

LAUREL EMPLOYMENT LAW

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SUPERIOR COURT OF CALIFORNIA

COUNTY OF RIVERSIDE

NITZIA CISNEROS, individually and on
behalf of the State of California and Aggrieved
Employees,

Plaintiff,

vs.

HALLWAY HEALTHCARE, INC., a
California Stock Corporation; and DOES 1
through 10, Inclusive,

Defendants.

Case No.: **CVRI 2604990**

**PRIVATE ATTORNEYS GENERAL ACT
OF 2004 COMPLAINT FOR:**

1. Civil Penalties Pursuant to Labor Code § 2699(a); and
2. Civil Penalties Pursuant to Labor Code § 2699(f).

[UNLIMITED JURISDICTION]

COMES NOW Plaintiff NITZIA CISNEROS ("Plaintiff") on behalf of herself, the State of California, and all other Aggrieved Employees, hereby brings this Representative Action Complaint against Defendant HALLWAY HEALTHCARE INC., and DOES 1 through 10 ("Defendants"), inclusive, and alleges as follows:

SUMMARY

1. Plaintiff, on behalf of the State of California and the other Aggrieved Employees, brings this enforcement action pursuant to the California Labor Code Private Attorneys General Act of 2004, as amended ("PAGA"), Labor Code §§ 2698 et seq., against Defendants on behalf of individuals who work for or have worked for Defendants as non-exempt, hourly employees — including Licensed Vocational Nurses, home healthcare workers, and clinical staff — who have been denied overtime and double-time wages, have not received compliant meal and/or rest periods, have not received premium compensation for such missed meal and rest periods, have been required to exceed the maximum hours of work fixed by the relevant Industrial Welfare Commission ("IWC") Wage Order ("Wage Order"), have been subjected to unlawful wage deductions and withholdings, have not been reimbursed for necessary business expenses incurred in the discharge of their duties, have been denied accurate and/or compliant itemized wage statements, have not received all wages due during and at the end of their employment, and/or have not been provided copies of their employee records upon request, at any time since one year and 65 days before the filing of this Complaint until final resolution of this Action (the "Aggrieved Employees").

2. Defendants pay Plaintiff and the Aggrieved Employees on an hourly basis.

3. Plaintiff and the Aggrieved Employees regularly work more than 8 hours a day and more than 40 hours a workweek.

4. Plaintiff and the Aggrieved Employees also regularly work in excess of 12 hours in a single workday, triggering double-time wage obligations under Labor Code § 510.

5. But Defendants did not pay Plaintiff and the Aggrieved Employees for all hours worked, including all overtime and double-time wages owed.

6. Instead, Defendants required Plaintiff and the Aggrieved Employees to continue performing work beyond their scheduled 12-hour shifts without full compensation, by instructing them to clock out after 12 hours regardless of actual hours worked and to document any additional hours only in notes within the timekeeping system — a practice specifically designed to systematically underreport overtime and double-time hours and avoid Defendants' lawful wage obligations.

7. As a result of Defendants' conduct, Defendants did not pay Plaintiff and the Aggrieved Employees all straight-time wages owed, nor were Plaintiff and the Aggrieved Employees paid all overtime wages at one and one-half times the regular rate of pay for hours worked in excess of 8 hours in a workday or 40 hours in a workweek, nor all double-time wages at two times the regular rate of pay for hours worked in excess of 12 hours in a single workday, in violation of Labor Code §§ 510, 1194, and 204 and the applicable IWC Wage Order.

8. But to fulfill Defendants' patient care requirements and operational demands, Plaintiff and the Aggrieved Employees are nonetheless required to perform regular work duties beyond their scheduled 12-hour shifts — for Defendants' benefit and subject to Defendants' control — without receiving compensation for all such hours worked.

9. Furthermore, Defendants frequently fail to authorize, permit, and make available compliant meal and/or rest periods to Plaintiff and the Aggrieved Employees, as they are entitled to under Labor Code §§ 512 and 226.7 and the applicable IWC Wage Order.

10. Although Defendants required Plaintiff and the Aggrieved Employees to sign an "Agreement for On-Duty Meal & Rest Break Periods" purporting to authorize on-duty meal and rest periods, Defendants failed to provide even compliant on-duty meal or rest periods throughout shifts regularly spanning 12 to 17 hours or more, and failed to pay the required one additional hour of premium compensation at the regular rate of pay for each workday on which a compliant meal or rest period was not provided.

11. Thus, Defendants fail to authorize, permit, and/or make available required meal and/or rest periods to Plaintiff and the Aggrieved Employees.

12. Further, Defendants fail to provide premium compensation to Plaintiff and the Aggrieved Employees for missed and denied meal and/or rest periods, in violation of Labor Code § 226.7 and the applicable IWC Wage Order.

13. Additionally, Defendants made unauthorized deductions from the wages of Plaintiff and the Aggrieved Employees — including recurring purported "Cell Phone" deductions — without lawful basis and without written authorization, in violation of Labor Code §§ 221, 222, and 223.

14. Defendants also failed to fully reimburse Plaintiff and the Aggrieved Employees for necessary business expenses incurred in the direct consequence of the discharge of their duties, including the costs associated with the required use of personal cellular telephones for work-related communications, providing only inadequate and inconsistent reimbursement amounts, in violation of Labor Code § 2802 and the applicable IWC Wage Order.

