2 Part 2 Chapter 1 of the Labor Code or any provision regulating hours and days
11 of work in the applicable Industrial Welfare Commission (“IWC”) Wage Order
12 were committed, as set forth in this complaint, at any time between one year prior
13 to the filing of the pre-filing written notice to the Labor and Workforce
14 Development Agency (“LWDA”) in this case on February 6, 2026, until judgment.
15 Plaintiff’s share of civil penalties sought in this action does not exceed \$75,000.

16 2. This Court has jurisdiction over this action pursuant to the California
17 Constitution, Article VI, section 10. The statute under which this action is brought
18 does not specify any other basis for jurisdiction.

19 3. This Court has jurisdiction over Defendants because Defendants are
20 either citizens of California, have sufficient minimum contacts in California, or
21 otherwise intentionally avail themselves of the California market so as to render
22 the exercise of jurisdiction over them by the California courts consistent with
23 traditional notions of fair play and substantial justice. There is no basis for federal
24 diversity jurisdiction in this action given that the State of California, as the real
25 party in interest in this action, is not a “citizen” for purposes of satisfying diversity
26 jurisdiction. *Urbino v. Orkin Servs. of Cal.*, 726 F.3d 1118, 1123 (9th Cir. Cal.
27 2013). *Urbino* also holds that civil penalties cannot be aggregated to satisfy the
28 amount in controversy requirement for federal diversity jurisdiction in this action,

1 and that diversity jurisdiction cannot be established when Plaintiff's share of the
2 civil penalties attributable to violations personally suffered are less than \$75,000.
3 *Id.* at 1122.

4 4. Venue is proper in this Court because Defendants employ persons in
5 this county, and employed Plaintiff in this county, and thus a substantial portion
6 of the transactions and occurrences related to this action occurred in this county.

7 5. California Labor Code sections 2698, *et seq.*, the "Labor Code Private
8 Attorneys General Act of 2004", authorize aggrieved employees to sue as private
9 attorneys general their current or former employers for various civil penalties for
10 violations of various provisions in the California Labor Code.

11 THE PARTIES

12 6. Plaintiff Ryan James is a resident of North Highlands, in Sacramento
13 County, California. Defendants employed Plaintiff as an hourly paid, non-exempt
14 employee from approximately March 2024 to November 2025. Plaintiff worked
15 for Defendants as an Exterior Painter at their location in Sacramento, California
16 (located at 9998 Old Placerville Road, Sacramento, California 95827). During his
17 employment, Plaintiff typically worked eight (8) or more hours per day and five
18 (5) days per week. Plaintiff's primary job duties included, without limitation,
19 painting the exterior walls of manufactured homes and completing touch-ups as
20 needed.

21 7. CMH MANUFACTURING WEST, INC. was and is, upon
22 information and belief, a Nevada corporation, and at all times hereinafter
23 mentioned, an employer whose employees are engaged throughout this county and
24 the State of California.

25 8. CMH HOMES, INC. was and is, upon information and belief, a
26 Tennessee corporation, and at all times hereinafter mentioned, an employer whose
27 employees are engaged throughout this county and the State of California.

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1 9. CLAYTON HOMES, INC. was and is, upon information and belief,
2 a Delaware corporation, and at all times hereinafter mentioned, an employer whose
3 employees are engaged throughout this county and the State of California.

4 10. Plaintiff is unaware of the true names or capacities of the Defendants
5 sued herein under the fictitious names DOES 1 through 10, but will seek leave of
6 this Court to amend the complaint and serve such fictitiously named Defendants
7 once their names and capacities become known.

8 11. Plaintiff is informed and believes, and thereon alleges, that DOES 1
9 through 10 were the partners, agents, owners, or managers of CMH
10 MANUFACTURING WEST, INC.; CMH HOMES, INC.; and/or CLAYTON
11 HOMES, INC. at all relevant times.

12 12. Plaintiff is informed and believes, and thereon alleges, that each and
13 all of the acts and omissions alleged herein was performed by, or is attributable to
14 CMH MANUFACTURING WEST, INC.; CMH HOMES, INC.; CLAYTON
15 HOMES, INC.; and/or DOES 1 through 10 (collectively, “Defendants” or
16 “CMH”), each acting as the agent, employee, alter ego, and/or joint venturer of,
17 or working in concert with, each of the other co-Defendants and was acting within
18 the course and scope of such agency, employment, joint venture, or concerted
19 activity with legal authority to act on the others’ behalf. The acts of any and all
20 Defendants were in accordance with, and represent, the official policy of
21 Defendants.

22 13. At all relevant times, Defendants, and each of them, ratified each and
23 every act or omission complained of herein. At all relevant times, Defendants,
24 and each of them, aided and abetted the acts and omissions of each and all the
25 other Defendants in proximately causing the damages herein alleged.

26 14. Plaintiff is informed and believes, and thereon alleges, that each of
27 said Defendants is in some manner intentionally, negligently, or otherwise
28 responsible for the acts, omissions, occurrences, and transactions alleged herein.

1 15. Under California law, Defendants are jointly and severally liable as
2 employers for the violations alleged herein because they have each exercised
3 sufficient control over the wages, hours, working conditions, and employment
4 status of Plaintiff and other non-party Aggrieved Employees. Each Defendant had
5 the power to hire and fire Plaintiff and other non-party Aggrieved Employees,
6 supervised and controlled their work schedule and/or conditions of employment,
7 determined their rate of pay, and maintained their employment records.
8 Defendants suffered or permitted Plaintiff and other non-party Aggrieved
9 Employees to work and/or “engaged” Plaintiff and other non-party Aggrieved
10 Employees so as to create a common-law employment relationship. As joint
11 employers of Plaintiff and other non-party Aggrieved Employees, Defendants are
12 jointly and severally liable for the civil penalties and all other relief available to
13 Plaintiff and other non-party Aggrieved Employees under the law.

14 16. Plaintiff is informed and believes, and thereon alleges, that at all
15 relevant times, Defendants, and each of them, have acted as joint employers with
16 respect to Plaintiff and other non-party Aggrieved Employees because Defendants
17 have:

- 18 (a) jointly exercised meaningful control over the work performed
19 by Plaintiff and other non-party Aggrieved Employees;
- 20 (b) jointly exercised meaningful control over Plaintiff’s and other
21 non-party Aggrieved Employees’ wages, hours, and working
22 conditions, including the quantity, quality standards, speed,
23 scheduling, and operative details of the tasks performed by
24 Plaintiff and other non-party Aggrieved Employees;
- 25 (c) jointly required that Plaintiff and other non-party Aggrieved
26 Employees perform work which is an integral part of
27 Defendants’ businesses; and
- 28 (d) jointly exercised control over Plaintiff and other non-party

1 Aggrieved Employees as a matter of economic reality in that
2 Plaintiff and other non-party Aggrieved Employees were
3 dependent on Defendants, who shared the power to set the
4 wages of Plaintiff and other non-party Aggrieved Employees
5 and determined their working conditions, and who jointly
6 reaped the benefits from the underpayment of their wages and
7 noncompliance with other statutory provisions governing their
8 employment.

9 17. Plaintiff is informed and believes, and thereon alleges, that at all
10 relevant times there has existed a unity of interest and ownership between
11 Defendants such that any individuality and separateness between the entities has
12 ceased.

13 18. CMH MANUFACTURING WEST, INC.; CMH HOMES, INC.;
14 CLAYTON HOMES, INC.; and DOES 1 through 10 are therefore alter egos of
15 each other.

16 19. Adherence to the fiction of the separate existence of Defendants
17 would permit an abuse of the corporate privilege, and would promote injustice by
18 protecting Defendants from liability for the wrongful acts committed by them
19 under the name “CMH.”

