

Rick A. Waltman (State Bar No. 306463)
Andrew T. Katseanes (State Bar No. 351638)
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
rick@ferrarovega.com / andrew@ferrarovega.com
nick@ferrarovega.com / lauren@ferrarovega.com

Attorneys for Plaintiff Sherry-Ann Smith

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

6/2/2026 1:30:26 PM

Clerk of the Superior Court
By V. Rodriguez ,Deputy Clerk

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

SHERRY-ANN SMITH, on behalf of the State
of California under the Private Attorneys General
Act,

Plaintiffs,

vs.

PRIME HEALTHCARE PARADISE VALLEY,
LLC and DOES 1 through 50, inclusive,

Defendants.

Case No. 26CU030078C

**REPRESENTATIVE ACTION
COMPLAINT**

1. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

1 Plaintiff SHERRY-ANN SMITH, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this REPRESENTATIVE
3 ACTION COMPLAINT against Defendants PRIME HEALTHCARE PARADISE VALLEY, LLC
4 and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

6 1. This is a representative action complaint brought under the California Private Attorneys
7 General Act (Labor Code sections 2698 *et seq.*)

8 2. Plaintiff Sherry-Ann Smith, a Clinical Nurse Supervisor employed by Prime
9 Healthcare Paradise Valley, LLC from about March 2024 to September 2025, alleges that Defendants
10 systematically violated California labor law through company-wide policies and practices that
11 prioritized operational demands over employee rights. Defendants failed to compensate Plaintiff and
12 aggrieved employees for all hours worked, including off-the-clock time required by understaffing and
13 the necessity of patient care, and failed to provide compliant meal and rest periods.

14 3. Defendants also underpaid overtime, paid sick leave, and vacation wages by failing to
15 include non-discretionary remuneration such as flex payments and shift differentials in the regular rate
16 of pay calculations, in violation of the standard established by *Alvarado v. Dart Container Corp.*
17 (2018) 4 Cal.5th 542. Defendants further retaliated against Plaintiff after she raised concerns about
18 Labor Code violations, patient safety deficiencies, and understaffing practices that created foreseeable
19 health and safety risks for employees and patients alike.

20 4. Defendants’ employment policies, practices, and payroll administration systems
21 enabled and facilitated these violations on a company-wide basis with respect to the aggrieved
22 employees. Defendants are further liable for derivative claims for wage statements, untimely payment
23 of wages, and failure to maintain accurate payroll records. Plaintiff seeks to recover underpaid
24 damages, plus associated civil penalties, interest, attorneys’ fees, and costs.

25 **JURISDICTION & VENUE**

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

28 6. The monetary damages and restitution sought exceed the minimal jurisdiction limits of

1 the Superior Court.

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

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

9 **PARTIES**

10 **A. Plaintiffs**

11 9. Plaintiff Smith is an individual over 18 years of age who worked for Defendants in
12 California as a non-exempt employee from about April 2024 to on or around December, 2025. Plaintiff
13 worked as a media specialist then service advisor.

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

21 **B. Defendants**

22 11. Defendant Prime Healthcare Paradise Valley, LLC is a Delaware Limited Liability
23 Corporation that maintains operations and conducts business throughout the State of California,
24 including in this county.

25 12. The true names and capacities, whether individual, corporate, or otherwise, of the
26 parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued
27 by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,
28 each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some

manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their true names and capacities once ascertained.

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

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

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

GENERAL ALLEGATIONS

16. Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages.

17. Specifically, Defendants maintained a policy and practice of requiring Plaintiff and other aggrieved employees to work off-the-clock, and for which they were not paid minimum wages. Due to understaffing and the necessity of patient care, Plaintiff was required to stay and perform her duties, including caring for patients, for approximately one hour after clocking out, an occurrence that happened at least once per week.

