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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

BRIANNA BENAVIDES, individually, and
on behalf of other members of the general
public similarly situated;

Plaintiff,

v.

IDEALTAX, INC., a California corporation;
and DOES 1 through 100, inclusive;

Defendants.

Case No.: 30-2023-01338939-CU-OE-
CXC [Consolidated With Case No. 30-
2023-01362454-CU-OE-CXC]

**FIRST AMENDED AND
CONSOLIDATED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums);
- (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums);
- (4) Violation of California Labor Code §§ 1194 and 1197 (Unpaid Minimum Wages);
- (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid);
- (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements);
- (7) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses);

- (8) Violation of California Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004);
(9) Violation of California Business & Professions Code § 17200, *et seq.*

DEMAND FOR JURY TRIAL

CHRISTOPHER FRAZIER, individually,
and on behalf of aggrieved employees
pursuant to the Private Attorneys General Act
("PAGA");

Plaintiff,

v.

IDEALTAX, INC., a California corporation;
and DOES 1 through 100, inclusive;

Defendants.

Case No. No. 30-2023-01362454-CU-OE-
CXC [Consolidated With Case No. 30-
2023-01338939-CU-OE-CXC]

COMES NOW, Plaintiff Brianna Benavides and Christopher Frazier (“Plaintiff,” “Plaintiff Benavides,” and “Plaintiff Frazier”), individually, and on behalf of other members of the general public similarly situated, and alleges as follows:

JURISDICTION AND VENUE

1. This class action is brought pursuant to the Code of Civil Procedure section 382. The monetary damages and restitution sought by Plaintiff exceed the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial.

2. This Court has jurisdiction over this action pursuant to the California Constitution, Article VI, Section 10, which grants the superior court “original jurisdiction in all other causes” except those given by statute to other courts. The statutes under which this action is brought do not specify any other basis for jurisdiction.

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

4. Venue is proper in this Court because, upon information and belief, Defendants maintain offices, have agents, and/or transact business in the State of California, including the County of Orange. The majority of the acts and omissions alleged herein relating to Plaintiff took place in the State of California, County of Orange. Defendants employed Plaintiff within the State of California, County of Orange.

PARTIES

5. Plaintiff Benavides is an individual residing in the State of California. Plaintiff Frazier is an individual residing in the State of California.

6. Defendant IDEALTAX, INC. at all times herein mentioned, was and is, upon information and belief, a California corporation headquartered in the State of California, and at all times herein mentioned, was and is, an employer whose employees are engaged throughout the State of California, including the County of Orange.

1 7. At all relevant times, Defendant IDEALTAX, INC. was the “employer” of
2 Plaintiff within the meaning of all applicable laws and statutes.

3 8. At all times herein relevant, Defendant IDEALTAX, INC. and DOES 1 through
4 100, and each of them, were the agents, partners, joint venturers, joint employers,
5 representatives, servants, employees, successors-in-interest, co-conspirators and assigns, each
6 of the other, and at all times relevant hereto were acting within the course and scope of their
7 authority as such agents, partners, joint venturers, joint employers, representatives, servants,
8 employees, successors-in-interest, co-conspirators and assigns, and all acts or omissions
9 alleged herein were duly committed with the ratification, knowledge, permission,
10 encouragement, authorization, and consent of each defendant designated herein.

11 9. The true names and capacities, whether corporate, associate, individual or
12 otherwise, of Defendants DOES 1 through 100, inclusive, are unknown to Plaintiff, who sues
13 said defendants by such fictitious names. Plaintiff is informed and believes, and based on that
14 information and belief alleges, that each of the Defendants designated as a DOE is legally
15 responsible for the events and happenings referred to in this Complaint, and unlawfully caused
16 the injuries and damages to Plaintiff and the other class members as alleged in this Complaint.
17 Plaintiff will seek leave of court to amend this Complaint to show the true names and
18 capacities when the same have been ascertained.

19 10. Defendant IDEALTAX, INC. and DOES 1 through 100 will hereinafter
20 collectively be referred to as “Defendants.”

21 11. Plaintiff further alleges that Defendants directly or indirectly controlled or
22 affected the working conditions, wages, working hours, and conditions of employment of
23 Plaintiff and the other class members so as to make each of said Defendants and employers
24 liable under the statutory provisions set forth herein.

25 **CLASS ACTION ALLEGATIONS**

26 12. Plaintiff brings this action individually and on behalf of all other members of the
27 general public similarly situated, and, thus, seeks class certification under Code of Civil
28 Procedure section 382.

1 13. The proposed class is defined as follows:

2 14. All current and former hourly-paid or non-exempt employees employed by
3 Defendants within the State of California at any time between July 27, 2019,
4 through July 1, 2024 or the date of preliminary approval, whichever date is
5 earlier.

6 15. Plaintiff reserves the right to establish subclasses as appropriate.

7 16. The class is ascertainable and there is a well-defined community of interest in
8 the litigation:

9 a. Numerosity: The class members are so numerous that joinder of all class
10 members is impracticable. The membership of the entire class is
11 unknown to Plaintiff at this time. However, the class is estimated to be
12 greater than fifty (50) individuals and the identity of such membership is
13 readily ascertainable by inspection of Defendants' employment records.

14 b. Typicality: Plaintiff's claims are typical of all other class members'
15 claims as demonstrated herein. Plaintiff will fairly and adequately protect
16 the interests of the other class members with whom Plaintiff has a well-
17 defined community of interest.

18 c. Adequacy: Plaintiff will fairly and adequately protect the interests of
19 each class member, with whom Plaintiff has a well-defined community
20 of interest and typicality of claims, as demonstrated herein. Plaintiff has
21 no interest that is antagonistic to the other class members. Plaintiff's
22 attorneys, the proposed class counsel, are versed in the rules governing
23 class action discovery, certification, and settlement. Plaintiff has
24 incurred, and during the pendency of this action will continue to incur,
25 costs and attorneys' fees, that have been, are, and will be necessarily
26 expended for the prosecution of this action for the substantial benefit of
27 each class member.

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d. Superiority: A class action is superior to other available methods for the fair and efficient adjudication of this litigation because individual joinder of all class members is impractical.

e. Public Policy Considerations: Certification of this lawsuit as a class action will advance public policy objectives. Employers of this great state violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. However, class actions provide the class members who are not named in the complaint anonymity that allows for the vindication of their rights.