20 20. Plaintiff further alleges, upon information and belief, that Defendants
21 CMH MANUFACTURING WEST, INC.; CMH HOMES, INC.; and/or
22 CLAYTON HOMES, INC. are alter egos of each other for the following reasons:

23 (a) On the California Secretary of State’s website
24 (<https://bizfileonline.sos.ca.gov/>), Defendants CMH
25 MANUFACTURING WEST, INC.; CMH HOMES, INC.; and
26 CLAYTON HOMES, INC. share the same principal address,
27 “5000 CLAYTON ROAD, MARYVILLE, TN 37804”;

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- 1 (b) On the California Secretary of State’s website, Defendants
2 CMH MANUFACTURING WEST, INC.; CMH HOMES,
3 INC.; and CLAYTON HOMES, INC. share the same mailing
4 address, “PO BOX 4098, MARYVILLE, TN 37802”;
- 5 (c) On the California Secretary of State’s website, Defendants
6 CMH MANUFACTURING WEST, INC.; CMH HOMES,
7 INC.; and CLAYTON HOMES, INC. share the same agent for
8 service of process, “C T CORPORATION SYSTEM”; and
- 9 (d) On information and belief, CMH MANUFACTURING WEST,
10 INC.; CMH HOMES, INC.; and CLAYTON HOMES, INC.
11 utilize the same standardized employment forms and issue the
12 same employment policies.

13 **PAGA REPRESENTATIVE ALLEGATIONS**

14 21. Defendants build modular and manufactured homes. Upon
15 information and belief, Defendants maintain a single, centralized Human
16 Resources (“HR”) department at their company headquarters in Maryville,
17 Tennessee, which is responsible for the recruiting and hiring of new employees,
18 and communicating and implementing Defendants’ company-wide policies,
19 including timekeeping policies and meal and rest period policies, to employees
20 throughout California.

21 22. In particular, Plaintiff and other non-party Aggrieved Employees, on
22 information and belief, received the same standardized documents and/or written
23 policies. Upon information and belief, the usage of standardized documents
24 and/or written policies, including new-hire documents, indicate that Defendants
25 dictated policies at the corporate level and implemented them company-wide,
26 regardless of their employees’ assigned locations or positions. Upon information
27 and belief, Defendants set forth uniform policies and procedures in several
28 documents provided at an employee’s time of hire.

1 23. Upon information and belief, Defendants maintain a centralized
2 Payroll department at their company headquarters in Maryville, Tennessee, which
3 processes payroll for all non-exempt, hourly paid employees working for
4 Defendants at their various locations in California, including Plaintiff and other
5 non-party Aggrieved Employees. Based upon information and belief, Defendants
6 issue the same formatted wage statements to all non-exempt, hourly paid
7 employees in California, irrespective of their work locations. Upon information
8 and belief, Defendants process payroll for departing employees in the same
9 manner throughout the State of California, regardless of the manner in which each
10 employee's employment ends.

11 24. Defendants continue to employ non-exempt or hourly paid employees
12 in California.

13 25. Plaintiff is informed and believes, and thereon alleges, that at all times
14 herein mentioned, Defendants were advised by skilled lawyers and other
15 professionals, employees and advisors knowledgeable about California labor and
16 wage law, employment and personnel practices, and about the requirements of
17 California law.

18 26. Plaintiff is informed and believes, and thereon alleges, that Plaintiff
19 and other non-party Aggrieved Employees were not paid for all hours worked
20 because all hours worked were not recorded.

21 27. Plaintiff is informed and believes, and thereon alleges, that
22 Defendants knew or should have known that Plaintiff and other non-party
23 Aggrieved Employees were entitled to receive certain wages for overtime
24 compensation and that they were not receiving certain wages for overtime
25 compensation.

26 28. Plaintiff is informed and believes, and thereon alleges, that
27 Defendants knew or should have known that Plaintiff and other non-party
28 Aggrieved Employees were entitled to receive at least minimum wages for

1 compensation and that they were not receiving at least minimum wages for work
2 that was required to be done off-the-clock. In violation of the California Labor
3 Code, Plaintiff and other non-party Aggrieved Employees were not paid at least
4 minimum wages for work done off-the-clock.

5 29. Plaintiff is informed and believes, and thereon alleges, that
6 Defendants knew or should have known that Plaintiff and other non-party
7 Aggrieved Employees were entitled to meal periods in accordance with the
8 California Labor Code and applicable IWC Wage Order or payment of one (1)
9 additional hour of pay at their regular rates of pay when they were not provided
10 with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and
11 other non-party Aggrieved Employees were not provided with all meal periods or
12 payment of one (1) additional hour of pay at their regular rates of pay when they
13 did not receive a timely, uninterrupted, thirty (30) minute meal period.

14 30. Plaintiff is informed and believes, and thereon alleges, that
15 Defendants knew or should have known that Plaintiff and other non-party
16 Aggrieved Employees were entitled to rest periods in accordance with the
17 California Labor Code and applicable IWC Wage Order or payment of one (1)
18 additional hour of pay at their regular rates of pay when they were not authorized
19 and permitted to take a compliant rest period and that Plaintiff and other non-party
20 Aggrieved Employees were not authorized and permitted to take compliant rest
21 periods or provided with payment of one (1) additional hour of pay at their regular
22 rates of pay when they were not authorized and permitted to take a compliant rest
23 period.

24 31. Plaintiff is informed and believes, and thereon alleges, that
25 Defendants knew or should have known that Plaintiff and other non-party
26 Aggrieved Employees were entitled to receive complete and accurate wage
27 statements in accordance with California law. In violation of the California Labor
28 Code, Plaintiff and other non-party Aggrieved Employees were not provided

1 complete and accurate wage statements.

2 32. Plaintiff is informed and believes, and thereon alleges, that
3 Defendants knew or should have known that they had a duty to maintain accurate
4 and complete payroll records in accordance with the California Labor Code and
5 applicable IWC Wage Order, but willfully, knowingly, and intentionally failed to
6 do so.

7 33. Plaintiff is informed and believes, and thereon alleges, that
8 Defendants knew or should have known that Plaintiff and other non-party
9 Aggrieved Employees were entitled to timely payment of all wages earned upon
10 termination of employment. In violation of the California Labor Code, Plaintiff
11 and other non-party Aggrieved Employees did not receive payment of all wages
12 due, including, but not limited to, overtime wages, minimum wages, and/or meal
13 and rest period premiums, within permissible time periods.

14 34. Plaintiff is informed and believes, and thereon alleges, that
15 Defendants knew or should have known that Plaintiff and other non-party
16 Aggrieved Employees were entitled to timely payment of wages during their
17 employment. In violation of the California Labor Code, Plaintiff and other non-
18 party Aggrieved Employees did not receive payment of all wages, including, but
19 not limited to, overtime wages, minimum wages, and/or meal and rest period
20 premiums, within permissible time periods.

21 35. Plaintiff is informed and believes, and thereon alleges, that
22 Defendants knew or should have known that Plaintiff and other non-party
23 Aggrieved Employees were entitled to receive their full wages due without having
24 to execute a release of claims. In violation of the California Labor Code,
25 Defendants required Plaintiff and other non-party Aggrieved Employees to release
26 their claims for unpaid wages as a condition to receiving their paychecks.

27 36. Plaintiff is informed and believes, and thereon alleges, that
28 Defendants knew or should have known that they had a duty to maintain, for

1 Plaintiff and other non-party Aggrieved Employees, a temperature in work areas
2 that provided reasonable comfort consistent with industry-wide standards for the
3 nature of the process and the work performed, and to provide a heated room to
4 which employees may retire for warmth, but failed to do so.

5 37. Plaintiff is informed and believes, and thereon alleges, that
6 Defendants knew or should have known that Plaintiff and other non-party
7 Aggrieved Employees were entitled to receive full reimbursement for all business-
8 related expenses and costs they incurred during the course and scope of their
9 employment and that they did not receive full reimbursement of applicable
10 business-related expenses and costs incurred.