18. Although Plaintiff would sometimes sign paperwork confirming these additional hours, Defendants would later fail to approve and compensate for the time worked. This was a common practice amongst the aggrieved employees. Plaintiff and the aggrieved employees additionally regularly worked through their unpaid meal periods. Despite this, Defendants would regularly edit Plaintiff's and the aggrieved employees' time cards to show a statutorily compliant meal period had been taken. This uncompensated time resulted in Plaintiff and other aggrieved employees not receiving

1 at least the applicable minimum wage for all hours worked.

2 19. Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the
3 lawful rate of pay for overtime hours worked.

4 20. Due to the employer's systemic understaffing, Plaintiff was regularly required to
5 continue patient care and other duties for approximately one hour after she clocked out, an occurrence
6 that happened at least once per week. Despite this uncompensated work resulting in Plaintiff working
7 in excess of eight hours in a workday or forty hours in a workweek, Defendants failed to pay the
8 corresponding overtime wages. Furthermore, though Plaintiff occasionally confirmed these additional
9 hours, the employer would not approve the overtime shifts, resulting in unpaid overtime compensation
10 for work that had already occurred.

11 21. Additionally, as a result of Defendants' editing Plaintiff's and the aggrieved employees'
12 time records to include false meal periods, Defendants failed to compensate Plaintiff and the aggrieved
13 employees for all overtime hours worked. Defendants also failed to pay Plaintiff and other aggrieved
14 employees overtime and double-time compensation at the legally required "regular rate of pay."
15 Specifically, Defendants maintain a uniform policy or practice of miscalculating the regular rate of
16 pay by failing to properly incorporate all non-discretionary wage remuneration, including flex
17 payments and shift differentials.

18 22. Under *Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542, flat-sum
19 or fixed hourly premiums must be calculated by dividing the premium amount by only the non-
20 overtime (regular) hours worked. Defendants failed to utilize this mandatory divisor, instead
21 employing a "weighted average" method that results in the unlawful dilution of the regular rate of pay
22 as overtime hours increase. Defendant's failure to pay overtime at the regular rate of pay is reflected
23 in Plaintiff's wage statement from the pay period from July 20, 2025, to August 2, 2025, where
24 Defendant failed to include Plaintiff's flex credit waiver ("FLEX W/V") in the regular rate of pay.

25 23. Defendants failed to comply with California's paid sick leave laws with respect to the
26 aggrieved employees. Defendants failed to provide Plaintiff and the aggrieved employees with all sick
27 leave accrued. Plaintiff and the aggrieved employees worked off-the-clock, overtime hours that were
28 not accounted for when calculating an employee's accrued paid sick leave. Defendants also failed to

1 include all remuneration into the paid sick leave hourly rate, resulting in depreciated sick pay.
2 Therefore, Plaintiff and other aggrieved employees were not awarded the total accrued sick leave time
3 they had earned.

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

7 25. Defendant failed to record all of the time that Plaintiff and other aggrieved employees
8 worked and undercounted their hours worked. Consequently, Defendant failed to credit the aggrieved
9 employees with all vacation time they had actually accrued, and vacation wages were not paid out at
10 the lawful rate of pay inclusive of all earnings.

11 26. Plaintiff and other aggrieved employees routinely experienced missed, late, short, and
12 interrupted meal periods due to the pressures of high patient care demands and understaffing.

13 27. Defendants maintained a policy and practice of failing to provide Plaintiff and other
14 aggrieved employees with compliant, uninterrupted 30-minute meal periods. Plaintiff alleges she was
15 never fully relieved of all duty and worked through her meal period daily, due to the necessity of
16 patient care and the employer's failure to provide relief staff.

17 28. Plaintiff and the aggrieved employees often ate lunch at the desk but remained on-duty
18 and never left the department. On information and belief, Defendants were aware of this practice, as
19 managers would inappropriately clock her out for a meal period she did not take, and she was
20 instructed she did not get a meal period break. These non-compliant meal periods were not
21 compensated with one additional hour of pay at the regular rate of compensation.

