

6/4/2026 5:30:06 PM

Dorota A. James (State Bar No. 309933)
Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 fax
nick@ferrarovega.com / lauren@ferrarovega.com
dorota@ferrarovega.com

Clerk of the Superior Court
By M. Sepulveda ,Deputy Clerk

Attorneys for Plaintiff Anizeto Perez

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

ANIZETO PEREZ, on behalf of other similarly
situated employees of Defendants and the State
of California under the Private Attorneys General
Act,

Plaintiff,

vs.

ON PREMISE PRODUCTS INC. and DOES 1
through 50, inclusive,

Defendants.

Case No. 26CU021710C

*Hon. Michael T. Smyth
Dept. 67*

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

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

Action Filed: April 20, 2026

1 Plaintiff ANIZETO PEREZ, on behalf of all other similarly situated employees of Defendants
2 and the State of California under the Private Attorneys General Act (“Plaintiff”) brings this FIRST
3 AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants ON
4 PREMISE PRODUCTS INC. and DOES 1 through 50, inclusive (collectively “Defendants”), alleging
5 as follows:

6 **INTRODUCTION**

7 1. Plaintiff brings this instant class action on behalf of himself and similarly situated
8 current and former employees of Defendants for a series of systemic violations of the California Labor
9 Code and IWC Wage Orders.

10 2. Defendants failed to pay Plaintiff and the putative class members for all regular and
11 overtime hours worked by maintaining an unlawful and unauthorized time-editing practice.
12 Defendants manually edited employee timesheets to systematically reduce the number of hours
13 recorded and to keep recorded hours at or below 40 per workweek to avoid paying overtime.

14 3. Defendants further failed to account for all hours worked by instructing Plaintiff and
15 the putative class members to record a thirty-minute meal break on their timesheets regardless of their
16 ability to take a duty-free or otherwise compliant meal period.

17 4. Plaintiff and the putative class members were not always given adequate opportunities
18 to take compliant meal and rest periods due to the high demands of technical installation work, which
19 often required continuous manual labor without relief.

20 5. Defendants’ employment policies and practices enabled these violations on a company-
21 wide basis, including a failure to accurately record all hours worked for the purposes of calculating
22 and accruing paid sick leave.

23 6. Defendants are further liable for derivative claims for inaccurate itemized wage
24 statements, untimely payment of wages during employment, and waiting time penalties for failing to
25 pay all wages and premiums owed upon separation of employment.

26 7. Plaintiff seeks to recover underpaid wages and damages, plus associated penalties,
27 interests, attorney’s fees, and costs.

28 ///

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

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

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

A. Plaintiff Anizeto Perez

13. The State of California, via the Labor and Workforce Development Agency (“LWDA”), is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff files suit is always the real party in interest.”]). To the extent permitted by law, including pursuant *Balderas v. Fresh Start Harvesting, Inc.* (2024) 101 Cal. App. 5th 533 and *Rodriguez v. Packers Sanitation Services Ltd., LLC* (2025) 109 Cal.App.5th 69, the PAGA claim is brought exclusively as a representative action and does not include arbitrable claims.

14. Defendant On Premise Products Inc. is a California Corporation that maintains operations and conducts business throughout the State of California, including in this county.

- 2 -

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

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

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

14 18. Upon information and belief, Defendants acted in all respects pertinent to this action as
15 an alter-ego, agent, servant, joint employer, joint venturer, co-conspirator, partner, in an integrated
16 enterprise, or in some other capacity on behalf of all other co-defendants, such that the acts and
17 omissions of each defendant may be legally attributable to all others.

18 **CLASS ALLEGATIONS**

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

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

24 20. Plaintiff reserves the right to establish various subclass definitions as appropriate at the
25 class certification stage, according to proof.

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

- 28 a. Numerosity: The class is estimated to exceed 50 individuals, although the

precise membership of the entire class is unknown at this time. The class is so numerous that joinder of all class members is impracticable. The identities of class members are ascertainable by inspection of Defendants' employment and payroll records.

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

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

d. Superiority: A class action is superior to other means for adjudicating this dispute. Individual joinder is impractical. Class treatment will allow for common issues to be resolved in a single forum, simultaneously, and without duplication of effort and expense.

e. Public Policy Considerations: Certification of this lawsuit as a class action advances the State of California's strong public interest in ensuring its approximately millions of employed residents are properly paid the wages they earned for the hours they worked. Class actions provide a mechanism for enforcement of labor laws and allow for vindication of employee rights by unnamed class members.

22. Common questions of law and fact as to the class members predominate over questions affecting only individual members. The common questions of law and fact exist as to whether the employment policies and practices formulated by Defendants and applied to the class members

1 constitute violations of California law.