15. And Defendants' violative policies and practices result in non-compliant wage statements.

16. Among other things, the wage statements Defendants provide to Plaintiff and the Aggrieved Employees fail to accurately reflect their total hours worked — including overtime and double-time hours — gross wages earned, net wages earned, all applicable hourly rates with corresponding hours at each rate, and/or premium pay owed, in violation of Labor Code § 226(a) and the applicable IWC Wage Order.

17. Because Defendants failed to pay all wages owed — including straight-time wages, overtime wages, double-time wages, meal and rest period premium pay, and full expense reimbursements — Plaintiff and the Aggrieved Employees do not receive all wages owed during employment, in violation of Labor Code § 204.

18. Therefore, Aggrieved Employees who are Defendants' former employees do not receive all wages owed following separation from employment, in violation of Labor Code §§ 201–203.

19. Finally, Plaintiff submitted a formal written request to Defendants (through her retained counsel) for her payroll records, pursuant to Labor Code § 226.

20. Plaintiff's written request for copies/production of her payroll records was delivered to Defendants on January 13, 2026.

21. More than 21 days had elapsed, and Defendants failed to furnish Plaintiff with the requested payroll records by the applicable deadline, in violation of Labor Code § 226(b)-(c).

22. Plaintiff's written request also sought copies of her personnel file pursuant to Labor Code § 1198.5, and of any instruments relating to her obtaining or holding of employment (including any purported agreements to arbitrate) pursuant to Labor Code § 432.

23. More than 30 days had elapsed since Defendants received the request for such personnel records, and Defendants failed to furnish Plaintiff with the requested records by the applicable deadline.

24. Thus, Defendants have violated the Labor Code by failing to provide Plaintiff with the requested personnel records, in violation of Labor Code §§ 432 and 1198.5.

25. Plaintiff brings these claims pursuant to PAGA to challenge Defendants' policies and practices of: (1) failing to pay Plaintiff and the Aggrieved Employees all wages, including overtime and double-time wages, owed; (2) failing to provide or make available compliant meal and rest periods and failing to provide required premium compensation for missed meal and rest periods; (3) exceeding the maximum hours of work fixed by the applicable IWC Wage Order; (4) making unlawful deductions from and withholdings of the wages of Plaintiff and the Aggrieved Employees; (5) failing to reimburse Plaintiff and the Aggrieved Employees for all necessary business expenses; (6) failing to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements; (7) failing to pay Plaintiff and the Aggrieved Employees all wages owed upon separation from employment; and (8) failing to provide requested employee records.

26. Plaintiff brings this Action to recover all civil penalties and other PAGA damages on behalf of the State of California and the other Aggrieved Employees.

27. Plaintiff seeks to remedy the unlawful practices Defendants have imposed and continue to impose on their workers in California, which deprive the Aggrieved Employees of their lawfully earned compensation.

THE PARTIES

28. Plaintiff was employed by Defendants as a Licensed Vocational Nurse from approximately December 15, 2024 through the present.

29. Throughout her employment, Defendants classified Plaintiff as non-exempt and paid her on an hourly basis.

30. Plaintiff brings this action on behalf of the State of California and on behalf of all of Defendants' current and former non-exempt, hourly employees — including Licensed Vocational Nurses, home healthcare workers, and clinical staff — employed in California who suffered one or more Labor Code violations Plaintiff suffered, which are enumerated in Labor Code §§ 2698 et seq., and who worked for Defendants at any time since one year and 65 days before the filing of this Complaint until final resolution of this Action.

31. These employees are referred to as the "Aggrieved Employees."

32. Plaintiff is an "Aggrieved Employee" within the meaning of Labor Code § 2699(c) because Defendants employed her, and she suffered one or more of the alleged Labor Code and/or Wage Order violations committed by Defendants within the relevant limitations period.

33. Plaintiff and the other Aggrieved Employees were employees of Defendants at all relevant times, as defined in the California Labor Code and the applicable Wage Order.

34. Defendant Hallway Healthcare, Inc. is a California Corporation with its principal place of business located at 7027 Dublin Boulevard, Suite 120, Dublin, California 94568. It may be served through its registered agent: Viji Dinesh, c/o United States Corporation Agents, Inc., 500 North Brand Boulevard, Suite 890, Glendale, California 91203.

35. Defendants were Plaintiff's and the Aggrieved Employees' employer or person(s) acting on behalf of their employer(s), either individually, or as an officer, agent, or employee of another person, within the meaning of Labor Code § 1197.1, who paid or caused to be paid to any employee a wage less than the minimum fixed by California state law for each hour and overtime/double-time hour worked, and as such, are subject to civil penalties.

JURISDICTION & VENUE

36. This Court has jurisdiction over the State of California's claims for civil penalties, by and through Plaintiff as the deputized PAGA representative, pursuant to the California Constitution, Article VI, § 10, which grants the Superior Court "original jurisdiction on all other causes" except those given by statute to other courts. The statute under which this Action is brought does not specify any other basis for jurisdiction.

37. Plaintiff electronically filed her written PAGA Notice with the California Labor and Workforce Development Agency ("LWDA") on April 21, 2026.

38. This Court has personal jurisdiction over Defendants, as they are incorporated and registered to conduct business in California and have purposefully availed themselves of the benefits of the State by doing business in California and employing workers there, including Plaintiff and the other Aggrieved Employees.

39. Venue is proper in this judicial district pursuant to Code of Civil Procedure §§ 393 and/or 395.5.

40. Defendants have employed Plaintiff and the Aggrieved Employees within Riverside County, including at a residential care location in Corona, California, where Plaintiff was assigned to provide in-home nursing care.