22 29. Defendants maintained a policy and practice of failing to authorize and permit Plaintiff
23 and other aggrieved employees to take compliant, uninterrupted 10-minute rest periods. Plaintiff
24 alleges she was never provided with compliant rest breaks as she was never relieved from her duties.

25 30. Due to systemic understaffing and the constant necessity of patient care, Plaintiff and
26 other aggrieved employees were required to remain on duty and available to respond to workplace
27 needs throughout their shifts. On information and belief, Defendants were aware of this practice and
28 failed to provide relief staff to ensure employees could take their state-mandated breaks. These non-

1 compliant rest periods were not compensated with one additional hour of pay at the regular rate of
2 compensation.

3 31. During her employment, Plaintiff raised concerns to her supervisors and management
4 regarding multiple systemic issues, including: Labor Code violations, non-compliance with health and
5 safety regulations, understaffing practices that led to inadequate patient care, potential violations of
6 patient safety standards, and suspected violations of applicable insurance laws and regulations.

7 32. Shortly after raising these protected concerns, Plaintiff was terminated from her
8 position. Plaintiff believes and thereon alleges that her termination and other adverse employment
9 actions were taken in retaliation for her opposition to Defendants' unlawful practices, in violation of
10 Labor Code section 1102.5.

11 33. Defendants routinely understaffed units and assigned nurses patient loads that exceeded
12 safe and reasonable levels. As a result of these staffing policies, employees were required to perform
13 their duties under conditions that created a substantial risk of injury and illness, including but not
14 limited to: responding to multiple simultaneous patient needs without sufficient staffing coverage;
15 working without the ability to take timely rest periods or recover from physically demanding tasks;
16 and working in an environment where they could not consistently follow required safety protocols.
17 Defendant knew or should have known that its staffing policies created foreseeable and significant
18 risks to employee health and safety, in violation of Labor Code sections 6400, 6401, and 6402.

19 34. Defendants failed to pay all wages and premiums in each pay period in which such
20 wages were earned at the lawful rate, and failed to timely pay those amounts upon separation of
21 employment.

22 35. Defendants failed to provide accurate itemized wage statements to the aggrieved
23 employees each pay period as a result of the policies and practices set forth in this notice. Defendants
24 violated Labor Code section 226(a)(1) and (5) by not listing the correct gross wages earned or net
25 wages earned, as the employees earned wages and premiums that were not paid. In violation of Labor
26 Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the
27 applicable hourly rates in effect and the number of hours worked at that rate, as the statements display
28 a diluted hourly rate rather than the legally mandated rate due to the unlawful formula used to calculate

1 non-discretionary pay.

2 36. Additionally, Defendant violated Labor Code section 226(a)(2) by failing to accurately
3 list employees' total hours worked, as the wage statements did not accurately include the
4 uncompensated time worked due to Defendants' off-the-clock policies.

5 37. Plaintiff and other aggrieved employees cannot promptly and easily determine from the
6 wage statement alone the wages paid or earned without reference to other documents or information.
7 These wage statement violations are significant because they sow confusion among Plaintiff and other
8 aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of
9 hours worked, and how those amounts were or should be calculated. The wage statements reflect a
10 false statement of earnings and concealed the underlying problems and underpayments of employee
11 wages. These violations are not "de minimis."

12 38. Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to
13 maintain accurate employee payroll records with respect to Plaintiff and other aggrieved employees.

14 **FIRST CAUSE OF ACTION**

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

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

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

18 39. All outside paragraphs of this Complaint are incorporated into this section.

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

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

25 41. Plaintiff reserves the right to amend, supplement, or add to this description of the
26 aggrieved employees, according to proof.

27 42. The State of California, via the Labor and Workforce Development Agency
28 ("LWDA"), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*

1 *Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
2 files suit is always the real party in interest.”])