11 38. Plaintiff is informed and believes, and thereon alleges, that at all times
12 herein mentioned, Defendants knew or should have known that Defendants had a
13 duty to provide Plaintiff and other non-party Aggrieved Employees with written
14 notice of the material terms of their employment with Defendants as required by
15 the California Wage Theft Prevention Act, but failed to do so.

16 39. Plaintiff is informed and believes, and thereon alleges, that at all times
17 herein mentioned, Defendants knew or should have known that they had a duty to
18 compensate Plaintiff and other non-party Aggrieved Employees for all hours
19 worked, and that Defendants had the financial ability to pay such compensation,
20 but willfully, knowingly, and intentionally failed to do so, and falsely represented
21 to Plaintiff and other non-party Aggrieved Employees that they were properly
22 denied wages, all in order to increase Defendants' profits.

23 40. At all times herein set forth, PAGA provides that any provision of law
24 under the Labor Code and applicable IWC Wage Order that provides for a civil
25 penalty to be assessed and collected by the LWDA for violations of the California
26 Labor Code and applicable IWC Wage Order may, as an alternative, be recovered
27 by aggrieved employees in a civil action brought on behalf of themselves and other
28 current or former employees pursuant to procedures outlined in California Labor

1 Code section 2699.3.

2 41. PAGA defines an “aggrieved employee” in Labor Code section
3 2699(c)(1) as “any person who was employed by the alleged violator and
4 personally suffered each of the violations alleged.”

5 42. Plaintiff and other current and former employees of Defendants are
6 “aggrieved employees” as defined by Labor Code section 2699(c)(1) in that they
7 are all Defendants’ current or former employees and each of the alleged violations
8 were committed against them.

9 43. Pursuant to California Labor Code sections 2699.3 and 2699.5, an
10 aggrieved employee, including Plaintiff, may pursue a civil action arising under
11 PAGA after the following requirements have been met:

12 (a) The aggrieved employee or representative shall give written
13 notice by online filing with the LWDA and by certified mail to
14 the employer of the specific provisions of the California Labor
15 Code alleged to have been violated, including the facts and
16 theories to support the alleged violation.

17 (b) An aggrieved employee’s notice filed with the LWDA pursuant
18 to 2699.3(a) and any employer response to that notice shall be
19 accompanied by a filing fee of seventy-five dollars (\$75).

20 (c) The LWDA shall notify the employer and the aggrieved
21 employee or representative by certified mail that it does not
22 intend to investigate the alleged violation (“LWDA Notice”)
23 within sixty (60) calendar days of the postmark date of the
24 aggrieved employee’s notice. Upon receipt of the LWDA
25 Notice, or if no LWDA Notice is provided within sixty-five
26 (65) calendar days of the postmark date of the aggrieved
27 employee’s notice, the aggrieved employee may commence a
28 civil action pursuant to California Labor Code section 2699 to

1 recover civil penalties.

2 44. Pursuant to California Labor Code sections 2699.3(c), aggrieved
3 employees, through Plaintiff, may pursue a civil action arising under PAGA for
4 violations of any provision other than those listed in Section 2699.5 after the
5 following requirements have been met:

6 (a) The aggrieved employee or representative shall give written
7 notice by online filing with the LWDA and by certified mail to
8 the employer of the specific provisions of the California Labor
9 Code alleged to have been violated (other than those listed in
10 Section 2699.5), including the facts and theories to support the
11 alleged violation.

12 (b) An aggrieved employee's notice filed with the LWDA pursuant
13 to 2699.3(c) and any employer response to that notice shall be
14 accompanied by a filing fee of seventy-five dollars (\$75).

15 (c) The employer may cure the alleged violation within thirty-three
16 (33) calendar days of the postmark date of the notice sent by
17 the aggrieved employee or representative. The employer shall
18 give written notice within that period of time by certified mail
19 to the aggrieved employee or representative and by online
20 filing with the LWDA if the alleged violation is cured,
21 including a description of actions taken, and no civil action
22 pursuant to Section 2699 may commence. If the alleged
23 violation is not cured within the 33-day period, the aggrieved
24 employee may commence a civil action pursuant to Section
25 2699.

26 45. On February 6, 2026, Plaintiff provided written notice by online filing
27 to the LWDA and by Certified Mail to Defendants of the specific provisions of the
28 California Labor Code alleged to have been violated, including facts and theories

1 to support the alleged violations, in accordance with California Labor Code section
2 2699.3. Plaintiff's written notice was accompanied with the applicable filing fee
3 of seventy-five dollars (\$75). The LWDA PAGA Administrator confirmed receipt
4 of Plaintiff's written notice and assigned Plaintiff PAGA Case Number LWDA-
5 CM-1155881-26. A true and correct copy of Plaintiff's written notice to the
6 LWDA and Defendants dated February 6, 2026 is attached hereto as "Exhibit 1."

7 46. As of the filing date of this amended complaint, over 65 days have
8 passed since Plaintiff sent the notice described above to the LWDA, and the
9 LWDA has not responded that it intends to investigate Plaintiff's claims and
10 Defendants have not cured the violations.

11 47. Thus, Plaintiff has satisfied the administrative prerequisites under
12 California Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties
13 against Defendants for violations of California Labor Code sections 201, 202, 204,
14 206.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, 2802,
15 and 2810.5.

16 48. Labor Code section 558(a) provides "[a]ny employer or other person
17 acting on behalf of an employer who violates, or causes to be violated, a section
18 of this chapter or any provision regulating hours and days of work in any order of
19 the Industrial Welfare Commission shall be subject to a civil penalty as follows:
20 (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for
21 each pay period for which the employee was underpaid (2) For each
22 subsequent violation, one hundred dollars (\$100) for each underpaid employee for
23 each pay period for which the employee was underpaid" Labor Code section
24 558(c) provides "[t]he civil penalties provided for in this section are in addition to
25 any other civil or criminal penalty provided by law."

26 49. Defendants, at all times relevant to this complaint, were employers or
27 persons acting on behalf of an employer(s) who violated Plaintiff's and other non-
28 party Aggrieved Employees' rights by violating various sections of the California

1 Labor Code as set forth above.

2 50. As set forth below, Defendants have violated numerous provisions of
3 both the Labor Code sections regulating hours and days of work as well as the
4 applicable IWC Wage Order.

5 51. Pursuant to PAGA, and in particular, California Labor Code sections
6 1194.5, 2699(a), 2699(k), 2699.3(a), 2699.3(c), and 2699.5, and section 558,
7 Plaintiff, acting in the public interest as a private attorney general, seeks
8 assessment and collection of civil penalties and injunctive relief for herself, all
9 other aggrieved employees, and the State of California against Defendants for
10 violations of California Labor Code sections 201, 202, 204, 206.5, 226(a), 226.7,
11 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, 2802, and 2810.5.

12 **FIRST CAUSE OF ACTION**

13 **For Civil Penalties Pursuant to California Labor Code §§ 2698, *et seq.***

14 **(Against all Defendants)**

15 52. Plaintiff incorporates by reference and re-alleges as if fully stated
16 herein each and every allegation set forth above.

17 53. California Labor Code sections 2698, *et seq.* permit Plaintiff to
18 recover civil penalties for the violation(s) of the Labor Code sections enumerated
19 in Labor Code section 2699.5. Section 2699.5 enumerates Labor Code sections
20 201, 202, 204, 206.5, 1174(d), and 1198. Labor Code section 2699.3(c) permits
21 aggrieved employees, including Plaintiff, to recover civil penalties for violations
22 of those Labor Code sections not found in section 2699.5, including sections
23 226(a), 226.7, 510, 512(a), 516, 1182.12, 1194, 1197, 2802, and 2810.5.