2 **GENERAL ALLEGATIONS**

3 23. Defendants failed to pay Plaintiff and putative class members at the lawful minimum
4 wage rate for all hours worked, resulting in unpaid minimum, regular, and overtime wages.

5 24. Specifically, Defendants maintained an unlawful time-editing practice. To avoid
6 paying for all hours worked, Defendants manually edited the timesheets of Plaintiff and other putative
7 class members. These edits were done without Plaintiff or the putative class members' knowledge or
8 consent and therefore were unauthorized. These unauthorized edits systematically reduced the number
9 of hours recorded to reflect fewer hours than were actually performed.

10 25. Furthermore, Defendants instructed Plaintiff and the putative class members to record
11 a thirty-minute meal break on their timesheets prior to the fifth hour of work, regardless of their ability
12 to take a duty-free or otherwise compliant meal period. In many instances, Plaintiff and putative class
13 members worked through their meal periods to meet productivity demands while being forced to
14 record the time as non-compensable "break time." This practice resulted in additional unrecorded and
15 unpaid hours worked.

16 26. Defendants further failed to pay Plaintiff and the putative class members for all
17 overtime hours worked, resulting in unpaid overtime wages.

18 27. Defendants maintained a practice of manually editing employee timesheets specifically
19 to keep recorded hours at or below 40 hours per workweek. Even when Plaintiff and putative class
20 members worked in excess of 8 hours per day or 40 hours per week, Defendants sometimes
21 retroactively altered the records to reflect fewer hours to avoid triggering overtime pay requirements.
22 Additionally, Defendants instructed Plaintiff and the putative class members to record a thirty-minute
23 meal break on their timesheets prior to the fifth hour of work, regardless of whether a meal break was
24 actually provided or taken. In many cases, these additional thirty minutes of unpaid work resulted in
25 more than 8 hours of work per day or 40 hours per week, resulting in unpaid overtime hours.

26 28. Defendants failed in their obligation to provide Plaintiff and the class with compliant,
27 duty-free meal and rest periods.

28 29. Specifically, Defendants maintained a practice of pressuring Plaintiff and the putative

1 class members to complete jobs before taking a meal period. Plaintiff and the putative class members'
2 jobs involved the technical installation of beverage systems. Because these systems require precise
3 insertion, the work often cannot be stopped once an installation has begun. Defendants pressured
4 Plaintiff to remain on-site and active until the system was fully installed, which frequently required
5 six to eight hours of continuous manual labor without any relief. On other occasions, Defendants
6 required employees to work through these periods. When Plaintiff and the putative class members
7 experienced a non-compliant meal period, Defendants instructed them to record a thirty-minute break
8 on their timesheets before the fifth hour of work in order to avoid paying all owed meal period
9 premiums. This occurred regardless of when or if a break was actually taken.

10 30. Furthermore, Plaintiff and the putative class members sometimes experienced non-
11 compliant rest periods to keep up with the demands of the job. Defendants maintained a practice of
12 pressuring Plaintiff and the putative class members to complete jobs prior to taking any rest periods.
13 Each time Plaintiff and the putative class members experienced a non-compliant rest period,
14 Defendants owed a rest period premium. However, Defendants failed to pay each rest period premium
15 owed.

16 31. Defendants failed to comply with California's paid sick leave laws by failing to
17 accurately account for all hours worked. Because of the aforementioned unauthorized time edits,
18 Plaintiff and the putative class members did not earn or accrue the full amount of sick pay hours they
19 were entitled to under the law.

20 32. Defendants failed to provide accurate itemized wage statements to the putative class
21 members each pay period. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the
22 correct "gross wages earned" or "net wages earned," as the employees earned wages and premiums
23 that were not paid, resulting in an inaccurate reflection and recording of "gross wages earned" on those
24 wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state
25 on employee wage statements each pay period the applicable hourly rates in effect and the number of
26 hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees.
27 The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the
28 pay stub.

1 33. Additionally, Defendants violated Labor Code section 226(a)(2) by failing to
2 accurately list employees' "total hours worked," as the wage statements did not accurately include the
3 uncompensated time Plaintiff and other putative class members worked due to Defendants' policy and
4 practice of requiring off-the-clock work and time editing.

5 34. Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and
6 premiums owed on the regular pay days scheduled each pay period within seven calendar days of the
7 close of the payroll period. Because Defendants frequently edited timesheets to reduce recorded hours
8 and failed to pay premiums for non-compliant breaks, the wages paid on regular paydays did not
9 account for all labor performed.