41. Defendants conduct business in this County, employ Aggrieved Employees in this County, and therefore, liability under PAGA arises in this County.

FACTUAL ALLEGATIONS

42. Defendants operate a home healthcare services company that provides in-home nursing care and patient support services to clients throughout California, including in Riverside County and the Corona area.

43. To meet its business objectives, Defendants employ employees, including Plaintiff and the other Aggrieved Employees, to provide in-home nursing and clinical care services to their patients and clients.

44. Defendants classify Plaintiff and the other Aggrieved Employees as non-exempt and pay them on an hourly basis.

45. While exact job titles and duties may differ, Aggrieved Employees are subjected to the same or similar unlawful policies and practices in similar work.

46. For example, Plaintiff worked for Defendants from approximately December 15, 2024 through the present as a Licensed Vocational Nurse ("LVN") in Corona, California, providing in-home nursing care at a residential care location.

47. As a Licensed Vocational Nurse, Plaintiff's primary job duties included direct patient monitoring, administering care, documenting services, and remaining on site for the full duration of assigned shifts.

48. Defendants required Plaintiff to record her hours through Defendants' designated electronic timekeeping system, AlayaCare.

49. Throughout her employment, Plaintiff regularly worked more than 8 hours per workday and more than 40 hours per workweek.

50. Indeed, throughout her employment, Defendants assigned Plaintiff regular shifts of approximately 12 hours, two to three days per week, yet Plaintiff routinely worked 15 to 17 hours per shift.

51. On at least one occasion, Plaintiff worked a continuous 24-hour shift providing patient care on Christmas Day, December 25, 2024, for which Defendants paid her for only 12 hours of work.

52. However, Defendants imposed a de facto maximum cap of 12 hours on the number of hours Plaintiff was permitted to have recorded as worked per shift, regardless of actual hours worked.

53. Thus, throughout her employment, Defendants required Plaintiff to continue performing work beyond 12 hours per shift without full compensation, to meet Defendants' patient care requirements and operational demands.

54. Thus, Defendants did not pay Plaintiff for her mandatory and necessary work performed beyond the 12-hour cap.

55. So, rather than receiving wages for all hours worked, Defendants failed to pay Plaintiff all straight-time wages owed, in willful violation of California law.

56. Likewise, rather than paying Plaintiff overtime pay for all hours worked in excess of 8 in a workday and 40 in a workweek, Defendants failed to pay her for all such overtime hours, in willful violation of California law.

57. And rather than receiving double-time pay for all hours worked in excess of 12 in a workday, Defendants failed to pay Plaintiff for the double-time hours she worked, in willful violation of California law.

58. In or around early December 2024, a supervisory employee acting on behalf of Defendants specifically instructed Plaintiff to clock out after 12 hours regardless of the actual hours she continued working, and to document any additional hours only in notes within the AlayaCare timekeeping system — an instruction designed to systematically underreport overtime and double-time hours and avoid Defendants' lawful wage obligations under Labor Code §§ 510, 1194, and 204.

59. Further, throughout her employment, Defendants failed to authorize, permit, and/or make available to Plaintiff compliant meal and rest periods, and failed to pay her the required premium pay of one additional hour at the regular rate of pay for each workday on which a compliant meal or rest period was not provided, in willful violation of California law.

60. Although Defendants required Plaintiff to sign an "Agreement for On-Duty Meal & Rest Break Periods" at the outset of her employment, purporting to authorize on-duty meal and rest periods given the nature of her patient care duties, Defendants failed to provide even compliant on-duty meal or rest periods and failed to pay any premium compensation for denied or non-compliant meal and rest periods throughout shifts regularly spanning 12 to 17 hours or more.

61. Throughout her employment, Defendants failed to provide Plaintiff with wage statements that accurately reflected all hours worked and all wages actually earned at the required rates, in willful violation of California law.

62. Defendants also failed to provide Plaintiff's personnel file and payroll records in response to her formal written requests for the same.

63. On January 13, 2026, and again on January 20, 2026, Plaintiff submitted formal written requests to Defendants (by and through her counsel) requesting her payroll records

pursuant to Labor Code § 226(b)–(c) and her personnel file pursuant to Labor Code §§ 432 and 1198.5.

64. Defendants failed to produce Plaintiff’s payroll records within 21 calendar days of the request, by the February 5, 2026 deadline, and failed to produce Plaintiff’s personnel file within 30 calendar days of the request, by the February 14, 2026 deadline.

65. Defendants subject the other Aggrieved Employees to the same unlawful policies and practices they imposed on Plaintiff.

66. Like Plaintiff, Defendants classify their other Aggrieved Employees as non-exempt and pay them on an hourly basis.

67. Like Plaintiff, Defendants require their other Aggrieved Employees to record their hours worked through Defendants’ designated electronic timekeeping system.

68. Defendants’ records show that, like Plaintiff, the other Aggrieved Employees regularly work more than 40 hours a workweek and more than 8 hours a workday.

69. Indeed, like Plaintiff, the other Aggrieved Employees are assigned regular shifts of approximately 12 hours and routinely work beyond those scheduled shifts performing continuous patient care duties.

70. As with Plaintiff, the other Aggrieved Employees regularly work in excess of 12 hours in a single workday, triggering double-time wage obligations under Labor Code § 510.

71. Defendants uniformly subject the other Aggrieved Employees to the same or similar policies, procedures, and operational requirements — including the same 12-hour timekeeping cap — that they imposed on Plaintiff.