24 54. Defendants' conduct, as alleged herein, violates numerous sections of
25 the California Labor Code, including, but not limited to, the following:

- 26 (a) Violation of Labor Code sections 510 and 1198, and the
27 applicable IWC Wage Order for Defendants' failure to
28 compensate Plaintiff and other non-party Aggrieved

- 1 Employees with all required overtime pay, as set forth below;
- 2 (b) Violation of Labor Code sections 1182.12, 1194, 1197, and
- 3 1198, and the applicable IWC Wage Order for Defendants’
- 4 failure to compensate Plaintiff and other non-party Aggrieved
- 5 Employees with at least minimum wages for all hours worked,
- 6 as set forth below;
- 7 (c) Violation of Labor Code sections 226.7, 512(a), 516, and 1198,
- 8 and the applicable IWC Wage Order for Defendants’ failure to
- 9 provide Plaintiff and other non-party Aggrieved Employees
- 10 with meal periods, as set forth below;
- 11 (d) Violation of Labor Code sections 226.7, 516, and 1198, and the
- 12 applicable IWC Wage Order for Defendants’ failure to
- 13 authorize and permit Plaintiff and other non-party Aggrieved
- 14 Employees to take rest periods, as set forth below;
- 15 (e) Violation of Labor Code sections 226(a) and 1198, and the
- 16 applicable IWC Wage Order for failure to provide accurate and
- 17 complete wage statements to Plaintiff and other non-party
- 18 Aggrieved Employees, as set forth below;
- 19 (f) Violation of Labor Code sections 1174(d) and 1198, and the
- 20 applicable IWC Wage Order for failure to maintain payroll
- 21 records, as set forth below;
- 22 (g) Violation of Labor Code sections 201 and 202 for failure to pay
- 23 all earned wages upon termination, set forth below;
- 24 (h) Violation of Labor Code section 204 for failure to pay all
- 25 earned wages during employment, set forth below;
- 26 (i) Violation of Labor Code section 206.5 for requiring Plaintiff
- 27 and other non-party Aggrieved Employees to execute a release
- 28 of claims as a condition to receiving wages due to them, as set

1 forth below;

2 (j) Violation of Labor Code section 1198 and the applicable IWC
3 Wage Order for failure to maintain a temperature in work areas
4 that provided reasonable comfort consistent with industry-wide
5 standards for the nature of the process and the work performed,
6 and to provide a heated room to which employees may retire
7 for warmth, as set forth below;

8 (k) Violation of Labor Code section 2802 for failure to reimburse
9 Plaintiff and other non-party Aggrieved Employees for all
10 business expenses necessarily incurred, as set forth below; and

11 (l) Violation of Labor Code section 2810.5 for failure to provide
12 notice of material terms of employment, as set forth below.

13 **FAILURE TO PAY OVERTIME**

14 **VIOLATION OF LABOR CODE SECTIONS 510 AND 1198**

15 55. Labor Code section 1198 makes it illegal to employ an employee
16 under conditions of labor that are prohibited by the applicable IWC Wage Order.
17 California Labor Code section 1198 requires that “. . . the standard conditions of
18 labor fixed by the commission shall be the . . . standard conditions of labor for
19 employees. The employment of any employee . . . under conditions of labor
20 prohibited by the order is unlawful.”

21 56. California Labor Code section 1198 and the applicable IWC Wage
22 Order provide that it is unlawful to employ persons without compensating them at
23 a rate of pay either time-and-one-half or two-times that person’s regular rate of
24 pay, depending on the number of hours worked by the person on a daily or weekly
25 basis.

26 57. Specifically, the applicable IWC Wage Order provides that
27 Defendants are and were required to pay Plaintiff and other non-party Aggrieved
28 Employees working more than eight (8) hours in a day or more than forty (40)

1 hours in a workweek, at the rate of time and one-half (1 ½) for all hours worked
2 in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

3 58. The applicable IWC Wage Order further provides that Defendants are
4 and were required to pay Plaintiff and other non-party Aggrieved Employees
5 working more than twelve (12) hours in a day, overtime compensation at a rate of
6 two (2) times their regular rate of pay. An employee's regular rate of pay includes
7 all remuneration for employment paid to, or on behalf of, the employee, including
8 nondiscretionary bonuses and incentive pay.

9 59. California Labor Code section 510 codifies the right to overtime
10 compensation at one and one-half (1 ½) times the regular rate of pay for hours
11 worked in excess of eight (8) hours in a day or forty (40) hours in a week or for
12 the first eight (8) hours worked on the seventh (7th) day of work, and to overtime
13 compensation at twice the employee's regular rate of pay for hours worked in
14 excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the
15 seventh (7th) day of work.

16 60. During the relevant time period, Defendants willfully failed to pay all
17 overtime wages owed to Plaintiff and other non-party Aggrieved Employees.
18 During the relevant time period, Plaintiff and other non-party Aggrieved
19 Employees were not paid overtime premiums for all of the hours they worked in
20 excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or
21 in excess of forty (40) hours in a week, because all hours worked were not
22 recorded.

23 61. First, Defendants had, and continue to have, a company-wide policy
24 and/or practice of requiring Plaintiff and other non-party Aggrieved Employees to
25 perform work off-the-clock outside of their scheduled shifts, because Defendants
26 did not provide a means to account for this time. For example, Defendants only
27 provided Plaintiff and other non-party Aggrieved Employees with a limited
28 number of timekeeping machines at their facilities to clock in and out for their

1 shifts, thus forcing Plaintiff and other non-party Aggrieved Employees to wait in
2 line off-the-clock and under Defendants' control, time for which they were not
3 paid. For instance, Plaintiff would often report to work at the start of his scheduled
4 shift and then be required to wait in a line of employees for a few minutes before
5 he was able to clock in, time for which he was not paid. As another example, after
6 he had clocked out at the end of his shift, Plaintiff was required to communicate
7 with management over phone calls, text messages, and/or the Workday application
8 on his personal mobile device about work-related matters such as status updates,
9 assignments, attendance, and scheduling. As a further example, Defendants
10 sometimes required Plaintiff to run company errands, such as driving to a hardware
11 store to purchase sandpaper, while off-the-clock after the end of his scheduled
12 shifts. Thus, Defendants failed to track all of the time that employees spent
13 performing work-related tasks outside of their scheduled shifts, and Plaintiff and
14 other non-party Aggrieved Employees received no compensation for this time.

15 62. Second, during the relevant time period, Defendants had, and
16 continue to have, a company-wide policy and/or practice of understaffing their
17 facilities while assigning heavy workloads, including pressuring employees to
18 meet production quotas and metrics. For example, in order to meet Defendants'
19 productivity requirements, Plaintiff and other exterior painters, were expected to
20 complete the painting of approximately nine (9) manufactured homes per week.
21 Defendants' policies and/or practices resulted in a failure to provide Plaintiff and
22 other non-party Aggrieved Employees with adequate meal period coverage, such
23 that there were too few employees on duty to handle the workload, i.e., completing
24 the number of exterior paint jobs to keep production running at full capacity, and
25 thus, Plaintiff and other non-party Aggrieved Employees were not always afforded
26 uninterrupted 30-minute meal periods during shifts when they were entitled to
27 receive a meal period. Defendants also had a practice of failing to adhere to a
28 schedule for meal periods, which further caused Plaintiff and other non-party

1 Aggrieved Employees to not be relieved of their duties for compliant meal periods.
2 For example, due to the lack of coverage, Plaintiff sometimes worked through his
3 meal periods in order to complete his segment of jobs so that production could
4 continue uninterrupted. As a further example, Plaintiff's meal periods were
5 sometimes interrupted and/or cut short to discuss urgent tasks with Defendants'
6 management. Defendants did not compensate Plaintiff and other non-party
7 Aggrieved Employees for the time they spent working off the clock during meal
8 periods.

9 63. Third, Defendants had, and continue to have, a company-wide policy
10 and/or practice of requiring that Plaintiff and other non-party Aggrieved
11 Employees respond to their personal mobile devices at all times, including during
12 meal periods. As a result, Defendants' management contacted Plaintiff on his
13 personal mobile device during meal periods to discuss work-related matters, such
14 as upcoming tasks and issues with paint jobs, time for which he was not paid.