17. There are common questions of law and fact as to the class members that predominate over questions affecting only individual members. The following common questions of law or fact, among others, exist as to the members of the class:

- a. Whether Defendants' failure to pay wages, without abatement or reduction, in accordance with the Labor Code, was willful;
- b. Whether Defendants failed to pay their hourly-paid or non-exempt employees within the State of California for all hours worked;
- c. Whether Defendants required Plaintiff and the other class members to work over eight (8) hours per day and/or over forty (40) hours per week and failed to pay the legally required overtime compensation to Plaintiff and the other class members;
- d. Whether Defendants properly calculated the regular rate for Plaintiff and the other class members who worked overtime and earned incentive pay and sick leave pay;
- e. Whether Defendants failed to provide Plaintiff and the other class members legally mandated meal and/or rest periods and failed to compensate them the related premium wages pursuant to Labor Code section 226.7(c);

- 1 f. Whether Defendants failed to pay minimum wages to Plaintiff and the
2 other class members for all hours worked;
- 3 g. Whether Defendants failed to pay all wages due to Plaintiff and the other
4 class members within the required time upon their discharge or
5 resignation;
- 6 h. Whether Defendants complied with wage reporting as required by the
7 Labor Code, including, *inter alia*, section 226;
- 8 i. Whether Defendants failed to reimburse Plaintiff and the other class
9 members for necessary business-related expenses and costs;
- 10 j. Whether Defendants' conduct was willful or reckless;
- 11 k. Whether Defendants engaged in unfair business practices in violation of
12 Business & Professions Code sections 17200, *et seq.*;
- 13 l. The appropriate amount of damages, restitution, and/or monetary
14 penalties resulting from Defendants' violation of the law; and
- 15 m. Whether Plaintiff and the other class members are entitled to
16 compensatory damages pursuant to the Labor Code.

17 **GENERAL ALLEGATIONS**

18 18. During the relevant time period set forth herein, Defendants employed Plaintiff
19 and other persons as hourly-paid or non-exempt employees within the State of California.

20 19. Defendants, jointly and severally, employed Plaintiff Benavides and Plaintiff
21 Frazier as hourly-paid, non-exempt employees during the relevant time period in the State of
22 California, County of Orange.

23 20. Defendants had the authority to hire and terminate Plaintiff and the other class
24 members; to set work rules and conditions governing Plaintiff's and other class members'
25 employment; and to supervise their daily employment activities.

26 21. Defendants exercised sufficient authority over the terms and conditions of
27 Plaintiff's and other class members' employment for them to be joint employers of Plaintiff
28 and the other class members.

1 22. Defendants directly hired and paid wages and benefits to Plaintiff and the other
2 class members.

3 23. Defendants continue to employ hourly-paid or non-exempt employees within the
4 State of California.

5 24. Plaintiff and the other class members worked over eight (8) hours in a day, and/or
6 forty (40) hours in a week during their employment with Defendants.

7 25. Plaintiff is informed and believes, and based thereon alleges, that Defendants
8 engaged in a uniform policy and systematic scheme of wage abuse against their hourly-paid
9 or non-exempt employees within the State of California. This scheme involved, *inter alia*,
10 failing to pay them for all hours worked, sick leave, and failing to provide legally mandated
11 meal and rest breaks or pay related premium wages in lieu thereof, in violation of the law.

12 26. Plaintiff is informed and believes, and based thereon alleges, that Defendants
13 knew or should have known that Plaintiff and the other class members were entitled to receive
14 certain wages for overtime compensation and that Plaintiff and the other class members were
15 not receiving wages for overtime compensation.

16 27. Plaintiff is informed and believes, and based thereon alleges, that Defendants
17 failed to provide Plaintiff and the other class members the required meal and rest periods
18 during the relevant time period as required under the Industrial Welfare Commission (“IWC”)
19 Wage Orders and thus they are entitled to any and all applicable penalties.

20 28. Plaintiff is informed and believes, and based thereon alleges, that Defendants
21 knew or should have known that Plaintiff and the other class members were entitled to receive
22 all timely and complete meal periods or payment of one additional hour of pay at Plaintiff’s
23 and the other class members’ regular rate of pay when a meal period was missed, late or
24 interrupted, and that Plaintiff and the other class members did not receive all timely and proper
25 meal periods or payment of one additional hour of pay at their regular rate of pay when a meal
26 period was missed.

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1 29. Plaintiff is informed and believes, and based thereon alleges, that Defendants
2 knew or should have known that Plaintiff and other class members were entitled to receive all
3 timely rest periods without interruption or payment of one additional hour of pay at Plaintiff's
4 and the other class members' regular rate of pay when a rest period was missed, late or
5 interrupted, and that Plaintiff and the other class members did not receive all rest periods or
6 payment of one additional hour of pay at their regular rate of pay when a rest period was
7 missed.

8 30. Plaintiff is informed and believes, and based thereon alleges, that Defendants
9 knew or should have known that Plaintiff and the other class members were entitled to receive
10 at least minimum wages for compensation and that Plaintiff and the other class members were
11 not receiving at least minimum wages for all hours worked.

12 31. Plaintiff is informed and believes, and based thereon alleges, that Defendants
13 knew or should have known that Plaintiff and the other class members were entitled to receive
14 the wages owed to them upon discharge or resignation, including overtime and minimum
15 wages and meal and rest period premiums, and that Plaintiff and the other class members did
16 not, in fact, receive such wages owed to them at the time of their discharge or resignation.

17 32. Plaintiff is informed and believes, and based thereon alleges, that Defendants
18 knew or should have known that Plaintiff and the other class members were entitled to receive
19 complete and accurate wage statements in accordance with the law, but, in fact, Plaintiff and
20 the other class members did not receive complete and accurate wage statements from
21 Defendants. The deficiencies included, *inter alia*, the failure to include the total number of
22 hours worked by Plaintiff and the other class members.

23 33. Plaintiff is informed and believes, and based thereon alleges, that Defendants
24 knew or should have known that Plaintiff and the other class members were entitled to
25 reimbursement for necessary business-related expenses.

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1 34. Plaintiff is informed and believes, and based thereon alleges, that Defendants
2 knew or should have known that they had a duty to compensate Plaintiff and the other class
3 members pursuant to the law, and that Defendants had the financial ability to pay such
4 compensation, but willfully, knowingly, and intentionally failed to do so, and falsely
5 represented to Plaintiff and the other class members that they were properly denied wages, all
6 in order to increase Defendants' profits.