72. Defendants uniformly require Aggrieved Employees to remain on site and provide continuous patient care throughout the full duration of their assigned shifts and beyond.

73. Defendants closely supervise and monitor Plaintiff’s and the other Aggrieved Employees’ work to ensure compliance with Defendants’ uniform operational expectations and patient care requirements.

74. But as with Plaintiff, Defendants do not pay their other Aggrieved Employees for all hours worked.

75. Instead, like Plaintiff, the other Aggrieved Employees must perform their regular job duties subject to Defendants' control and its hours cap beyond 12 hours per shift, without full compensation, in willful violation of California law.

76. Defendants control this work performed beyond the 12-hour cap, and such work is undertaken for Defendants' benefit and at their direction.

77. Plaintiff and the other Aggrieved Employees could not fulfill their patient care duties in accordance with Defendants' operational requirements unless they continued working beyond the 12-hour cap.

78. In other words, Plaintiff's and the Aggrieved Employees' work beyond the 12-hour cap is a fundamental requirement of their jobs as Defendants' employees.

79. Indeed, Defendants could not eliminate this additional work altogether without impairing Plaintiff's and the Aggrieved Employees' ability to perform their primary patient care duties, as assigned by Defendants.

80. And Defendants know Plaintiff and the other Aggrieved Employees perform this compensable work beyond the 12-hour cap because Defendants' own electronic timekeeping system, AlayaCare, recorded the actual hours worked and their supervisors directed the practice.

81. And Defendants know they must pay the Aggrieved Employees for all hours Defendants suffer or permit them to work.

82. But Defendants fail to exercise their duty as Plaintiff's and the other Aggrieved Employees' employer to ensure they are compensated for all hours Defendants require them to work.

83. Thus, Defendants requested, suffered, permitted, and allowed Plaintiff and the other Aggrieved Employees to work beyond their scheduled shifts without full compensation.

84. Thus, Defendants deny the Aggrieved Employees wages for the time they spend performing compensable work in excess of the 12-hour cap, in willful violation of California law.

85. Likewise, as with Plaintiff, the Aggrieved Employees are denied overtime pay for compensable hours worked in excess of 8 hours in a workday and 40 hours in a workweek, in willful violation of California law.

86. The Aggrieved Employees are denied double-time pay for compensable hours worked in excess of 12 hours in a single workday, in willful violation of California law.

87. Further, like Plaintiff, Defendants fail to provide the other Aggrieved Employees with compliant meal and rest periods.

88. Instead, Defendants require Aggrieved Employees to remain on duty and provide continuous patient care throughout the entirety of their shifts, without being fully relieved of all duties during meal periods, even when they work more than five hours in a workday.

89. The Aggrieved Employees are not authorized or permitted to take a second duty-free 30-minute meal period when they work more than 10 hours in a workday.

90. They are not fully relieved of all duties during 10-minute rest periods for every 4 hours worked, or major fraction thereof.

91. Instead, Defendants require Aggrieved Employees to work continuously throughout their shifts, remaining available to provide patient care without uninterrupted breaks.

92. Like Plaintiff, Defendants expect and require that Aggrieved Employees remain on duty and be available to perform patient care for the entirety of their shifts, including during any purported meal or rest periods.

93. But like Plaintiff, Defendants also fail to pay the other Aggrieved Employees one additional hour of premium pay at the regular rate for each workday on which Defendants deny them a compliant meal period, in willful violation of California law.

94. Defendants also fail to pay the Aggrieved Employees one additional hour of premium pay at the regular rate for each workday on which Defendants deny them a compliant rest period, in willful violation of California law.

95. Additionally, Defendants made unauthorized deductions from the wages of Plaintiff and the Aggrieved Employees — including recurring "Cell Phone" deductions appearing on wage statements — without written authorization from Plaintiff or the Aggrieved Employees and without lawful basis, in willful violation of Labor Code §§ 221, 222, and 223.

96. Defendants also failed to fully reimburse Plaintiff and the Aggrieved Employees for necessary business expenses incurred in the direct consequence of the discharge of their duties,

1 including the reasonable costs associated with the required use of their personal cellular telephones
2 for work-related communications with supervisors, care coordinators, and schedulers, providing
3 only inadequate and inconsistent reimbursement amounts, in willful violation of Labor Code §
4 2802.

5 97. Like Plaintiff, Defendants fail to provide the other Aggrieved Employees with
6 accurate itemized wage statements as required by California law.

7 98. The wage statements Defendants provide to Plaintiff and the Aggrieved Employees
8 are inaccurate because they do not reflect the correct number of hours worked, the actual gross
9 wages earned, overtime wages earned, double-time wages earned, premium pay earned, all
10 applicable hourly rates with corresponding hours at each rate, and/or actual net wages earned, in
11 willful violation of Labor Code § 226(a) and the applicable IWC Wage Order.

12 99. The Aggrieved Employees are owed unpaid wages — including overtime and
13 double-time wages, meal and rest period premium wages, and expense reimbursements — upon
14 separation from their employment.

15 100. These wages remain unpaid under Defendants' policies and practices. Thus,
16 Defendants fail to pay all wages due to the Aggrieved Employees upon separation from
17 employment, in willful violation of Labor Code §§ 201–203.

18 101. Defendants' violations of the California Labor Code are willful, carried out in bad
19 faith, and have caused significant damage to Plaintiff and the Aggrieved Employees.