15 64. Fourth, on information and belief, during the relevant time period,
16 Defendants implemented a company-wide policy and/or practice of automatically
17 deducting meal periods from Plaintiff's and other non-party Aggrieved
18 Employees' time records, instead of allowing employees to clock in and out for
19 meal periods. As a result of this policy, Defendants falsified and deducted meal
20 periods from Plaintiff's and other non-party Aggrieved Employees' time records
21 even when meal periods were missed, short, and/or interrupted. Thus, Defendants
22 did not record all hours worked during meal periods, and Plaintiff and other non-
23 party Aggrieved Employees performed work during meal periods for which they
24 were not paid.

25 65. Defendants knew or should have known that as a result of these
26 company-wide practices and/or policies, Plaintiff and other non-party Aggrieved
27 Employees were performing their assigned duties off-the-clock outside of their
28 shifts and during meal periods, and were suffered or permitted to perform work

1 for which they were not paid. Because Plaintiff and other non-party Aggrieved
2 Employees worked shifts of eight (8) hours or more a day, or forty (40) hours a
3 week or more, some of this off-the-clock work qualified for overtime premium
4 pay. Therefore, Plaintiff and other non-party Aggrieved Employees were not paid
5 overtime wages for all of the overtime hours they actually worked.

6 66. Defendants' failure to pay Plaintiff and other non-party Aggrieved
7 Employees the balance of overtime compensation as required by California law,
8 violates the provisions of California Labor Code sections 510 and 1198. Plaintiff
9 and other non-party Aggrieved Employees are therefore entitled to recover civil
10 penalties pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

11 **FAILURE TO PAY MINIMUM WAGES**
12 **VIOLATION OF LABOR CODE SECTIONS 1182.12, 1194, 1197, AND**
13 **1198**

14 67. At all relevant times, California Labor Code sections 1182.12, 1194,
15 1197, and 1198 provide that the minimum wage for employees fixed by the IWC
16 is the minimum wage to be paid to employees, and the payment of a wage less
17 than the minimum so fixed is unlawful. Compensable work time is defined in
18 IWC Wage Order No. 1-2001 as "the time during which an employee is subject to
19 the control of an employer, and includes all the time the employee is suffered or
20 permitted to work, whether or not required to do so." Cal. Code Regs. Tit. 8,
21 § 11010(2)(G) (defining "Hours Worked").

22 68. First, as set forth above, Defendants required Plaintiff and other non-
23 party Aggrieved Employees to perform work off-the-clock outside of their
24 scheduled shifts, including waiting in line for a timekeeping machine to clock in
25 for their scheduled shifts, and communicating with Defendants' management to
26 discuss work-related matters and running company errands after scheduled shifts.
27 Defendants failed to track this time Plaintiff and other non-party Aggrieved
28 Employees spent working off-the-clock, and Plaintiff and other non-party

1 Aggrieved Employees received no compensation for this time.

2 69. Second, due to Defendants' policies and/or practices of understaffing,
3 assigning heavy workloads (including pressure to meet productivity
4 requirements), failing to adhere to a schedule for meal periods, and requiring
5 employees to respond to managers' communications on their personal mobile
6 devices during meal periods, Plaintiff and other non-party Aggrieved Employees
7 were impeded from taking all uninterrupted meal periods to which they were
8 entitled and were required to work off-the-clock during meal periods, time for
9 which they were not paid. Further, as also stated, on information and belief,
10 Defendants implemented a company-wide policy and/or practice of automatically
11 deducting meal periods from Plaintiff's and other non-party Aggrieved
12 Employees' time record, even when meal periods were missed, short, and/or
13 interrupted. Thus, Defendants systematically failed to pay Plaintiff and other non-
14 party Aggrieved Employees for actual hours worked during unpaid meal periods
15 because these hours were not always correctly recorded.

16 70. Defendants did not pay minimum wages for all hours worked by
17 Plaintiff and other non-party Aggrieved Employees. To the extent that these off-
18 the-clock hours did not qualify for overtime premium payment, Defendants did
19 not pay at least minimum wages for those hours worked off-the-clock in violation
20 of California Labor Code sections 1182.12, 1194, 1197, and 1198.

21 71. Defendants' failure to pay Plaintiff and other non-party Aggrieved
22 Employees minimum wages violates California Labor Code sections 1182.12,
23 1194, 1197, and 1198. Plaintiff and other non-party Aggrieved Employees are
24 therefore entitled to recover civil penalties pursuant to Labor Code sections
25 2699(a), (f), and (k).

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FAILURE TO PROVIDE AND RECORD MEAL PERIODS
VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198

72. At all relevant times herein set forth, the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and other non-party Aggrieved Employees' employment by Defendants. .

73. At all relevant times herein set forth, California Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal.4th 1004, 1041-1042 (2012).

74. At all relevant times herein set forth, California Labor Code sections 226.7, 512(a), 516, and 1198 provide that no employer shall require an employee to work during any meal period mandated by an applicable order of the IWC.

75. At all relevant times herein set forth, Labor Code sections 226.7 and 512(a), and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (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.

76. First, as set forth above, Defendants had, and continue to have, company-wide policies and/or practices of understaffing their facilities while assigning heavy workloads (including implementing production quotas and productivity requirements), which has resulted in a lack of meal period coverage

1 and prevented Plaintiff and other non-party Aggrieved Employees from taking all
2 timely, uninterrupted meal periods to which they were entitled. Additionally, as
3 stated, Defendants had a company-wide practice of failing to adhere to a schedule
4 for meal periods, which further caused Plaintiff and other non-party Aggrieved
5 Employees to not be relieved of their duties for compliant meal periods.

6 77. Second, as also stated, Defendants had a company-wide policy and/or
7 practice of requiring that Plaintiff and other non-party Aggrieved Employees
8 respond to personal mobile devices at all times, including during meal periods, in
9 order to meet Defendants' expectations. As a result, Defendants' management
10 interrupted Plaintiff's and other non-party Aggrieved Employees' meal periods to
11 discuss work-related matters on their personal mobile devices.

12 78. Defendants' practices and policies prevented Plaintiff and other non-
13 party Aggrieved Employees from taking all compliant meal periods to which they
14 were entitled. As a result, Plaintiff and other non-party Aggrieved Employees had
15 to work through all or part of their meal periods, had their meal periods interrupted,
16 and/or had to wait extended periods of time before taking meal periods. For
17 example, Plaintiff took his meal periods late, after the fifth hour of work, due to
18 the lack of coverage and time-sensitive nature of the painting tasks he was required
19 to complete. As another example, as stated above, Plaintiff worked straight
20 through his meal period periods to complete his assigned tasks. Further, as stated,
21 Plaintiff's meal periods were interrupted and/or cut short because his managers
22 would flag him down to discuss urgent tasks that he needed to complete that day.

23 79. Third, as previously stated, on information and belief, Defendants
24 implemented a company-wide policy and/or practice of automatically deducting
25 meal periods from Plaintiff's and other non-party Aggrieved Employees' time
26 records, instead of allowing employees to clock in and out for meal periods. As a
27 result of this policy, Defendants deducted 30 minutes from Plaintiff's and other
28 non-party Aggrieved Employees' time records even when meal periods were

1 missed, short, interrupted, and/or late, instead of allowing employees to clock in
2 and out for meal periods. Thus, Defendants systematically failed to correctly
3 record meal periods.

4 80. Fourth, Defendants did not provide Plaintiff and other non-party
5 Aggrieved Employees with second 30-minute meal periods on days that they
6 worked in excess of 10 hours in one day. For example, during the relevant time
7 period, Plaintiff worked shifts in excess of 10 hours in one day and did not receive
8 a second meal period. Plaintiff and other non-party Aggrieved Employees did not
9 sign valid meal period waivers on days that they were entitled to meal periods and
10 were not relieved of all duties.