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

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

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

15 46. On or about **March 25, 2026**, Plaintiff paid the requisite PAGA filing fee and provided
16 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
17 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
18 violations.

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

22 48. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
23 written PAGA notice from the LWDA.

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

27 50. Now that at least 65 days have passed from Plaintiff notifying Defendants of these
28 violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate

the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

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

- a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.
- b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- d. ***Unpaid Vacation Wages.*** Violation of Labor Code §§ 227.3.
- e. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- f. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- g. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- h. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- i. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- j. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.
- k. ***Retaliation.*** Violation of Labor Code § 1102.5.
- l. ***Failure to Furnish a Safe Work Environment.*** Violation of Labor Code §§ 6400, 6401, 6402.

52. 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

1 extent permitted by law, including under Labor Code section 2699(k).

2 **PRAYER**

3 Plaintiff prays for judgment as follows:

- 4 a. For recovery of damages in amount according to proof;
- 5 b. For all recoverable pre- and post-judgment interest;
- 6 c. For this action to be maintained as a representative action under the PAGA;
- 7 d. For Plaintiff and counsel of record to be provided with all enforcement capability as if
- 8 the action were brought by the State of California or the California Division of Labor
- 9 Enforcement;
- 10 e. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- 11 f. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
- 12 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
- 13 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
- 14 g. For such other relief the Court deems just and proper.

15 Dated: June 1, 2026

16 ***Ferraro Vega Employment Lawyers, Inc.***

17 

18 _____
19 Andrew T. Katseanes
20 Rick A. Waltman
21 *Attorneys for Plaintiff Sherry-Ann Smith*
22
23
24
25
26
27
28

EXHIBIT 1

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 25, 2026

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

VIA CERTIFIED U.S. MAIL

- *Electronic Return Receipt* -

Prime Healthcare Paradise Valley, LLC

2400 East Fourth Street
National City, CA 91950

- 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 **SHERRY-ANN SMITH** (“Plaintiff(s)”) and all other “covered employees” of the following “Defendant(s)”:

PRIME HEALTHCARE PARADISE VALLEY, LLC
dba Paradise Valley Hospital

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 Clinical Nurse Supervisor from about March 17, 2024 to September 19, 2025. 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. Specifically, Defendants maintained a policy and practice of requiring Plaintiff and other covered employees to work off-the-clock, and for which they were not paid minimum wages. Due to understaffing and the necessity of patient care, Plaintiff was required to stay and perform her duties, including caring for patients, for approximately one hour after clocking out, an occurrence that happened at least once per week. Although Plaintiff would sometimes sign paperwork confirming these additional hours, Defendants would later fail to approve and compensate for the time worked. This was a common practice amongst the covered employees. Plaintiff and the covered employees additionally regularly worked through their unpaid meal periods. Despite this, Defendants would regularly edit Plaintiff’s and the covered employees time cards to show a statutorily compliant meal period had been taken. This uncompensated time resulted in Plaintiff and other covered employees not receiving at least the applicable minimum wage for all hours worked.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the 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 failed to compensate Plaintiff and the covered employees for all overtime hours worked. Due to the employer's systemic understaffing, Plaintiff was regularly required to continue patient care and other duties for approximately one hour after she clocked out, an occurrence that happened at least once per week. This was common amongst the covered employees. Despite this uncompensated work resulting in Plaintiff working in excess of eight hours in a workday or forty hours in a workweek, Defendants failed to pay the corresponding overtime wages. Furthermore, though Plaintiff occasionally confirmed these additional hours, the employer would not approve the overtime shifts, resulting in unpaid overtime compensation for work that had already occurred.