20 **PAGA NOTICE REQUIREMENT**

21 102. Plaintiff exhausted the notice requirement by filing a notice with the LWDA, as
22 required under the PAGA, as stated in their letter dated April 21, 2026. A true and correct copy of
23 Plaintiff's letter is attached hereto as **Exhibit A** and is incorporated herein by reference.

24 103. As of the filing of this complaint, the LWDA has not provided notice of its intent to
25 investigate the alleged violations, nor has it assumed jurisdiction over the applicable penalty claims
26 alleged. Therefore, Plaintiff has exhausted the procedural requirements under PAGA to pursue all
27 civil penalty claims.
28

COUNT I

PENALTIES PURSUANT TO LABOR CODE § 2699(a)

105. Plaintiff incorporates all other paragraphs by reference.

106. Labor Code § 2699(a) provides:

Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees.

107. Labor Code § 203 provides, in relevant part:

If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is commenced; but the wages shall not continue for more than 30 days.

108. Labor Code § 226(a) provides:

Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions,

provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and his or her social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

109. Labor Code § 226(e)(1) provides:

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

110. Labor Code § 226.3 provides:

Any employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the records required in subdivision (a) of Section 226. The civil penalties provided for in this section are in addition to any other penalty provided by law. In enforcing this section, the Labor Commissioner shall take into consideration whether the violation was inadvertent, and in his or her discretion, may decide not to penalize an employer for a first violation when that violation was due to a clerical error or inadvertent mistake.

111. Labor Code § 558(a) and (c) provide:

(a) Any employer [] who violates, or causes to be violated, a section of this chapter or any provisions 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.... (c) The civil penalties provided for in this section are in addition to any other civil or criminal

penalty provided by law.

112. Labor Code § 1174(d) requires every person employing labor in California to, among other things:

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.

113. Labor Code § 1174.5 subjects any person who willfully fails to maintain records required by Labor Code § 1174 to a civil penalty of \$500.

114. Plaintiff and the Aggrieved Employees seek civil penalties pursuant to Labor Code § 2699(a) for each failure by Defendants, as alleged in this Complaint, to timely pay all wages owed to Plaintiff and the Aggrieved Employees in compliance with Labor Code §§ 201–202, in the amounts established by Labor Code § 203.

115. Plaintiff and the Aggrieved Employees seek such penalties as an alternative to the penalties available to individual litigants under Labor Code § 203, where applicable, as prayed for herein.

116. Plaintiff and the Aggrieved Employees also seek civil penalties pursuant to Labor Code § 2699(a) for each failure by Defendants, as alleged in this Complaint, to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements in compliance with Labor Code § 226(a), in the amounts established by Labor Code § 226(e).

117. Plaintiff and the Aggrieved Employees also seek civil penalties in the amounts described under Labor Code § 558 pursuant to Labor Code § 2699(a) for each pay period in which Defendants, as alleged in this Complaint, failed to pay Plaintiff and the Aggrieved Employees for all overtime wages and double-time wages owed, in violation of Labor Code §§ 510 and 1194 and the applicable IWC Wage Order.

118. Plaintiff and the Aggrieved Employees further seek civil penalties pursuant to Labor Code § 2699(a) for each failure by Defendants, as alleged in this Complaint, to provide Plaintiff and the Aggrieved Employees with compliant meal and rest periods and to pay the required

premium compensation for each denied or non-compliant meal and rest period, in violation of Labor Code §§ 512 and 226.7 and the applicable IWC Wage Order.

119. Plaintiff and the Aggrieved Employees further seek civil penalties pursuant to Labor Code § 2699(a) for each failure by Defendants, as alleged in this Complaint, to fully reimburse Plaintiff and the Aggrieved Employees for all necessary business expenses incurred in the discharge of their duties, in violation of Labor Code § 2802.

120. Plaintiff and the Aggrieved Employees further seek civil penalties pursuant to Labor Code § 2699(a) for each instance in which Defendants, as alleged in this Complaint, made unlawful deductions from and withholdings of the wages of Plaintiff and the Aggrieved Employees without written authorization and without lawful basis, in violation of Labor Code §§ 221, 222, and 223.

121. Pursuant to Labor Code § 2699.3(a)(1) and (2), Plaintiff provided the LWDA with notice of her intention to file this claim on April 21, 2026.

122. More than sixty-five (65) calendar days have passed without notice from the LWDA.

123. As such, Plaintiff has satisfied all administrative prerequisites to commence this civil action in compliance with Labor Code § 2699.3(a).

124. Plaintiff and the Aggrieved Employees seek the aforementioned penalties on behalf of the State of California and the other Aggrieved Employees as outlined in Labor Code § 2699(g) and (i).

125. Defendants are liable to Plaintiff and the Aggrieved Employees and the State of California for the civil penalties outlined in this Complaint, together with interest thereon.

126. Plaintiff and the Aggrieved Employees are also entitled to an award of attorneys' fees and costs as set forth below.

127. Wherefore, Plaintiff and the Aggrieved Employees request relief as hereinafter provided.

COUNT II

PENALTIES PURSUANT TO LABOR CODE § 2699(f)

128. Plaintiff incorporates all other paragraphs by reference.

129. Labor Code § 2699(f) provides:

For all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these provisions, as follows: ... (2) If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.

130. Labor Code § 200 defines wages as “all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” All such wages are subject to California’s overtime and double time requirements, including those set forth above.

131. Labor Code § 204(a) provides that “[a]ll wages . . . earned by any person in any employment are due and payable twice during each calendar month[.]”

132. Labor Code § 510(a) provides as follows:

Eight hours of labor constitutes a day’s work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee.