11 81. At all times herein mentioned, Defendants knew or should have
12 known that, as a result of these policies, Plaintiff and other non-party Aggrieved
13 Employees were prevented from being relieved of all duties to take timely,
14 uninterrupted meal periods. Defendants further knew or should have known that
15 Defendants did not pay Plaintiff and other non-party Aggrieved Employees all
16 meal period premiums when meal periods were late, interrupted, shortened, and/or
17 missed.

18 82. Moreover, Defendants engaged in a company-wide practice and/or
19 policy of not paying all meal period premiums owed when compliant meal periods
20 are not provided. Because of this practice and/or policy, Plaintiff and other non-
21 party Aggrieved Employees have not received premium pay for all missed, late,
22 and interrupted meal periods. As a result, Defendants failed to provide Plaintiff
23 and other non-party Aggrieved Employees compliant meal periods in violation of
24 California Labor Code sections 226.7, 512(a), and 516 and failed to pay the full
25 meal period premiums due.

26 83. Defendants' conduct violates the applicable IWC Wage Order, and
27 California Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other
28 non-party Aggrieved Employees are therefore entitled to recover civil penalties

1 pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

2 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**

3 **VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198**

4 84. At all relevant times herein set forth, the applicable IWC Wage Order
5 and California Labor Code sections 226.7, 516, and 1198 were applicable to
6 Plaintiff's and other non-party Aggrieved Employees' employment by
7 Defendants.

8 85. At all relevant times, the applicable IWC Wage Order provides that
9 "[e]very employer shall authorize and permit all employees to take rest periods,
10 which insofar as practicable shall be in the middle of each work period" and that
11 the "rest period time shall be based on the total hours worked daily at the rate of
12 ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless
13 the total daily work time is less than three and one-half (3 ½) hours.

14 86. At all relevant times, California Labor Code section 226.7 provides
15 that no employer shall require an employee to work during any rest period
16 mandated by an applicable order of the California IWC. To comply with its
17 obligation to authorize and permit rest periods under California Labor Code
18 section 226.7 and the applicable IWC Wage Order, an employer must "relinquish
19 any control over how employees spend their break time, and relieve their
20 employees of all duties—including the obligation that an employee remain on call.
21 A rest period, in short, must be a period of rest." *Augustus v. ABM Security*
22 *Services, Inc.*, 2 Cal.5th 257, 273 (2016). Pursuant to the applicable IWC Wage
23 Order and California Labor Code section 226.7(c), Plaintiff and other non-party
24 Aggrieved Employees are entitled to recover from Defendants one (1) additional
25 hour of pay at their regular rates of pay for each work day that a required rest
26 period was not authorized and permitted.

27 87. During the relevant time period, Defendants regularly failed to
28 authorize and permit Plaintiff and other non-party Aggrieved Employees to take a

1 full ten (10) minute rest period per each four (4) hour period worked or major
2 fraction thereof. As with meal periods, Defendants' company-wide practices
3 and/or policies of understaffing while assigning heavy workloads (including
4 pressuring employees to meet productivity requirements), and their requirement
5 that employees respond to work-related requests on their personal mobile devices
6 at all times, including during rest periods, resulted in a lack of rest period coverage
7 and prevented Plaintiff and other non-party Aggrieved Employees from being
8 relieved of all duty in order to take compliant rest periods. Defendants also failed
9 to adhere to a schedule for rest periods, which, coupled with Defendants' failure
10 to provide adequate rest period coverage, further led to Plaintiff and other non-
11 party Aggrieved Employees not being authorized and permitted to take rest
12 periods.

13 88. Furthermore, upon information and belief, during the relevant time
14 period, Defendants maintained a company-wide on-premises rest period policy,
15 which effectively required that Plaintiff and other non-party Aggrieved Employees
16 remain on the work premises during their rest periods. Because Plaintiff and other
17 non-party Aggrieved Employees were restricted from leaving the premises during
18 rest periods, they were denied the ability to use their rest periods freely for their
19 own purposes, such as running personal errands. Thus, Defendants effectively
20 maintained control over Plaintiff and other non-party Aggrieved Employees
21 during rest periods.

22 89. As a result of Defendants' practices and policies, Plaintiff and other
23 non-party Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of
24 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute
25 rest periods to which they were entitled. For example, throughout his employment,
26 Plaintiff periodically had to forgo his rest periods entirely, and was not authorized
27 or permitted to take a third 10-minute rest period on days that he worked in excess
28 of 10 hours in one day. As a further example, when he was able to take rest

1 periods, Plaintiff's rest periods were interrupted by Defendants' managers
2 requesting status updates, assigning tasks, or asking work-related questions.

3 90. Defendants have also engaged in a company-wide practice and/or
4 policy of not paying rest period premiums owed when compliant rest periods are
5 not authorized and permitted. Because of this practice and/or policy, Plaintiff and
6 other non-party Aggrieved Employees have not received premium pay for all
7 missed rest periods. As a result, Defendants denied Plaintiff and other non-party
8 Aggrieved Employees rest periods and failed to pay them rest period premiums
9 due, in violation of Labor Code sections 226.7 and 516, and the applicable IWC
10 Wage Order.

11 91. Defendants' conduct violates the applicable IWC Wage Order and
12 California Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-
13 party Aggrieved Employees are therefore entitled to recover civil penalties
14 pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

15 **FAILURE TO PROVIDE AND MAINTAIN COMPLIANT WAGE**
16 **STATEMENTS**

17 **VIOLATION OF LABOR CODE SECTIONS 226(a), 1174(d), AND 1198**

18 92. At all relevant times herein set forth, California Labor Code section
19 226(a) provides that every employer shall furnish each of his or her employees an
20 accurate and complete itemized wage statement in writing, including, but not
21 limited to, the name and address of the legal entity that is the employer, the
22 inclusive dates of the pay period, total hours worked, and all applicable rates of
23 pay.

24 93. At all relevant times, Defendants have knowingly and intentionally
25 provided Plaintiff and other non-party Aggrieved Employees with uniform,
26 incomplete, and inaccurate wage statements. For example, Defendants issued
27 uniform wage statements to Plaintiff and other non-party Aggrieved Employees
28 that fail to correctly list: gross wages earned; total hours worked; net wages

1 earned; and all applicable hourly rates in effect during the pay period, including
2 rates of pay for overtime wages, and the corresponding number of hours worked
3 at each hourly rate. Specifically, Defendants violated sections 226(a)(1),
4 226(a)(2), 226(a)(5), and 226(a)(9).

5 94. Because Defendants did not accurately record the time Plaintiff and
6 other non-party Aggrieved Employees spent working off-the-clock and deducted
7 time from their records for meal periods that were interrupted and/or missed (and
8 therefore time for which they should have been paid), Defendants did not list the
9 correct amount of gross wages and net wages earned by Plaintiff and other non-
10 party Aggrieved Employees in compliance with sections 226(a)(1) and 226(a)(5).
11 For the same reason, Defendants failed to accurately list the total number of hours
12 worked by Plaintiff and other non-party Aggrieved Employees in violation of
13 section 226(a)(2), and failed to list the applicable hourly rates of pay in effect
14 during the pay period and corresponding accurate number of work hours worked
15 at each hourly rate in violation of section 226(a)(9).

16 95. The wage statement deficiencies also include, without limitation,
17 failing to list the number of piece-rate units earned and any applicable piece rate
18 if the employee is paid on a piece-rate basis; failing to list all deductions; failing
19 to list the inclusive dates of the period for which employees were paid; failing to
20 list the name of the employee and only the last four digits of his or her social
21 security number or an employee identification number other than a social security
22 number; failing to list the name and address of the legal entity that is the employer;
23 and/or failing to state all hours worked as a result of not recording or stating hours
24 worked off-the-clock.