7 35. During the relevant time period set forth herein, Defendants failed to pay
8 overtime wages to Plaintiff and the other class members for all hours worked. Plaintiff and
9 other class members were required to work more than eight (8) hours per day and/or more
10 than forty (40) hours per week without overtime compensation.

11 36. During the relevant time period set forth herein, Defendants failed to properly
12 calculate and pay sick leave to Plaintiff and the other class members.

13 37. During the relevant time period set forth herein, Defendants failed to provide the
14 requisite uninterrupted and timely meal and rest periods to Plaintiff and the other class
15 members.

16 38. During the relevant time period set forth herein, Defendants failed to pay
17 Plaintiff and the other class members at least minimum wages for all hours worked.

18 39. During the relevant time period set forth herein, Defendants failed to pay
19 Plaintiff and the other class members the wages owed to them upon discharge or resignation.

20 40. During the relevant time period set forth herein, Defendants failed to provide
21 complete or accurate wage statements to Plaintiff and the other class members.

22 41. During the relevant time period set forth herein, Defendants failed to reimburse
23 Plaintiff and the other class members for necessary business-related expenses.

24 42. During the relevant time period set forth herein, Defendants failed to properly
25 compensate Plaintiff and the other class members pursuant to the law in order to increase
26 Defendants' profits.

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43. Labor Code section 218 states that nothing in Article 1 of the Labor Code shall limit the right of any wage claimant to “sue directly . . . for any wages or penalty due to him [or her] under this article.”

FIRST CAUSE OF ACTION

(Violation of California Labor Code §§ 510 and 1198)

(Against IDEALTAX, INC. and DOES 1 through 100)

44. Plaintiff incorporates by reference the allegations contained in Paragraphs 1 through 43, and each and every part thereof with the same force and effect as though fully set forth herein.

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

46. The applicable IWC Wage Order provides that Defendants are and were required to pay Plaintiff and the other class members employed by Defendants, who work(ed) more than eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time-and-one-half for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

47. The applicable IWC Wage Order further provides that Defendants are and were required to pay Plaintiff and the other class members overtime compensation at a rate of two times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day.

48. Labor Code section 510 codifies the right to overtime compensation at one-and-one-half times the regular hourly rate for hours worked in excess of eight (8) hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the seventh day of work, and overtime compensation at twice the regular hourly rate for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of work.

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49. During the relevant time period set forth herein, Plaintiff and the other class members worked in excess of eight (8) hours in a day, and/or in excess of forty (40) hours in a week.

50. During the relevant time period set forth herein, Defendants intentionally and willfully failed to pay overtime wages owed to Plaintiff and the other class members.

51. Defendants' failure to pay Plaintiff and the other class members the unpaid balance of overtime compensation, as required by the laws, violates the provisions of Labor Code sections 510 and 1198, and is unlawful.

52. Pursuant to Labor Code section 1194, Plaintiff and the other class members are entitled to recover unpaid overtime compensation, as well as interest, costs, and attorneys' fees.

SECOND CAUSE OF ACTION

(Violation of California Labor Code §§ 226.7 and 512(a))

(Against IDEALTAX, INC. and DOES 1 through 100)

53. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 52, and each and every part thereof with the same force and effect as though fully set forth herein.

54. During the relevant time period set forth herein, the IWC Wage Order and Labor Code sections 226.7 and 512(a) were applicable to Plaintiff's and the other class members' employment by Defendants.

55. During the relevant time period set forth herein, Labor Code section 226.7 provides that no employer shall require an employee to work during any meal or rest period mandated by an applicable order of the IWC.

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1 56. During the relevant time period set forth herein, the applicable IWC Wage Order
2 and Labor Code section 512(a) provide that an employer may not require, cause or permit an
3 employee to work for a work period of more than five (5) hours per day without providing the
4 employee with a meal period of not less than thirty (30) minutes, except that if the total work
5 period per day of the employee is no more than six (6) hours, the meal period may be waived
6 by mutual consent of both the employer and employee.

7 57. During the relevant time period set forth herein, the applicable IWC Wage Order
8 and Labor Code section 512(a) further provide that an employer may not require, cause, or
9 permit an employee to work for a work period of more than ten (10) hours per day without
10 providing the employee with a second uninterrupted meal period of not less than thirty (30)
11 minutes, except that if the total hours worked is no more than twelve (12) hours, the second
12 meal period may be waived by mutual consent of the employer and the employee only if the
13 first meal period was not waived.

14 58. During the relevant time period set forth herein, Plaintiff and the other class
15 members who were scheduled to work for a period of time no longer than six (6) hours, and
16 who did not waive their legally-mandated meal periods by mutual consent, were required to
17 work for periods longer than five (5) hours without an uninterrupted meal period of not less
18 than thirty (30) minutes and/or without a rest period.

19 59. During the relevant time period set forth herein, Plaintiff and the other class
20 members who were scheduled to work for a period of time no longer than twelve (12) hours,
21 and who did not waive their legally-mandated meal periods by mutual consent, were required
22 to work for periods longer than ten (10) hours without an uninterrupted meal period of not less
23 than thirty (30) minutes and/or without a rest period.

24 60. During the relevant time period set forth herein, Plaintiff and the other class
25 members who were scheduled to work for a period of time in excess of six (6) hours were
26 required to work for periods longer than five (5) hours without an uninterrupted meal period
27 of not less than thirty (30) minutes and/or without a rest period.

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61. During the relevant time period set forth herein, Plaintiff and the other class members who were scheduled to work for a period of time in excess of twelve (12) hours were required to work for periods longer than ten (10) hours without an uninterrupted meal period of not less than thirty (30) minutes and/or without a rest period.

62. During the relevant time period set forth herein, Defendants intentionally and willfully required Plaintiff and the other class members to work during meal periods and failed to compensate Plaintiff and the other class members the full meal period premium for work performed during meal periods.

63. During the relevant time period set forth herein, Defendants failed to pay Plaintiff and the other class members the full meal period premium due pursuant to Labor Code section 226.7.

64. Defendants' conduct violates the applicable IWC Wage Order and Labor Code sections 226.7 and 512(a).

65. Pursuant to the applicable IWC Wage Order and Labor Code section 226.7(c), Plaintiff and the other class members are entitled to recover from Defendants one additional hour of pay at the employee's regular rate of compensation for each workday that the meal period was not provided.

THIRD CAUSE OF ACTION

(Violation of California Labor Code § 226.7)

(Against IDEALTAX, INC. and DOES 1 through 100)

66. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 65, and each and every part thereof with the same force and effect as though fully set forth herein.