133. IWC Wage Order No. 3-2001(3)(A)(1) states that employees:

...shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee’s regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than ... [o]ne and one-half (1½) times the employee’s regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek....

134. Labor Code § 1194(a) provides as follows:

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

135. Labor Code § 1198 makes it unlawful for employers to employ employees under conditions that violate relevant Wage Order(s).

136. To the extent that any violation alleged herein does not carry penalties under Labor Code § 2699(a), Plaintiff and the Aggrieved Employees seek civil penalties pursuant to Labor Code § 2699(f) for the Aggrieved Employees for each pay period in which such employee was aggrieved, in the amounts established by Labor Code § 2699(f).

137. Plaintiff and the Aggrieved Employees seek civil penalties under Labor Code § 2699(f) for Defendants' violations of Labor Code §§ 221, 222, 223, 432, 510, 1174, 1174.5, 1194, 1198, 1198.5, and 2802, and the applicable IWC Wage Order.

138. Pursuant to Labor Code § 2699.3(a)(1) and (2), Plaintiff has provided the LWDA with PAGA Notice of her intention to file this claim.

139. More than sixty-five (65) calendar days have passed without notice from the LWDA. Thus, Plaintiff has satisfied all administrative prerequisites to commence this civil action.

140. Plaintiff and the Aggrieved Employees seek the aforementioned penalties on behalf of the Aggrieved Employees and the State of California as outlined in Labor Code § 2699(g) and (i).

141. Labor Code § 2699(f)(2) provides a civil penalty of one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation of a Labor Code provision that does not provide for a civil penalty if, at the time of the violation, the employer employs one or more employees. Labor Code § 2699(f)(2) provides for a civil penalty of two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation of a Labor Code provision that does not provide a civil penalty if, at the time of the violation, the employer employs one or more employees.

1 142. Defendants are liable to the State of California and Plaintiff and the Aggrieved
2 Employees for the civil penalties outlined in this Complaint.

3 143. Plaintiff and the Aggrieved Employees are also entitled to an award of attorneys'
4 fees and costs.

5 144. Wherefore, Plaintiff and the Aggrieved Employees request relief as hereinafter
6 provided.

7 **RELIEF REQUESTED**

8 WHEREFORE, Plaintiff, on behalf of the State of California and the Aggrieved Employees,
9 requests the following relief:

- 10 a. A declaratory judgment that Defendants' conduct violated the Labor Code as
11 alleged herein;
- 12 b. An order awarding civil penalties against Defendants to the fullest extent provided
13 for by PAGA;
- 14 c. An award of attorneys' fees, costs, and expenses as provided by the California Labor
15 Code, including Labor Code § 2699(g)(1); California Code of Civil Procedure
16 §1021.5; and/or any other applicable law;
- 17 d. Pre- and post-judgment interest on any amounts awarded at the highest applicable
18 rate allowed by law; and
- 19 e. Such other and further relief as this Court deems just and proper.
- 20
- 21

22 Dated: August 8, 2026

LAUREL EMPLOYMENT LAW APC

23 
24 _____
Brendan J. Burton, Esq.

25 *Attorneys for Plaintiff, on Behalf of the State of*
26 *California and Aggrieved Employees*

27

28

EXHIBIT A



April 21, 2026

ELECTRONICALLY FILED

Attn: PAGA Administrator
Labor and Workforce Development Agency
1515 Clay Street, Suite 801
Oakland, California 94612
PAGAfilings@dir.ca.gov

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Hallway Healthcare, Inc.
c/o Registered Agent: Viji Dinesh
United States Corporation Agents, Inc.
500 North Brand Boulevard, Suite 890
Glendale, CA 91203

Re: Private Attorneys General Act of 2004 ("PAGA") Notice

Employees: Nitzia Cisneros

Employer: Hallway Healthcare, Inc. and Does 1-10

Dear PAGA Administrator:

Pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, Nitzia Cisneros ("Ms. Cisneros" or "Claimant") intends to bring a civil action against Hallway Healthcare, Inc. ("Hallway Healthcare" or "the Employer") and Does 1-10, individually and on behalf of the State of California and all other Aggrieved Employees. This letter serves as Claimant's written notice pursuant to Labor Code § 2699.3(a)(1), providing the Labor and Workforce Development Agency ("LWDA") the opportunity to investigate the alleged claims contained herein of the specific provisions of the Labor Code allegedly violated by the Employer and the facts and theories in support of said allegations. This information contained herein is based on currently possessed information and belief, and Claimant reserves the right to supplement this notice.

If the LWDA does not intend to investigate the alleged violations, Claimant intends to file a representative civil action for PAGA penalties on behalf of herself and all other

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Aggrieved Employees of the Employer and shall seek civil penalties under the PAGA. A copy of this Notice is being provided to the Employer by certified mail.

Identity of Aggrieved Employees

Ms. Cisneros intends to pursue PAGA civil penalties on her own behalf, on behalf of the State of California, and on behalf of other current and former non-exempt, hourly employees of Hallway Healthcare, Inc. who worked as Licensed Vocational Nurses, home healthcare workers, or clinical staff in California during the relevant statutory period. These employees are collectively referred to as "Aggrieved Employees." The names of Aggrieved Employees (other than Ms. Cisneros) are contained within Hallway Healthcare, Inc.'s personnel and business records.