Additionally, as a result of Defendants editing Plaintiff's and, on information and belief, the covered employees time records to include false meal periods, Defendants failed to compensate Plaintiff and the covered employees for all overtime hours worked. Due to Defendants' understaffing, Plaintiff was never fully relieved from her patient care duties, resulting in her working throughout every unpaid meal period. Each time this practice

resulted in unpaid work over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

Further, Defendants failed to pay Plaintiff and other covered employees overtime and double-time compensation at the legally required "regular rate of pay." Specifically, Defendants maintain a uniform policy or practice of miscalculating the regular rate of pay by utilizing a formula that fails to properly incorporate all non-discretionary wage remuneration including flex payments and shift differentials..

Under California law, for flat-sum or fixed hourly premiums, the "bonus" value must be calculated by dividing the premium amount by only the non-overtime (regular) hours worked in the period. *Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542. Defendants failed to utilize this mandatory divisor, instead employing a "weighted average" method that results in the unlawful dilution of the regular rate of pay as overtime hours increase.

Below is an example of Defendants' failure to pay the overtime at the regular rate of pay from Plaintiff's wage statement from the pay period from July 20, 2025 to August 2, 2025.

EARNINGS				
DESCRIPTION	HOURS	RATE	AMOUNT	YEAR-TO-DATE
HOLPRMOT				172.58
HOLPRMDT				112.92
HOLPREM				6652.09
EDU				17.87
EDU DT				1156.06
MEALPRM				323.25
VACATION				3895.67
HOLPAID				2232.96
CPSLCK				4986.43
CRIS10.0				1239.30
CRIS20.0				1385.60
BNS RET				5000.00
BNS OT				1732.45
RROPNW\$				189.62
REGULAR	40.00	71.46	2858.40	78418.69
OVERTIME	15.35	109.70	1683.82	30193.28
DBLETIME	0.30	147.93	44.38	4609.92
FLEX W/V	2.00	71.46	142.92	0.00
WE 2.00	34.48	2.00	68.96	1946.12
SHF2.50E	8.50	2.50	21.25	163.24
ACCOUNTS	*ACCT NO.		5227.05	
Checking	55.65		5,867.25	150,841.65

Here, Defendant fails to include Plaintiff's flex credit waiver ("FLEX W/V") in the regular rate of pay. Under the *Alvarado* standard, this payment should have been included in the regular rate of pay because it was a non-discretionary as this flex credit can be taken as cash, or cash-in-lieu of benefit earned in the same pay period she earned overtime. Instead of properly including all non-discretionary remuneration into the regular rate, Defendants paid overtime at a straight 1.5x multiple of Plaintiff's base rate rather than the increased rate inclusive of these payments.

Defendant unlawfully paid overtime to Plaintiff and the aggrieved employees at their straight hourly rate. For each overtime hour worked, Defendant should have paid overtime **"at a rate**

no less than one and one-half times the regular rate of pay for an employee” as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders. Defendant’s failure to pay overtime at the regular rate of pay was common to the covered employees. Defendant violated the Labor Code accordingly.

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. Defendants failed to provide Plaintiff and the aggrieved employees with all sick leave accrued. Plaintiff and the aggrieved employees worked off-the-clock, overtime hours that were not accounted for when calculating an employee’s accrued paid sick leave. Defendants also failed to include all remuneration into the paid sick leave hourly rate,

resulting in depreciated sick pay to the extent any was paid at all. Therefore, Plaintiff and other aggrieved employees were not awarded the total accrued sick leave time they had earned.

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 Vacation Wages
Violation of Labor Code § 227.3

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

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

Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and wages. As described above, Defendant failed to record all of the time that Plaintiff and other aggrieved employees worked for Defendant and undercounted their hours worked. Consequently, Defendant failed to credit the aggrieved employees with all vacation time they had actually accrued. Therefore, vacation wages were not paid out at the lawful rate of pay inclusive of all earnings.

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 other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to the pressures to keep up with the high demands of the job and understaffing.