67. During the relevant time period set forth herein, the applicable IWC Wage Order and Labor Code section 226.7 were applicable to Plaintiff's and the other class members' employment by Defendants.

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1 68. During the relevant time period set forth herein, Labor Code section 226.7
2 provides that no employer shall require an employee to work during any rest period mandated
3 by an applicable order of the IWC.

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

10 70. During the relevant time period set forth herein, Defendants required Plaintiff
11 and the other class members to work four (4) or more hours without authorizing or permitting
12 a ten (10) minute rest period per each four (4) hour period worked.

13 71. During the relevant time period set forth herein, Defendants willfully required
14 Plaintiff and the other class members to work during rest periods and failed to pay Plaintiff
15 and the other class members the full rest period premium for work performed during rest
16 periods.

17 72. During the relevant time period set forth herein, Defendants failed to pay
18 Plaintiff and the other class members the full rest period premium due pursuant to Labor Code
19 section 226.7.

20 73. Defendants’ conduct violates applicable IWC Wage Orders and Labor Code
21 section 226.7.

22 74. Pursuant to the applicable IWC Wage Orders and Labor Code section 226.7(c),
23 Plaintiff and the other class members are entitled to recover from Defendants one additional
24 hour of pay at the employee’s regular hourly rate of compensation for each workday that the
25 rest period was not provided.

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1 **FOURTH CAUSE OF ACTION**

2 **(Violation of California Labor Code §§ 1194 and 1197)**

3 **(Against IDEALTAX, INC. and DOES 1 through 100)**

4 75. Plaintiff incorporates by reference the allegations contained in paragraphs 1
5 through 74 and each and every part thereof with the same force and effect as though fully set
6 forth herein.

7 76. During the relevant time period set forth herein, Labor Code sections 1194 and
8 1197 provide that the minimum wage to be paid to employees, and the payment of a lesser
9 wage than the minimum so fixed, is unlawful.

10 77. During the relevant time period set forth herein, Defendants failed to pay
11 minimum wages to Plaintiff and the other class members as required, pursuant to Labor Code
12 sections 1194 and 1197.

13 78. Defendants' failure to pay Plaintiff and the other class members the minimum
14 wage as required violates Labor Code sections 1194 and 1197. Pursuant to those sections,
15 Plaintiff and other class members are entitled to recover the unpaid balance of their minimum
16 wage compensation as well as interest, costs, and attorneys' fees, and liquidated damages in
17 an amount equal to the wages unlawfully unpaid and interest thereon.

18 79. Pursuant to Labor Code section 1194.2, Plaintiff and the other class members
19 are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid
20 and interest thereon.

21 **FIFTH CAUSE OF ACTION**

22 **(Violation of California Labor Code §§ 201 and 202)**

23 **(Against IDEALTAX, INC. and DOES 1 through 100)**

24 80. Plaintiff incorporates by reference the allegations contained in paragraphs 1
25 through 79, and each and every part thereof with the same force and effect as though fully set
26 forth herein.

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1 81. During the relevant time period set forth herein, Labor Code sections 201 and
2 202 provide that if an employer discharges an employee, the wages earned and unpaid at the
3 time of discharge are due and payable immediately, and if an employee quits their
4 employment, their wages shall become due and payable not later than seventy-two (72) hours
5 thereafter, unless the employee has given seventy-two (72) hours' notice of their intention to
6 quit, in which case the employee is entitled to their wages at the time of quitting.

7 82. During the relevant time period set forth herein, Defendants intentionally and
8 willfully failed to pay Plaintiff and the other class members who are no longer employed by
9 Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving
10 Defendants' employ.

11 83. Defendants' failure to pay Plaintiff and the other class members who are no
12 longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours
13 of their leaving Defendants' employ, is in violation of Labor Code sections 201 and 202.

14 84. Labor Code section 203 provides that if an employer willfully fails to pay wages
15 owed, in accordance with sections 201 and 202, then the wages of the employee shall continue
16 as a penalty from the due date thereof at the same rate until paid or until an action is
17 commenced; but the wages shall not continue for more than thirty (30) days.

18 85. Plaintiff and the other class members are entitled to recover from Defendants the
19 statutory penalty wages for each day they were not paid, up to the thirty (30) day maximum
20 as provided by Labor Code section 203.

21 **SIXTH CAUSE OF ACTION**

22 **(Violation of California Labor Code § 226(a))**

23 **(Against IDEALTAX, INC. and DOES 1 through 100)**

24 86. Plaintiff incorporates by reference the allegations contained in paragraphs 1
25 through 85, and each and every part thereof with the same force and effect as though fully set
26 forth herein.

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1 87. During the relevant time period set forth herein, Labor Code section 226(a)
2 provides that every employer shall furnish each of their employees an accurate itemized
3 statement in writing showing: (a) gross wages earned; (b) total hours worked by the employee;
4 (c) the number of piece-rate units earned and any applicable piece rate if the employee is paid
5 on a piece-rate basis; (d) all deductions, provided that all deductions made on written orders
6 of the employee may be aggregated and shown as one item; (e) net wages earned; (f) the
7 inclusive dates of the period for which the employee is paid; (g) the name of the employee and
8 the last four digits of their social security number or an employee identification number other
9 than a social security number; (h) the name and address of the legal entity that is the employer;
10 and (i) all applicable hourly rates in effect during the pay period and the corresponding number
11 of hours worked at each hourly rate by the employee. The deductions made from payments of
12 wages shall be recorded in ink or other indelible form, properly dated, showing the month,
13 day, and year, and a copy of the statement and the record of the deductions shall be kept on
14 file by the employer for at least three years at the place of employment or at a central location
15 within the State of California.

16 88. Defendants have intentionally and willfully failed to provide Plaintiff and the
17 other class members with complete and accurate wage statements. The deficiencies include,
18 but are not limited to, the failure to include the total number of hours worked by Plaintiff and
19 other class members.

20 89. As a result of Defendants' violation of Labor Code section 226(a), Plaintiff and
21 the other class members have suffered injury and damage to their statutorily protected rights.

22 90. Plaintiff and the other class members have been injured by Defendants'
23 intentional and willful violation of Labor Code section 226(a) because they were denied both
24 their legal right to receive, and their protected interest in receiving, accurate and itemized
25 wage statements pursuant to section 226(a).

26 91. Plaintiff and the other class members are entitled to recover from Defendants the
27 greater of their actual damages caused by Defendants' failure to comply with Labor Code
28 section 226(a), or an aggregate penalty not exceeding four thousand dollars per employee.