Identity and Capacity of Employers/Joint Employers

Claimant intends to pursue a PAGA action against Hallway Healthcare, Inc., a California Corporation, and its parent companies, subsidiaries, successors, owners, officers, directors, and managing agents (collectively referred to as "Employer" as well). Claimant also intends to pursue a PAGA action against DOES 1 through 10, whose true names and capacities are currently unknown to Claimant. Claimant will seek to hold all owners, directors, officers, and managing agents of the Employer, personally liable for said violations to the extent permitted under Labor Code § 558 and/or Labor Code § 558.1.

All business entities referenced herein were the alter-egos of each and every other entity and individual referenced herein. There exists, and at all times herein mentioned has existed, a unity of interest and ownership between said entities and individuals such that any separateness between them ceased to exist in that said individuals and other entities have completely controlled, dominated, managed, and operated the business entities and have intermingled the assets of each to suit convenience. Further, each of the business entities is, and at all times mentioned herein were, mere shells, instrumentalities, and conduits through which the other above-referenced entities/individuals carried out their business while exercising complete control and dominance of the business such that individuality or separateness did not truly exist. Therefore, in the PAGA action, Claimant will seek to hold each said individual and/or entity jointly and severally liable for any and/or all violations committed by the other above-referenced individuals and/or entities.

It should further be noted that the Employer and its parent companies, subsidiaries, successors, owners, officers, directors, and/or managing agents have been engaged in a joint enterprise. Moreover, said persons/individuals are joint employers of Aggrieved Employees for the following reasons: 1) Said entities/individuals directly and/or indirectly exercised control over the wages, hours or working conditions of Aggrieved Employees; 2) Said entities/individuals had knowledge (either personally or through officers, directors and/or managing agents) of the work Aggrieved Employees were doing for them while supposedly being employed by another entity/individual and failed to prevent the work from occurring; and 3) Said entities retained or assumed a general right of control over hiring, direction, supervision, discipline, discharge, and relevant day-to-day aspects of the workplace behavior of Aggrieved Employees.

Background and Introduction to Violations

Hallway Healthcare, Inc. operates a home healthcare services company providing in-home nursing care and patient support services throughout California, including in Riverside County and the Corona area. The Employer employs licensed vocational nurses, registered nurses, and clinical staff to provide continuous patient care at residential care locations throughout California.

Ms. Cisneros worked for the Employer from December 15, 2024 through separation of employment as a Licensed Vocational Nurse (LVN). The Employer classified Ms. Cisneros as a non-exempt, hourly employee and paid her approximately \$35.00 per hour. Ms. Cisneros was assigned to provide in-home nursing care at a residential location in Corona, California, where her duties included direct patient monitoring, administering care, documenting services, and remaining on site for the full duration of assigned shifts. The Employer assigned Ms. Cisneros regular shifts of approximately twelve hours, but she routinely worked fifteen to seventeen hours per shift and, on at least one occasion, worked a continuous twenty-four-hour shift.

During employment, the Employer repeatedly paid Ms. Cisneros for only twelve hours per shift despite electronic timekeeping records reflecting longer hours worked. A supervisory employee instructed Ms. Cisneros to clock out after twelve hours regardless of actual hours worked and to document additional hours only in notes within the timekeeping system. The Employer failed to provide uninterrupted meal periods and rest breaks during shifts exceeding five hours and failed to pay premium wages for missed breaks. The Employer required Ms. Cisneros to use her personal cellular telephone for work-related communications but failed to fully reimburse business expenses. The Employer issued inaccurate wage statements that failed to accurately reflect hours worked, rates of pay, and wages earned, and failed to timely pay wages on regular paydays.

At all relevant times at least one year prior to the date of this Notice, the Employer subjected Ms. Cisneros and other Aggrieved Employees to policies and practices that caused violations of the Labor Code as described herein. Ms. Cisneros seeks civil penalties on behalf of all Aggrieved Employees and the State of California based on alleged violations of the Labor Code and applicable IWC Wage Order, including civil penalties pursuant to Labor Code § 558(a).

For reasons set forth herein, Ms. Cisneros alleges the following violations of the Labor Code and applicable IWC Wage Order on behalf of herself and all other non-exempt Aggrieved Employees of the Employer:

1. Failure to Pay Overtime and All Hours Worked (Lab. Code §§ 510, 1194, 204)
2. Failure to Provide Meal Periods (Lab. Code § 512)
3. Failure to Provide Rest Periods (Lab. Code § 226.7)
4. Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226(a))
5. Failure to Maintain Payroll Records and Provide Records Upon Request (Lab. Code §§ 226(b), (c), 1198.5)

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6. Failure to Reimburse Business Expenses (Lab. Code § 2802)
7. Unlawful Withholding and Deductions (Lab. Code §§ 221, 222, 223)
8. Failure to Timely Pay Wages During Employment and Upon Separation (Lab. Code §§ 203, 204)

Failure to Pay Overtime and All Hours Worked

The Employer violated Labor Code §§ 510 and 1194 and the applicable IWC Wage Order by failing to pay Ms. Cisneros and the Aggrieved Employees overtime premiums at one and one-half times their regular rate of pay for hours worked in excess of eight hours in one workday or forty hours in one workweek, and failing to pay double-time premiums at two times their regular rate of pay for hours worked in excess of twelve hours in one workday. The Employer also violated Labor Code § 204 by failing to pay Ms. Cisneros and the Aggrieved Employees for all hours worked during each pay period.