10 35. Furthermore, Defendants failed to timely pay all wages and premiums owed to
11 departing employees upon separation of employment. Defendants did not pay waiting time penalties
12 for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

13 **FIRST CAUSE OF ACTION**

14 **FAILURE TO PAY ALL WAGES OWED**

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

16 **(All Claims Alleged by Plaintiff and Class Members Against All Defendants)**

17 36. All outside paragraphs of this Complaint are incorporated into this section.

18 37. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
19 §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours
20 and Days of Work" and "Minimum Wages" sections of the applicable orders), which require non-
21 exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of
22 work, and further provide a private right of action for an employer's failure to pay all minimum wages
23 (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that "'wages'
24 includes all amounts for labor performed by employees of every description, whether the amount is
25 fixed or ascertained by the standard of time, task, piece, commission basis, or other method of
26 calculation."

27 38. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class
28 members at least the lawful minimum wage for each hour worked in violation of Labor Code sections

1 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours and Days of
2 Work” and “Minimum Wages” sections of the applicable orders), including payment at the lawful
3 local and county minimum wage ordinances in effect. As a result, Defendants are liable for all
4 associated damages, including liquidated damages for the minimum wage violations pursuant to Labor
5 Code § 1194.2.

6 39. Defendants’ unlawful acts and omissions deprived Plaintiff and class members of
7 minimum, regular and overtime wages in amounts to be determined at trial. Plaintiff and class
8 members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an
9 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys’
10 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2,
11 218.6 and any other applicable statutes.

12 **SECOND CAUSE OF ACTION**

13 **FAILURE TO PAY ALL OVERTIME WAGES**

14 **Violation of Labor Code §§ 510 and 1194**

15 40. All outside paragraphs of this Complaint are incorporated into this section.

16 41. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
17 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
18 wages all overtime hours worked, and which further provide a private right of action for an employer’s
19 failure to pay all overtime compensation for overtime hours worked.

20 42. Defendants failed in their affirmative obligation to pay Plaintiff and class members no
21 less than one and one-half times their respective “regular rate of pay” for all hours worked in excess
22 of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of
23 work in any one workweek, and no less than twice their respective “regular rate of pay” for all hours
24 over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for
25 such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC
26 Wage Orders (the “Hours and Days of Work” sections of the applicable orders).

27 43. Plaintiff and class members are entitled to recover the full amount of the unpaid
28 overtime, in addition to interest, statutory and civil penalties, and attorneys’ fees, and costs to the

1 extent permitted by law.

2 **THIRD CAUSE OF ACTION**

3 **MEAL PERIOD VIOLATIONS**

4 **Violation of Labor Code §§ 226.7 and 512**

5 44. All outside paragraphs of this Complaint are incorporated into this section.

6 45. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
7 §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or
8 meal period premiums in lieu thereof), and which further provide a private right of action for an
9 employer's failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful
10 regular rate of compensation.

11 46. Defendants willfully failed in their affirmative obligation to consistently provide
12 Plaintiff and class members compliant, duty-free meal periods of not less than 30 minutes beginning
13 before the fifth hour of hour for each work period of more than five hours per day and a second duty-
14 free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in
15 violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the "Meal Periods"
16 sections of the applicable orders).

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

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

25 **FOURTH CAUSE OF ACTION**

26 **REST PERIOD VIOLATIONS**

27 **Violation of Labor Code §§ 226.7 and 516**

28 49. All outside paragraphs of this Complaint are incorporated into this section.

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

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

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

FIFTH CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

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

54. Defendants knowingly and intentionally failed in their affirmative obligation to pay sick leave wages to Plaintiff and a paid sick leave subclass in violation of Labor Code section 246 *et seq.* Paid sick leave earnings constitute wages for purposes of California wage and hour law. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 [“Courts have recognized that ‘wages’ also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay”].)

55. Labor Code section 246(1), in conjunction with Labor Code section 248 *et seq.*, 248.1, 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class members, govern how Defendants were required to calculate paid sick leave.

56. Defendants failed to comply with California's paid sick leave laws with respect to

1 Plaintiff and the putative class members. As discussed above, Defendants often made unauthorized
2 edits to Plaintiff's and the putative class members' time records. Due to these unlawful policies,
3 Plaintiff and the putative class members did not earn all the sick pay hours that were actually accrued,
4 resulting in unpaid sick leave.

5 57. As a result, Defendants violated the Labor Code and are liable to Plaintiff and the
6 putative class members for underpaid sick leave wages, in addition to interest, attorneys' fees, and
7 costs.