1 92. Plaintiff and the other class members are also entitled to injunctive relief to
2 ensure compliance with this section, pursuant to Labor Code section 226(h).

3 **SEVENTH CAUSE OF ACTION**

4 **(Violation of California Labor Code §§ 2800 and 2802)**

5 **(Against IDEALTAX, INC. and DOES 1 through 100)**

6 93. Plaintiff incorporates by reference the allegations contained in paragraphs 1
7 through 92, and each and every part thereof with the same force and effect as though fully set
8 forth herein.

9 94. Pursuant to Labor Code sections 2800 and 2802, an employer must reimburse its
10 employee for all necessary expenditures incurred by the employee in direct consequence of the
11 discharge of their job duties or in direct consequence of their obedience to the directions of the
12 employer.

13 95. Defendants have intentionally and willfully failed to reimburse Plaintiff and the
14 other class members for all necessary business-related expenses and costs. Plaintiff and the
15 other class members are entitled to recover from Defendants their business-related expenses and
16 costs incurred during the course and scope of their employment, plus interest accrued from the
17 date on which the employee incurred the necessary expenditures at the same rate as judgments
18 in civil actions in the State of California.

19 **EIGHTH CAUSE OF ACTION**

20 **(Violation of California Labor Code § 2698, *et seq.*)**

21 **(Against IDEALTAX, INC. and DOES 1 through 100)**

22 96. Plaintiff incorporates by reference the allegations contained in paragraphs 1
23 through 95, and each and every part thereof with the same force and effect as though fully set
24 forth herein.

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1 97. The Private Attorneys General Act of 2004 (“PAGA”) expressly establishes that
2 any provision of the California Labor Code which provides for a civil penalty to be assessed
3 and collected by the California Labor and Workforce Development Agency (“LWDA”), or
4 any of its departments, divisions, commissions, boards, agencies or employees for a violation
5 of the California Labor Code, may be recovered through a civil action brought by an aggrieved
6 employee on behalf of themselves, and other current or former employees.

7 98. On September 6, 2023, Plaintiff Frazier provided written notice to the LWDA
8 and Defendants of the specific provisions of the Labor Code he contends were violated, and
9 the theories supporting his contentions. Attached hereto as **Exhibit 1** and incorporated by
10 reference is a copy of the written notice to the LWDA. Plaintiff Frazier believes that on or
11 about November 13, 2023, the sixty-five (65) days’ notice period expired as to all Defendants,
12 and the LWDA did not take any action to investigate or prosecute this matter. Thus, Plaintiff
13 Frazier exhausted his administrative remedies.

14 99. Plaintiff Frazier and the other hourly-paid or non-exempt employees are
15 “aggrieved employees” as defined by Labor Code section 2699(c) in that they are all current
16 and former hourly-paid or non-exempt employees employed by Defendants within the State
17 of California at any time between September 6, 2022, through July 11, 2024, or the date of
18 preliminary approval, whichever date is earlier, and one or more of the alleged violations was
19 committed against them.

20 **Failure to Pay Minimum and Overtime Wages**

21 100. At all times relevant herein, Defendants were required to compensate their non-
22 exempt employees minimum wages for all hours worked and overtime wages for all hours
23 worked in excess of eight (8) hours in a day or forty (40) hours in a workweek, pursuant to the
24 mandate of Labor Code sections 510, 1194, 1197, and 1198.

25 101. As a policy and practice, Defendants failed to compensate aggrieved current and
26 former employees for all hours worked, resulting in a failure to pay all minimum wages and
27 overtime wages, where applicable.

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1 **Failure to Provide Meal Periods and Rest Breaks**

2 102. In accordance with the mandates of Labor Code sections 226.7 and 512,
3 Defendants were required to authorize and permit their non-exempt employees to take a
4 10-minute rest break for every four (4) hours worked or major fraction thereof and were further
5 required to provide their non-exempt employees with a 30-minute meal period for every five
6 (5) hours worked.

7 103. As a policy and practice, Defendants failed to provide aggrieved current and
8 former employees with legally mandated meal periods and rest breaks and failed to pay proper
9 compensation for this failure.

10 **Failure to Timely Pay Wages During Employment**

11 104. At all times relevant herein, Defendants were required to pay their employees
12 within a specified time period pursuant to the mandate of Labor Code section 204.

13 105. As a policy and practice, Defendants failed to pay aggrieved current and former
14 employees all wages due and owing within the required time period.

15 **Failure to Timely Pay Wages Upon Termination**

16 106. At all times relevant herein, Defendants were required to pay their employees
17 all wages owed in a timely fashion at the end of employment pursuant to Labor Code sections
18 201 and 202.

19 107. As a result of Defendants' Labor Code violations alleged above, Defendants
20 failed to pay aggrieved former employees their final wages pursuant to Labor Code sections
21 201 and 202 and accordingly owe waiting time penalties pursuant to section 203.

22 **Failure to Provide Complete and Accurate Wage Statements**

23 108. At all times relevant herein, Defendants were required to keep *accurate* records
24 regarding their California employees pursuant to the mandate of Labor Code sections 226 and
25 1174.

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1 109. As a result of Defendants' various Labor Code violations, Defendants failed to
2 keep accurate records regarding aggrieved current and former employees. For example,
3 Defendants failed in their affirmative obligation to keep accurate records regarding aggrieved
4 current and former employees' gross wages earned, total hours worked, all deductions, net
5 wages earned, and all applicable hourly rates and the number of hours worked at each hourly
6 rate.

7 **Failure to Reimburse Business Expenses**

8 110. At all times relevant herein, Defendants were required to reimburse its
9 employees for any and all necessary expenditures or losses incurred by the employees in direct
10 consequences of the discharge of their duties pursuant to the mandate of Labor Code sections
11 2800 and 2802.

12 111. As a policy and practice, Defendants failed to pay aggrieved current and former
13 employees all business expenses incurred and owed within the required time period.