25 96. California Labor Code section 1174(d) provides that “[e]very person
26 employing labor in this state shall . . . [k]eep a record showing the names and
27 addresses of all employees employed and the ages of all minors” and “[k]eep, at a
28 central location in the state or at the plants or establishments at which employees

1 are employed, payroll records showing the hours worked daily by and the wages
2 paid to, and the number of piece-rate units earned by and any applicable piece rate
3 paid to, employees employed at the respective plants or establishments” At
4 all relevant times, and in violation of Labor Code section 1174(d), Defendants
5 willfully failed to maintain accurate payroll records for Plaintiff and other non-
6 party Aggrieved Employees showing the daily hours they worked and the wages
7 paid thereto as a result of failing to record the off-the-clock hours that they worked.

8 97. California Labor Code section 1198 provides that the maximum hours
9 of work and the standard conditions of labor shall be those fixed by the Labor
10 Commissioner and as set forth in the applicable IWC Wage Order. Section 1198
11 further provides that “[t]he employment of any employees for longer hours than
12 those fixed by the order or under conditions of labor prohibited by the order is
13 unlawful.” Pursuant to the applicable IWC Wage Order, employers are required
14 to keep accurate time records showing when the employee begins and ends each
15 work period and meal period. During the relevant time period, Defendants
16 engaged in company-wide practices and/or policies of failing to record actual
17 hours worked (including automatically deducting meal periods from Plaintiff’s
18 and other non-party Aggrieved Employees’ time records regardless of if or when
19 meal periods were actually taken), and thereby failed to keep accurate records of
20 work period and meal period start and end times for Plaintiff and other non-party
21 Aggrieved Employees, in violation of section 1198. Also, in light of Defendants’
22 failure to provide Plaintiff and other non-party Aggrieved Employees with second
23 30-minute meal periods to which they were entitled, Defendants kept no records
24 of meal start and end times for second meal periods.

25 98. Defendants’ conduct violates California Labor Code sections 226(a),
26 1174(d), and 1198. Plaintiff and other non-party Aggrieved Employees are
27 therefore entitled to recover civil penalties pursuant to Labor Code sections 226.3,
28 1174.5, and/or 2699(a), (f) and (k).

FAILURE TO PAY WAGES UPON TERMINATION
VIOLATION OF LABOR CODE SECTIONS 201 AND 202

99. At all times relevant herein set forth, Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (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.

100. During the relevant time period, Defendants willfully failed to pay Plaintiff and other non-party Aggrieved Employees who are no longer employed by Defendants all their earned wages, including, but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, either at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ.

101. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees who are no longer employed by Defendants their wages earned and unpaid at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code section 256 and/or 2699(a), (f), and (k).

FAILURE TO PAY WAGES DURING EMPLOYMENT
VIOLATION OF LABOR CODE SECTION 204

102. At all times relevant herein set forth, Labor Code section 204 provides that all wages earned by any person in any employment between the first (1st) and the fifteenth (15th) days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the sixteenth

1 (16th) and the twenty-sixth (26th) day of the month during which the labor was
2 performed. Labor Code section 204 further provides that all wages earned by any
3 person in any employment between the sixteenth (16th) and the last day, inclusive,
4 of any calendar month, other than those wages due upon termination of an
5 employee, are due and payable between the first (1st) and the tenth (10th) day of
6 the following month.

7 103. At all times relevant herein, Labor Code section 204 provides that all
8 wages earned for labor in excess of the normal work period shall be paid no later
9 than the payday for the next regular payroll period. Alternatively, at all times
10 relevant herein, Labor Code section 204 provides that the requirements of this
11 section are deemed satisfied by the payment of wages for weekly, biweekly, or
12 semimonthly payroll if the wages are paid not more than seven (7) calendar days
13 following the close of the payroll period.

14 104. During the relevant time period, Defendants willfully failed to pay
15 Plaintiff and other non-party Aggrieved Employees all wages due including, but
16 not limited to, overtime wages, minimum wages, and/or meal and rest period
17 premiums within the time periods specified by California Labor Code section 204.

18 105. Defendants' failure to pay Plaintiff and other non-party Aggrieved
19 Employees all wages due violates Labor Code section 204. Plaintiff and other
20 non-party Aggrieved Employees are therefore entitled to recover civil penalties
21 pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

22 **REQUIRING RELEASE OF CLAIMS FOR WAGES DUE**
23 **VIOLATION OF LABOR CODE SECTION 206.5**

24 106. At all relevant times herein set forth, California Labor Code section
25 206.5 prohibits employers from requiring employees to execute releases of a claim
26 or right "on account of wages due, or to become due, or made as an advance on
27 wages to be earned, unless payment of those wages has been made. A release
28 required or executed in violation of the provisions of this section shall be null and

1 void as between the employer and the employee ‘[E]xecution of a release’
2 includes requiring an employee, as a condition of being paid, to execute a
3 statement of the hours he or she worked during a pay period which the employer
4 knows to be false.”

5 107. During the relevant time period, Defendants required Plaintiff and
6 other non-party Aggrieved Employees to release their claims for meal and/or rest
7 period violations, as well as their claims for uncompensated hours worked, as a
8 condition of receiving their paychecks. For example, on information and belief,
9 Defendants required Plaintiff and other non-party Aggrieved Employees to fill out
10 and sign “Timesheet, Meal Period and Rest Break Attestation” forms verifying
11 that their time entries were accurate and correct and that they received all meal
12 and rest periods that they were entitled to during the applicable pay period.
13 Defendants compelled Plaintiff and other non-party Aggrieved Employees to sign
14 these false verifications when they, in fact, had not been able to accurately record
15 all of the hours they had worked and/or were not provided all meal periods and/or
16 rest periods.

17 108. Defendants’ policy and practice of requiring Plaintiff and other non-
18 party Aggrieved Employees to release their claims for uncompensated hours
19 worked and/or their claims for meal and/or rest period violations, as a condition to
20 receiving their paychecks, is in violation of California Labor Code section 206.5.
21 Plaintiff and other non-party Aggrieved Employees are therefore entitled to
22 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (k).

23 **FAILURE TO MAINTAIN WORK TEMPERATURE PROVIDING**
24 **REASONABLE COMFORT**
25 **VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA**
26 **CODE OF REGULATIONS TITLE 8, SECTION 11010 SUBDIVISION 15**

27 109. At all relevant times, California Labor Code section 1198 dictates that
28 no employer may employ an employee under conditions of labor that are

1 prohibited by the applicable IWC Wage Order. California Labor Code section
2 1198 further requires that “. . . the standard conditions of labor fixed by the
3 commission shall be the . . . standard conditions of labor for employees. The
4 employment of any employee . . . under conditions of labor prohibited by the order
5 is unlawful.”

6 110. California Code of Regulations, Title 8, sections 11010(15)(A) and
7 (B) provide that “[t]he temperature maintained in each work area shall provide
8 reasonable comfort consistent with industry-wide standards for the nature of the
9 process and the work performed Where the nature of the employment
10 requires a temperature of less than 60° F., a heated room shall be provided to
11 which employees may retire for warmth, and such room shall be maintained at not
12 less than 68°.” California law requires an employer to endeavor to provide a safe
13 and healthy workplace (Cal. Code Regs. tit. 8, § 3203).

14 111. Upon information and belief, Defendants violated California Labor
15 Code section 1198 and California Code of Regulations, Title 8, section 11010(15),
16 because Defendants failed to maintain a temperature in work areas that provided
17 reasonable comfort consistent with industry-wide standards for the nature of the
18 process and the work performed and failed to provide a heated room to which
19 employees could retire for warmth.

20 112. During the relevant time period, Plaintiff and other non-party
21 Aggrieved Employees were subjected to a temperature of less than 60 degrees
22 Fahrenheit inside the facilities. Defendants failed to provide Plaintiff and other
23 non-party Aggrieved Employees with reasonable comfort by providing a heated
24 room (maintained at a temperature of not less than 68 degrees Fahrenheit) to which
25 employees may retire for warmth, in violation of California Labor Code section
26 1198 and IWC Wage Order No. 1-2001, subdivision 15.