8 **SIXTH CAUSE OF ACTION**

9 **UNTIMELY PAYMENT OF WAGES**

10 **Violation of Labor Code §§ 204, 210, 218**

11 58. All outside paragraphs of this Complaint are incorporated into this section.

12 59. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
13 §§ 204, 204b, and 210, which require non-exempt employees to be timely paid all wages owed each
14 pay period, and which further provide a private right of action for an employer's failure to comply
15 with this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties
16 due under these sections, including Labor Code § 210(c)'s statutory late payment penalties.

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

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

28 ///

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

2

3

4

5
6
7
8

9
10
11
12

13
14
15

16
17
18
19
20

21

22

23

24

25
26
27
28

1 wages.

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

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

9 **NINTH CAUSE OF ACTION**

10 **UNFAIR COMPETITION**

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

12 71. All outside paragraphs of this Complaint are incorporated into this section.

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

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

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

26 75. Plaintiff does not have an adequate remedy at law for past or future violations, to the
27 extent the statute of limitations on each of the alleged causes of action do not extend to the four year
28 limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order

1 violations do not provide a private right of action.

2 76. Plaintiff and class members are entitled to injunctive relief against Defendants,
3 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
4 an ownership interest and to prevent future damage and the public interest under Business and
5 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,
6 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
7 § 1021.5.

8 **TENTH CAUSE OF ACTION**

9 **CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT**

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

11 **(By Plaintiff on Behalf of the State and the Aggrieved Employees Against All Defendants)**

12 77. All outside paragraphs of this Complaint are incorporated into this section.

13 78. Plaintiff brings this cause of action as a proxy for the State of California on behalf of
14 the following “aggrieved employees” pursuant to the Private Attorneys General Act (“PAGA”),
15 codified as Labor Code section 2698 *et seq.*:

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

19 79. Plaintiff reserves the right to amend, supplement, or add to this description of the
20 aggrieved employees, according to proof.

21 80. The State of California, via the Labor and Workforce Development Agency
22 (“LWDA”), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*
23 *Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
24 files suit is always the real party in interest.”])

25 81. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
26 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
27 and Workforce Development Agency or any of its departments, divisions, commissions, boards,
28 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil

1 action brought by an aggrieved employee on behalf of the employee and other current or former
2 employees against whom a violation of the same provision was committed pursuant to the procedures
3 specified in Section 2699.3. “

4 82. Any allegations regarding violations of the IWC Wage Orders are enforceable as
5 violations of Labor Code section 1198, which states: “[t]he employment of any employee for longer
6 hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

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

9 84. On or about **March 30, 2026**, Plaintiff paid the requisite PAGA filing fee and provided
10 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
11 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
12 violations.

13 85. A true and correct copy of Plaintiff’s written PAGA notice, entitled “Notice of Labor
14 Code Violations” is attached hereto as Exhibit 1 and incorporated by reference as though fully set
15 forth herein (the “PAGA notice”).

16 86. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
17 written PAGA notice from the LWDA.

18 87. Within 33 calendar days of the postmark date of the notice sent by Plaintiff, neither
19 Plaintiff nor Plaintiff’s counsel has received written notice by certified mail from any defendant
20 providing a description of any actions taken to cure the alleged violations.

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

25 89. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this
26 Complaint, Defendants committed the following violations and are liable for all corresponding civil
27 penalties:

28 f. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,

1197, 1198; IWC Wage Orders.

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

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

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

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

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

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

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

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

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

PRAYER

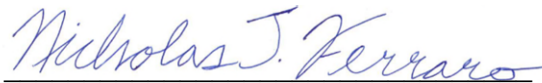
Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;

- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194 and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;
- k. For this action to be maintained as a representative action under the PAGA;
- l. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and
- o. For such other relief the Court deems just and proper.

Dated: June 4, 2026

Ferraro Vega Employment Lawyers, Inc.



Nicholas J. Ferraro

Dorota A. James

Attorneys for Plaintiff Anizeto Perez

EXHIBIT 1

Anizeto Perez's Notice of Labor Code Violations

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

March 30, 2026

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

VIA CERTIFIED U.S. MAIL

- Electronic Return Receipt -

On Premise Products Inc.
8021 Wing Ave
El Cajon, CA 92020

- PAGA Notice & Filing Fee -
Submitted electronically to the Labor and
Workforce Development Agency

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **ANIZETO PEREZ** (“Plaintiff(s)”) and all other “covered employees” of the following “Defendant(s)”:

ON PREMISE PRODUCTS INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Installer from about August 2024 to Present. During their employment Plaintiff and the other covered (i.e., 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, including those misclassified as non-exempt, and 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 “covered employees” and the “PAGA Period”). As defined, these covered current and former employees are “aggrieved employees” under PAGA.