14 **Failure to Provide and Properly Pay Paid Sick Days**

15 112. At all times relevant herein, Defendants were required to provide their
16 employees with paid sick days at their regular rate of pay pursuant to Labor Code section 246
17 *at seq.*

18 113. As a policy and practice, Defendants failed to provide aggrieved current and
19 former employees with paid sick days at the proper rate of pay pursuant to Labor Code section
20 246 *et seq.*

21 **Penalties**

22 114. Pursuant to California Labor Code section 2699, Plaintiff Frazier, individually,
23 and on behalf of current and former aggrieved employees, requests and is entitled to recover
24 from Defendants, and each of them, civil penalties, interest, attorneys' fees and costs pursuant,
25 including but not limited to:

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- 1 a. Penalties under Labor Code section 2699 in the amount of one hundred
2 dollars (\$100) for each aggrieved employee per pay period for the initial
3 violation, and two hundred dollars (\$200) for each aggrieved employee
4 per pay period for each subsequent violation;
- 5 b. Penalties under Code of Regulations Title 8 section 11040 in the amount
6 of fifty dollars (\$50) for each aggrieved employee per pay period for the
7 initial violation, and one hundred dollars (\$100) for each aggrieved
8 employee per pay period for each subsequent violation;
- 9 c. Penalties under Labor Code section 210 in addition to, and entirely
10 independent and apart from, any other penalty provided in the California
11 Labor Code in the amount of one hundred dollars (\$100) for each
12 aggrieved employee per pay period for the initial violation, and two
13 hundred dollars (\$200) for each aggrieved employee per pay period for
14 each subsequent violation;
- 15 d. Penalties under Labor Code section 1197.1 in the amount of one hundred
16 dollars (\$100) for each aggrieved employee per pay period for the initial
17 violation, and two hundred fifty dollars (\$250) for each aggrieved
18 employee per pay period for each subsequent violation;
- 19 e. Wages under Labor Code section 558 in addition to, and entirely
20 independent and apart from, any other penalty provided in the Labor
21 Code;
- 22 f. Any and all additional penalties as provided by the Labor Code and/or
23 other statutes; and
- 24 g. Attorneys' fees and costs pursuant to Labor Code section 218.5, 1194,
25 and 2699, and any other applicable statute.

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1 **NINTH CAUSE OF ACTION**

2 **(Violation of California Business & Professions Code § 17200, *et seq.*)**

3 **(Against IDEALTAX, INC. and DOES 1 through 100)**

4 115. Plaintiff incorporates by reference the allegations contained in paragraphs 1
5 through 114, and each and every part thereof with the same force and effect as though fully
6 set forth herein.

7 116. Defendants' conduct, as alleged herein, has been, and continues to be unfair,
8 unlawful and harmful to Plaintiff, the other class members, to the general public, and
9 Defendants' competitors. Accordingly, Plaintiff seeks to enforce important rights affecting the
10 public interest within the meaning of Code of Civil Procedure section 1021.5.

11 117. Defendants' activities as alleged herein are violations of the law, and constitute
12 unlawful business acts and practices in violation of Business & Professions Code sections
13 17200, *et seq.*

14 118. A violation of Business & Professions Code sections 17200, *et seq.* may be
15 predicated on the violation of any state or federal law. In this instant case, Defendants' policy
16 and practice of requiring Plaintiff and the other class members work overtime hours without
17 paying them proper compensation violate Labor Code sections 510 and 1198. Additionally,
18 Defendants' policy and practice of requiring Plaintiff and the other class members to work
19 through their meal and rest periods without paying them proper compensation violate Labor
20 Code sections 226.7 and 512(a). Moreover, Defendants' policy and practice of failing to
21 timely pay wages to Plaintiff and the other class members violate Labor Code sections 201
22 and 202. Defendants also violated Labor Code sections 226(a), 1194, 1197, 2800, and 2802.

23 119. As a result of the herein described violations of the law, Defendants unlawfully
24 gained an unfair advantage over other businesses.

25 120. Plaintiff and the other class members have been personally injured by
26 Defendants' unlawful business acts and practices as alleged herein, including but not
27 necessarily limited to the loss of money and/or property.

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121. Pursuant to Business & Professions Code sections 17200, *et seq.*, Plaintiff and the other class members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences four years prior to the filing of this Complaint; an award of attorneys' fees pursuant to Code of Civil procedure section 1021.5 and other applicable laws; and an award of costs.

DEMAND FOR JURY TRIAL

Plaintiff, individually, and on behalf of other members of the general public similarly situated, requests a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all other members of the general public similarly situated, prays for relief and judgment against Defendants, jointly and severally, as follows:

Class Certification

1. That this action be certified as a class action;
2. That Plaintiff Benavides and Plaintiff Frazier be appointed as representatives of the Class;
3. That counsel for Plaintiff be appointed as Class Counsel; and
4. That Defendants provide to Class Counsel immediately the names and most current contact information (address, e-mail, and telephone numbers) of all class members.

As to the First Cause of Action

5. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due to Plaintiff and the other class members;

6. For general unpaid wages at overtime wage rates and such general and special damages as may be appropriate;

7. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;

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8. For reasonable attorneys' fees and costs of suit incurred herein pursuant to Labor Code section 1194; and

9. For such other and further relief as the court may deem just and proper.

As to the Second Cause of Action

10. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 226.7 and 512(a) and applicable IWC Wage Orders by willfully failing to provide all meal periods (including second meal periods) to Plaintiff and the other class members;

11. That the Court make an award to Plaintiff and the other class members of one (1) hour of pay at each employee's regular rate of compensation for each workday that a meal period was not provided;

12. For all actual, consequential, and incidental losses and damages, according to proof;

13. For premium wages pursuant to Labor Code section 226.7(c);

14. For pre-judgment interest on any unpaid wages from the date such amounts were due;

15. For reasonable attorneys' fees and costs of suit incurred herein; and

16. For such other and further relief as the court may deem just and proper.

As to the Third Cause of Action

17. That the Court declare, adjudge, and decree that Defendants violated Labor Code section 226.7 and applicable IWC Wage Orders by willfully failing to provide all rest periods to Plaintiff and the other class members;

18. That the Court make an award to Plaintiff and the other class members of one (1) hour of pay at each employee's regular rate of compensation for each workday that a rest period was not provided;

19. For all actual, consequential, and incidental losses and damages, according to proof;

20. For premium wages pursuant to Labor Code section 226.7(c);

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21. For pre-judgment interest on any unpaid wages from the date such amounts were due; and

22. For such other and further relief as the court may deem just and proper.

As to the Fourth Cause of Action

23. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 1194 and 1197 by willfully failing to pay minimum wages to Plaintiff and the other class members;