27 113. Accordingly, Defendants failed to maintain, in its work areas, a
28 temperature providing reasonable comfort for its employees, Plaintiff and other

1 non-party Aggrieved Employees, in violation of California Labor Code section
2 1198 and California Code of Regulations, Title 8, section 11010(15). Plaintiff and
3 other non-party Aggrieved Employees are therefore entitled to recover civil
4 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

5 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

6 **VIOLATION OF LABOR CODE SECTION 2802**

7 114. At all times herein set forth, California Labor Code section 2802
8 provides that an employer must reimburse employees for all necessary
9 expenditures and losses incurred by the employee in the performance of his or her
10 job. The purpose of Labor Code section 2802 is to prevent employers from passing
11 off their cost of doing business and operating expenses on to their employees.
12 *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App.4th 1137, 1144 (2014).
13 The applicable wage order, IWC Wage Order No. 1-2001, provides that: “[w]hen
14 tools or equipment are required by the employer or are necessary to the
15 performance of a job, such tools and equipment shall be provided and maintained
16 by the employer, except that an employee whose wages are at least two (2) times
17 the minimum wage provided herein may be required to provide and maintain hand
18 tools and equipment customarily required by the trade or craft.”

19 115. First, during the relevant time period, Defendants, on a company-
20 wide basis, required Plaintiff and other non-party Aggrieved Employees to use
21 their personal mobile devices, including, but not limited to, cellular phones, and/or
22 mobile data to carry out their job duties but failed to reimburse them for the costs
23 of their work-related mobile device and/or mobile data expenses. For example, as
24 stated, Plaintiff was required to use his personal cellular phone to communicate
25 with managers about work-related matters including sending pictures of
26 completed work, updates, assignments, scheduling, and questions. As a further
27 example, Plaintiff was required to download the Workday mobile application onto
28 his personal cellular phone in order to complete work-related tasks and

1 communicate with management. Although Defendants required Plaintiff and
2 other non-party Aggrieved Employees to use their personal mobile devices and/or
3 mobile data to carry out their work-related duties, Defendants failed to reimburse
4 them for their costs incurred.

5 116. Second, during the relevant time period, Defendants had a company-
6 wide policy of requiring Plaintiff and other non-party Aggrieved Employees to
7 utilize their own personal vehicles for work purposes, but failed to reimburse them
8 for all costs of travel, including mileage. Specifically, Defendants required
9 Plaintiff and other non-party Aggrieved Employees to travel to obtain supplies for
10 their job-related duties, but did not reimburse them for their travel expenses. For
11 example, Defendants sometimes required Plaintiff to drive his personal vehicle to
12 a hardware store on his way home to purchase sandpaper. This drive added an
13 additional five (5) miles to his commute. Although Defendants required Plaintiff
14 and other non-party Aggrieved Employees to utilize their own vehicles to carry
15 out their work-related duties, Defendants did not reimburse them for their mileage
16 or travel expenses.

17 117. Defendants could have provided Plaintiff and other non-party
18 Aggrieved Employees with actual equipment for use on the job, such as company
19 mobile devices and company vehicles; or, Defendants could have reimbursed
20 employees for the costs of their mobile device usage, and travel expenses and
21 mileage. Instead, Defendants passed these operating costs onto Plaintiff and other
22 non-party Aggrieved Employees. At all relevant times, Plaintiff did not earn at
23 least two (2) times the minimum wage.

24 118. Defendants' company-wide policy and/or practice of not reimbursing
25 employees for expenses necessarily incurred and passing on their operating costs
26 to Plaintiff and other non-party Aggrieved Employees violates California Labor
27 Code section 2802. Defendants have intentionally and willfully failed to
28 reimburse Plaintiff and other non-party Aggrieved Employees for necessary

1 business-related expenses and costs.

2 119. Plaintiff and other non-party Aggrieved Employees are therefore
3 entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and
4 (k).

5 **FAILURE TO PROVIDE WRITTEN NOTICE OF MATERIAL TERMS**
6 **OF EMPLOYMENT**

7 **VIOLATION OF LABOR CODE SECTION 2810.5(a)(1)(A)-(C)**

8 120. At all relevant times herein, California's Wage Theft Prevention Act
9 was enacted to ensure that employers provide employees with basic information
10 material to their employment relationship at the time of hiring, and to ensure that
11 employees are given written and timely notice of any changes to basic information
12 material to their employment. Codified at California Labor Code section 2810.5,
13 the Wage Theft Prevention Act provides that at the time of hiring, an employer
14 must provide written notice to employees containing basic and material payroll
15 information, including, among other things, the rate(s) of pay and basis thereof,
16 whether paid by the hour, shift, day, week, salary, piece, commission, or
17 otherwise, including any rates for overtime, the regular payday designated by the
18 employer, and any allowances claims as part of the minimum wage, including
19 meal or lodging allowances. Labor Code § 2810.5(a)(1)(A)-(C).

20 121. At all relevant times, on information and belief, Defendants failed, on
21 a company-wide basis, to provide written notice to Plaintiff and other non-party
22 Aggrieved Employees that lists the requisite information set forth in Labor Code
23 section 2810.5(a)(1)(A)-(C). Defendants' failure to provide Plaintiff and other
24 non-party Aggrieved Employees with written notice of basic information
25 regarding their employment with Defendants is in violation of California Labor
26 Code section 2810.5. Plaintiff and other non-party Aggrieved Employees are
27 therefore entitled to recover civil penalties pursuant to Labor Code sections
28 2699(a), (f), and (k).

PRAYER FOR RELIEF

Plaintiff, on behalf of all other non-party Aggrieved Employees, prays for relief and judgment against Defendants, jointly and severally, as follows:

1. For damages, civil penalties, injunctive relief, and attorneys' fees in excess of thirty-five thousand dollars (\$35,000). Plaintiff reserves the right to amend his prayer for relief to seek a different amount.

As to the First Cause of Action

2. That the Court declare, adjudge and decree that Defendants violated the following California Labor Code provisions as to Plaintiff and other non-party Aggrieved Employees: 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197, and 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516, and 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage statements and maintain accurate payroll records); 201 and 202 (by failing to timely pay all earned wages upon termination); and 204 (by failing to timely pay all earned wages during employment); 206.5 (by requiring employees to release claims as a condition to receive paychecks); 1198 and the applicable IWC Wage Order (by failing to maintain a reasonable work temperature); 2802 (by failing to reimburse business expenses); and 2810.5 (by failing to provide written notice of information material to employment);

3. For civil penalties pursuant to the California Labor Code sections 210, 226.3, 256, 558, 1174.5, and/or 2699(a), (f), and (k), for violations of California Labor Code sections 201, 202, 204, 206.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, 2802, and 2810.5;

4. For injunctive relief pursuant to California Labor Code sections 1194.5 and/or 2699(k) to bring Defendants into compliance with the requirements of California Labor Code sections 201, 202, 204, 206.5, 226(a), 226.7, 510, 512(a),

1 516, 1174(d), 1182.12, 1194, 1197, 1198, 2802, and 2810.5;

2 5. For attorneys' fees and costs pursuant to California Labor Code
3 sections 1194.5 and/or 2699(k)(1), and any and all other relevant statutes, for
4 Defendants' violations of California Labor Code sections 201, 202, 204, 206.5,
5 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, 2802, and
6 2810.5;

7 6. For pre-judgment and post-judgment interest as provided by law; and

8 7. For such other and further relief as the Court may deem equitable and
9 appropriate.

10
11 Dated: May 27, 2026

Respectfully submitted,

12 Capstone Law APC

13 By: /s/ Orlando Villalba

14 Orlando Villalba
15 Helga Hakimi
16 Jeffrey Jimenez

17 Attorneys for Plaintiff Ryan James
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