Plaintiff reserves the right to expand or narrow the definition of the “covered 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 covered 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 covered employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. First, Defendants maintained an unlawful time-editing practice. To avoid paying all hours worked, Defendants manually edited the timesheets of Plaintiff and other covered employees. These edits were done without Plaintiff or the aggrieved employees knowledge or consent and therefore were unauthorized. These unauthorized edits systematically reduced the number of hours recorded to reflect fewer hours than were actually performed.

Second, Defendants instructed Plaintiff and the covered employees to record a thirty-minute meal break on their timesheets prior to the fifth hour of work, regardless of their ability to take a duty-free or otherwise compliant meal period. In many instances, Plaintiff and covered employees worked through their meal periods to meet productivity demands while being forced to record the time as non-compensable “break time.” This practice resulted in additional unrecorded and unpaid hours worked.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered 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 covered employees.

Labor Code section 510 requires “[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;” and “any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;” and “any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” Labor Code section 1194 renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the “Hours and Days of Work” sections.

Defendants failed to pay Plaintiff and the covered employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. First, Defendants maintained a practice of manually editing employee timesheets specifically to keep recorded hours at or below 40 hours per workweek. Even when Plaintiff and covered employees worked in excess of 8 hours per day or 40 hours per week, Defendants sometimes retroactively altered the records to reflect fewer hours in order to avoid triggering overtime pay requirements. Additionally, Defendants instructed Plaintiff and the covered employees to record a thirty-minute meal break on their timesheets prior to the fifth hour of work, regardless of whether a meal break was actually provided or taken. In many cases, these additional thirty-minutes of unpaid work resulted in more than 8 hours of work per day or 40 hours per week, resulting in unpaid overtime hours.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered 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 covered employees.

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

given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the covered employees. As discussed in the above sections, Defendants often made unauthorized edits to Plaintiff’s and the covered employees’ time records. Due to these unlawful policies, Plaintiff and the covered employees did not earn all sick pay hours that were actually accrued, resulting in unpaid sick leave.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered 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 covered employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee’s “regular rate” of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 (“We hold that the terms are synonymous: “regular rate of compensation” under section 226.7(c), like “regular rate of pay” under section 510(a), encompasses all nondiscretionary payments, not just hourly wages”). “[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage.” *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor

Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee’s regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is “exceedingly narrow” and applies only when (1) “the nature of the work prevents the employee from being relieved of all duty” and (2) *both* “the employer and employee have agreed, in writing, to the on-duty meal period.” *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff and the covered employees sometimes experienced missed, late, short, and interrupted meal periods to keep up with the demands of the job. Defendants maintained a practice of pressuring Plaintiff and the covered employees to complete jobs prior to taking a meal period. Specifically, Plaintiff and the covered employees’ job involved the technical installation of beverage systems. Because these systems require precise insertion, the work often could not be stopped once an installation began. Defendants pressured Plaintiff to remain on-site and active until a system was fully installed, which frequently required six to eight hours of continuous manual labor without any relief. On other occasions, Defendants required employees to work through these periods. When Plaintiff and the covered employees experienced a non-compliant meal period, Defendants instructed them to record a thirty-minute break on their timesheets before the fifth hour of work in order to avoid paying all owed meal period premiums. This occurred regardless of when or if a break was actually taken.

Each time Plaintiff and the covered employees experienced a non-compliant meal period, Defendants owed a meal period premium. However, Defendants failed to pay each meal period premium owed.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered 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 covered 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.

Plaintiff and the covered employees sometimes experienced non-compliant rest periods to keep up with the demands of the job. Defendants maintained a practice of pressuring Plaintiff and the covered employees to complete jobs prior to taking any rest periods. Each time Plaintiff and the covered employees experienced a non-compliant rest period, Defendants owed a rest period premium. However, Defendants failed to pay each rest period premium owed.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered 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 covered 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.

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

Additionally, Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees’ “total hours worked,” as the wage statements did not accurately include the uncompensated time plaintiff and other covered employees worked due to Defendants’ policy and practice of requiring off-the-clock work and time editing.

Plaintiff and other covered 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 covered 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 covered 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 covered 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 covered 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 covered 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 covered employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the covered employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronic 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.

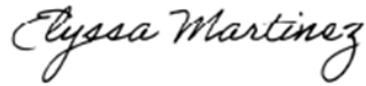
If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the covered 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 cursive script that reads "Elyssa Martinez".

Elyssa Martinez

LMP

Cc Plaintiff Anizeto Perez
Defense Counsel, William Carter Hernquist II - wch@hernquistlaw.com