24. For general unpaid wages and such general and special damages as may be appropriate;

25. For pre-judgment interest on any unpaid compensation from the date such amounts were due;

26. For reasonable attorneys' fees and costs of suit incurred herein pursuant to Labor Code section 1194(a);

27. For liquidated damages pursuant to Labor Code section 1194.2; and

28. For such other and further relief as the court may deem just and proper.

As to the Fifth Cause of Action

29. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time of termination of the employment of Plaintiff and the other class members no longer employed by Defendants;

30. For all actual, consequential, and incidental losses and damages, according to proof;

31. For statutory wage penalties pursuant to Labor Code section 203 for the other class members who have left Defendants' employ;

32. For pre-judgment interest on any unpaid compensation from the date such amounts were due; and

33. For such other and further relief as the court may deem just and proper.

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As to the Sixth Cause of Action

34. That the Court declare, adjudge, and decree that Defendants violated the record keeping provisions of Labor Code section 226(a) and applicable IWC Wage Orders as to Plaintiff and the other class members, and willfully failed to provide accurate itemized wage statements thereto;

35. For actual, consequential and incidental losses and damages, according to proof;

36. For statutory penalties pursuant to Labor Code section 226(e);

37. For injunctive relief to ensure compliance with this section, pursuant to Labor Code section 226(h); and

38. For such other and further relief as the court may deem just and proper.

As to the Seventh Cause of Action

39. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 2800 and 2802 by willfully failing to reimburse Plaintiff and the other class members for all necessary business-related expenses as required by Labor Code sections 2800 and 2802;

40. For actual, consequential and incidental losses and damages, according to proof;

41. For the imposition of civil penalties and/or statutory penalties;

42. For punitive damages and/or exemplary damages according to proof at trial;

43. For reasonable attorneys' fees and costs of suit incurred herein; and

44. For such other and further relief as the court may deem just and proper.

As to the Eighth Cause of Action

45. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 2698, *et seq.*, the PAGA, for civil penalties pursuant to Defendants' violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802;

46. Upon this Cause of Action, for costs and attorneys' fees pursuant to Labor Code sections 210, 1194, and 2699, and any other applicable statute; and

47. For such other and further relief as the Court may deem just and proper.

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As to the Ninth Cause of Action

48. That the Court declare, adjudge and decree that Defendants violated Business & Professions Code sections 17200, *et seq.* by failing to provide Plaintiff and the other class members all overtime compensation due to them, failing to provide all meal and rest periods to Plaintiff and the other class members, failing to pay at least minimum wages to Plaintiff and the other class members, failing to pay Plaintiff's and the other class members' wages timely as required by Labor Code sections 201 and 202.

49. For restitution of unpaid wages to Plaintiff and other class members and all pre-judgment interest from the day such amounts were due and payable;

50. For the appointment of a receiver to receive, manage and distribute any and all funds disgorged from Defendants and determined to have been wrongfully acquired by Defendants as a result of violation of Business & Professions Code sections 17200, *et seq.*;

51. For reasonable attorneys' fees and costs of suit incurred herein pursuant to Code of Civil Procedure section 1021.5;

52. For injunctive relief to ensure compliance with this section, pursuant to Business & Professions Code sections 17200, *et seq.*; and

53. For such other and further relief as the court may deem just and proper.

Dated: July 1, 2024

JUSTICE LAW CORPORATION

By: 

Douglas Han

Shunt Tatavos-Gharajeh

Brian Jeong

Attorneys for Plaintiff

EXHIBIT 1

September 6, 2023

BY U.S. EMAIL/ELECTRONIC SUBMISSION

PAGAfilings@dir.ca.gov
State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

Re: IDEALTAX, INC.

Dear Representative:

We have been retained to represent Christopher Frazier against IdealTax, Inc. (including any and all affiliates, managers, members, subsidiaries, and parents, and their shareholders, officers, directors, and employees), any individual, owner, officer or managing agent acting on behalf of an "Employer" pursuant to California Labor Code section 558.1, and DOES 1-20¹ for violations of California wage-and-hour laws (hereinafter collectively referred to as "IDEALTAX").

Mr. Frazier is pursuing his California Labor Code sections 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA") claim on a representative basis. Therefore, Mr. Frazier may seek penalties for violations of the Labor Code on behalf of the State of California and aggrieved employees, which are recoverable under PAGA. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

IdealTax, Inc. is a California corporation located at 2 MacArthur Place, Suite 300, Santa Ana, CA 92707.

IDEALTAX employed Mr. Frazier as an hourly-paid non-exempt Senior Tax Advisor within one year of the date of this letter (until or until around April of 2023) in the State of California. IDEALTAX directly controlled the wages, hours and/or working conditions of Mr. Frazier and other aggrieved employees' employment, including direction, retention, scheduling, supervision, and termination.

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¹ Mr. Frazier does not know the true names or capacities, whether individual, partner or corporate, of DOES 1 through 20, inclusive, and for that reason, said DOES are designated under such fictitious names. Mr. Frazier will amend this notice when the true names and capacities are known. Mr. Frazier is informed and believes that each DOE was responsible in some way for the matters alleged herein and proximately caused Mr. Frazier and other current and former aggrieved employees to be subject to the illegal employment practices, wrongs and injuries complained of herein.

The “aggrieved employees” that Mr. Frazier may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees (whether hired directly or through a staffing agency) of IDEALTAX within the State of California.

IDEALTAX failed to properly pay its hourly-paid or non-exempt employees for all hours worked, failed to properly compensate minimum and overtime wages, failed to properly provide legally mandated meal and rest breaks or pay premium wages in lieu thereof, failed to issue compliant wage statements, and failed to reimburse for all necessary business-related costs and expenses, thus resulting in Labor Code violations as stated below.

Pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal. App. 5th 745, 751, an employee who brings a representative action and was affected by at least one of the violations alleged in the complaint has standing to pursue penalties on behalf of the state not only for that violation, but for violations affecting other employees as well. Accordingly, Mr. Frazier has standing to pursue penalties on behalf of the state for violations affecting all of the aggrieved employees at IDEALTAX, regardless of their classification, job title, location, or whether they were hired directly or through a staffing agency.

IDEALTAX has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

California Labor Code sections 510, 1194, and 1198 require employers to pay time-and-a-half or double-time overtime wages and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates. During the relevant time period, Mr. Frazier and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. IDEALTAX failed to compensate aggrieved employees for all hours worked and performing off-the-clock work, including pre- and post-shift, and during meal breaks. IDEALTAX also failed to include non-discretionary bonuses into aggrieved employees’ regular rate of pay for purposes of overtime compensation. Therefore, aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

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California Labor Code section 246 requires that employers provide employees with paid sick leave of not less than one hour per every 30 hours worked. California Labor Code section 246(l) also requires that paid sick leave be paid at a non-exempt employee's regular rate of pay for the workweek in which the employee uses paid sick time or at a rate calculated 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 of employment. During the relevant time period, IDEALTAX failed to pay aggrieved employees paid sick leave that complied with California Labor Code section 246, by, for example, failing to pay paid sick leave at non-exempt employee's regular rate of pay or at a rate calculated 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 of employment.