Specifically, Defendants maintained a policy and practice of failing to provide Plaintiff and other covered employees with compliant, uninterrupted 30-minute meal periods. Plaintiff alleges she was never fully relieved of all duty and worked through her meal period daily, due to the necessity of patient care and the employer's failure to provide relief staff. Plaintiff and the covered employees often ate lunch at the desk but remained on-duty and never left the department. On information and belief, Defendants were aware of this practice, as managers would inappropriately clock her out for a meal period she did not take, and she was instructed she did not get a meal period break. These non-compliant meal periods were not compensated with one additional hour of pay at the regular rate of compensation.

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.

Specifically, Defendants maintained a policy and practice of failing to authorize and permit Plaintiff and other covered employees to take compliant, uninterrupted 10-minute rest periods. Plaintiff alleges she was never provided with compliant rest breaks as she was never relieved from her duties. Due to systemic understaffing and the constant necessity of patient care, Plaintiff and other covered employees were required to remain on duty and available to respond to workplace needs throughout their shifts. On information and belief, Defendants were aware of this practice and failed to provide relief staff to ensure employees could take their state-mandated breaks. These non-compliant rest periods were not compensated with one additional hour of pay at the regular rate of compensation.

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.

Retaliation **Violation of Labor Code § 1102.5**

Defendants violated Labor Code section 1102.5 by retaliating against Plaintiff and potentially others due to their protected complaints of suspected unlawful activity and the Labor Code violations listed above.

Labor Code section 1102.5 prohibits an employer from retaliating against an employee for disclosing information to a person with authority over the employee, or to another employee who has the authority to investigate, discover, or correct the violation, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation.

Specifically, during her employment, Plaintiff raised concerns to her supervisors and management regarding multiple systemic issues, including: Labor Code violations,

non-compliance with health and safety regulations, understaffing practices that led to inadequate patient care, potential violations of patient safety standards, and suspected violations of applicable insurance laws and regulations.

Shortly after raising these protected concerns, Plaintiff was terminated from her position. Plaintiff believes and thereon alleges that her termination and other adverse employment actions were taken in retaliation for her opposition to Defendants' unlawful practices.

Defendants are liable for a \$10,000 penalty with respect to Claimant and for each covered employee who Defendants similarly retaliated against.

Failure to Furnish a Safe Work Environment
Violation of Labor Code §§ 6400, 6401, 6402

Labor Code Section 6400 requires employers to “furnish employment and a place of employment which are safe and healthful for the employees therein.” Labor Code Section 6401 requires employers to “adopt and use practices, means, methods, operations, and processes which are reasonably adequate to render such employment and place of employment safe and healthful”). Labor Code Section 6402 states that employers cannot “require or permit any employee to go or be in any employment or place of employment which is not safe and healthful”).

Defendants routinely understaffed units and assigned nurses patient loads that exceeded safe and reasonable levels. As a result of these staffing policies, employees were required to perform their duties under conditions that created a substantial risk of injury and illness, including but not limited to: responding to multiple simultaneous patient needs without sufficient staffing coverage; working without the ability to take timely rest period or recover from physically demanding tasks; and working in an environment where they could not consistently follow required safety protocols. Defendant knew or should have known that its staffing policies created foreseeable and significant risks to employee health and safety.

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

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the 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. By using an unlawful formula that incorrectly calculates non-discretionary pay from the regular rate, the statements display a diluted hourly rate rather than the legally mandated rate in effect. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

Additionally, Defendant 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 that Plaintiff and other aggrieved employees worked due to Defendant’s policy and practice of requiring off-the-clock work.

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. These violations are not “de minimis.” The omissions and inaccuracies forced Plaintiff and other covered employees to engage in complex mathematical reconstructions and cross-reference multiple

documents (such as timecards and hospital schedules) simply to discover that they were being underpaid. This constitutes a cognizable injury under Labor Code 226(e).

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 blue ink, appearing to read "Andrew T. Katseanes".

Andrew T. Katseanes, Esq.

Cc Plaintiff Sherry-Ann Smith
Kathy A. Le, Esq. KLe6@primehealthcare.com