California Labor Code sections 226.7 and 512(a) require employers to pay an employee one additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided. During the relevant time period, IDEALTAX routinely required Mr. Frazier and other aggrieved employees to work through, interrupt, cut short, and/or delay their meal and rest breaks to comply with IDEALTAX's policies and expectations and assist customers. IDEALTAX failed to provide coverage to Mr. Frazier and other aggrieved employees so they may be relieved of all work duties and take legally mandated meal and rest breaks. Lastly, IDEALTAX failed to authorize and permit aggrieved employees to take the requisite number of meal and rest breaks, including second meal breaks and third rest breaks, when working shifts exceeding 10 hours in length. Despite these facts, IDEALTAX failed to compensate Mr. Frazier and other aggrieved employees all the premium wages they were owed, including failing to pay premium wages at aggrieved employees' regular rate of pay.

California Labor Code section 551 states "[e]very person employed in any occupation of labor is entitled to one day's rest therefrom in seven." Section 552 further states "[n]o employer of labor shall cause his employees to work more than six days in seven." IDEALTAX required aggrieved employees to work seven days in a row or more without one day's rest.

California Labor Code section 432.5 states "[n]o employer, or agent, manager, superintendent, or officer thereof, shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law." IDEALTAX required aggrieved employees to execute arbitration agreements as a condition of employment despite knowing that such agreements are prohibited under Labor Code section 432.6.

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California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that if an employee not having a written contract for a definite period quits their employment, their wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days. During the relevant time period, IDEALTAX failed to pay Mr. Frazier and other aggrieved employees all wages, including for uncompensated off-the-clock work, unpaid overtime premiums and premium wages for failing to provide legally mandated meal and rest breaks, due to them within any time period specified by California Labor Code sections 201 and 202 and therefore is liable under California Labor Code sections 203 and 210.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, IDEALTAX failed to pay Mr. Frazier and other aggrieved employees all wages due to them, including for uncompensated off-the-clock work, unpaid overtime premiums and premium wages for failing to provide legally mandated meal and rest breaks within any time period specified by California Labor Code section 204, and is therefore liable under California Labor Code section 210.

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California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, IDEALTAX did not provide Mr. Frazier and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from IDEALTAX were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include (1) gross wages earned by Mr. Frazier and other aggrieved employees, (2) total hours worked by aggrieved employees, (3) the number of piece-rate units earned and any applicable piece rate by aggrieved employees, (4) all deductions for aggrieved employees, (5) net wages earned by Mr. Frazier and other aggrieved employees, (6) the inclusive dates of the period for which aggrieved employees are paid, (7) the name of the aggrieved employee and only the last four digits of their social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by aggrieved employees.

California Labor Code section 558 allows recovery of penalties. Pursuant to the code, (a) Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall be paid to the affected employee. Mr. Frazier and other aggrieved employees have been denied their wages and premium wages and, therefore, are entitled to penalties.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years. During the relevant time period, IDEALTAX failed to keep accurate and complete payroll records showing the hours worked daily and the wages paid to Mr. Frazier and other aggrieved employees.

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California Labor Code sections 1194, 1197 and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, IDEALTAX did not provide aggrieved employees with the minimum wages to which they were entitled despite constructive and actual knowledge of off-the-clock work, including pre- and post-shift, and during meal breaks.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of their job duties or in direct consequence of their obedience to the directions of the employer. During their employment, aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by IDEALTAX, including for using their personal cell phones for work-related purposes.

We believe that Mr. Frazier and other current and former California-based hourly-paid or non-exempt employees are entitled to penalties as allowed under California Labor Code sections 2698, *et seq.* for violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant send a certified letter to the employer in question and the California Labor & Workforce Development Agency setting forth the claims, and the basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor Code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Mr. Frazier will seek these penalties on his own behalf and on behalf of other similarly situated California-based hourly-paid or non-exempt employees of IDEALTAX within one year of the date of this letter, as allowed by law.

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LWDA
September 6, 2023
Page 7 of 7

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

Very truly yours,

JUSTICE LAW CORPORATION

A handwritten signature in black ink, appearing to read 'D. Han', with a stylized flourish at the end.

Douglas Han, Esq.

CC: (By Certified U.S. Mail Only):

Faris Khatib
c/o IdealTax, Inc.
2 MacArthur Place, Suite 300
Santa Ana, CA 92707
Agent for Service of Process for IdealTax, Inc.

**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, California 91103.

On July 1, 2024, I served the foregoing document described as

**FIRST AMENDED AND CONSOLIDATED CLASS AND REPRESENTATIVE
ACTION COMPLAINT**

on interested parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

Ronald Norman (rnorman@fknlaw.com) LAW OFFICES OF FARNELL & NORMAN 4350 Von Karman Ave, #400 Newport Beach, CA 92660	Anand Patel (anand.patel@idealtax.com) c/o IdealTax, Inc. 2 Macarthur Place, Suite 300 Santa Ana, CA 92707
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Attorney(s) for IdealTax, Inc.

[X] BY U.S. MAIL

As follows: I am “readily familiar” with the firm’s practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that day with postage thereon fully prepaid at Pasadena, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date of deposit for mailing an affidavit.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 1, 2024, at Pasadena, California.



Christina Castro

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is bitty@justicelawcorp.com

On July 12, 2024, I served the foregoing document described as

**FIRST AMENDED AND CONSOLIDATED CLASS AND REPRESENTATIVE
ACTION COMPLAINT**

for the following case: **Benavides v. Idealtax, Inc.**
LWDA/Court Case No.: **LWDA Case No.: CM- 980019-23**
Court Case No.: 30-2023-01338939-CU-OE-CXC
[Consolidated with Case No. 30-2023-01362454-CU-OE-
CXC]
Orange County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

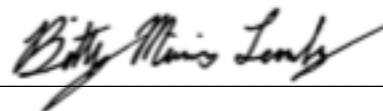
[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 12, 2024, at Pasadena, California.



Bitty Minnis-Lemley