The Employer's electronic timekeeping system reflected the actual hours Ms. Cisneros and the Aggrieved Employees worked during each shift. Despite timekeeping records showing that Ms. Cisneros routinely worked shifts of fifteen to seventeen hours, the Employer repeatedly paid her for only twelve hours per shift. This systematic underpayment resulted in unpaid straight time wages, unpaid overtime wages at one and one-half times the regular rate, and unpaid double-time wages at two times the regular rate for hours worked beyond twelve hours in a single workday.

On December 25, 2024, Ms. Cisneros worked a continuous twenty-four-hour shift providing patient care. The Employer's timekeeping system recorded the full twenty-four hours worked, yet the Employer paid Ms. Cisneros for only twelve hours of work, leaving twelve hours completely unpaid. On January 8, 2025, Ms. Cisneros worked approximately fifteen hours in a single shift, but the Employer paid her for only twelve hours despite payroll records and timekeeping data reflecting the additional hours worked.

In or around early December 2024, a supervisory employee acting on behalf of the Employer instructed Ms. Cisneros to clock out after twelve hours regardless of the actual hours she continued working and to document additional hours only in notes within the timekeeping system. This instruction was designed to systematically underreport overtime hours and avoid legal wage obligations. Upon information and belief, the Employer instituted a similar policy for all non-exempt Aggrieved Employees across its California operations.

The Employer knew or should have known of the actual hours worked based on its electronic timekeeping records, patient care requirements, and employee complaints, but willfully failed to pay all wages owed. This conduct violates Labor Code §§ 510, 1194, and 204 and the applicable IWC Wage Order provisions governing overtime compensation and payment of all hours worked.

This claim is brought solely for civil penalties under PAGA (Labor Code § 2699(a)) on a representative basis and does not seek unpaid wages or damages, which are reserved for individual and class claims in separate litigation. Ms. Cisneros seeks civil penalties on behalf of the State of California and all Aggrieved Employees.

Failure to Provide Meal and Rest Periods

Labor Code § 512 and the applicable IWC Wage Order require the Employer to provide employees with timely, uninterrupted, off-duty meal periods of not less than thirty minutes for shifts exceeding five hours and a second meal period for shifts exceeding ten hours. Labor Code § 226.7 and the applicable IWC Wage Order require the Employer to authorize and permit paid ten-minute rest periods for every four hours worked or major fraction thereof. These duties are non-waivable and require employees to be completely relieved of all duties during such periods. When an employer fails to provide a compliant meal or rest period, the employer must pay the employee one additional hour of compensation at the employee's regular rate for each workday that a compliant meal or rest period is not provided.

At the beginning of her employment, the Employer required Ms. Cisneros to sign an "Agreement for On-Duty Meal & Rest Break Periods" acknowledging that the nature of her patient care duties prevented her from being relieved of all duty during meal periods. The agreement stated that all meal and rest periods would be on-duty and paid. Despite this agreement, the Employer failed to provide Ms. Cisneros and the Aggrieved Employees with compliant on-duty or off-duty meal periods and failed to pay premium wages for missed or non-compliant meal periods.

Ms. Cisneros and the Aggrieved Employees regularly worked shifts of twelve to seventeen hours without receiving uninterrupted meal periods. They remained on duty for the entirety of their shifts performing continuous patient care duties, including direct patient monitoring, administering care, and documenting services. They could not leave patients unattended and were not relieved of work responsibilities during shifts. The Employer did not pay Ms. Cisneros or the Aggrieved Employees one additional hour of compensation at the regular rate for each workday on which a compliant meal period was not provided.

Additionally, Ms. Cisneros and the Aggrieved Employees routinely worked shifts of twelve to seventeen hours without receiving compliant ten-minute rest periods for every four hours worked or major fraction thereof. They remained on duty continuously throughout their shifts without being authorized or permitted to take uninterrupted rest breaks. The Employer did not pay Ms. Cisneros or the Aggrieved Employees one additional hour of compensation at the regular rate for each workday on which a compliant rest period was not provided.

The Employer knew or should have known that Ms. Cisneros and the Aggrieved Employees were not receiving compliant meal and rest periods based on work schedules, patient care requirements, and the continuous nature of their duties, but failed to pay the required premium wages in violation of Labor Code §§ 512 and 226.7 and the applicable IWC Wage Order.

This claim is brought solely for civil penalties under PAGA (Labor Code § 2699(a)) on a representative basis and does not seek premium wages or damages, which are reserved

Laurel Employment Law APC

for individual and class claims in separate litigation. Ms. Cisneros seeks civil penalties on behalf of the State of California and all Aggrieved Employees.

Failure to Provide Accurate Itemized Wage Statements

Labor Code § 226(a) and the applicable IWC Wage Order require employers to provide accurate, itemized statements showing gross wages, total hours worked, all deductions, net wages, pay period dates, employee identification, employer name and address, all hourly rates with corresponding hours at each rate, and the employer's legal entity name.

The Employer's wage statements failed to accurately list hours worked, showing twelve hours when employees worked fifteen to seventeen hours or more. The statements failed to list all applicable rates of pay, omitting overtime and double-time hours and rates. The statements understated gross wages due to unpaid hours, reflected unexplained unauthorized deductions, and omitted meal and rest period premium wages when owed.

Wage statements for certain pay periods showed twelve hours when timekeeping records reflected fifteen or more hours worked. The Employer acknowledged issuing an inaccurate wage statement and issued a corrected statement. These deficiencies prevented employees from verifying their compensation.

This claim seeks only civil penalties under PAGA (Labor Code § 2699(a)) on a representative basis, not damages. Labor Code § 226 provides for statutory penalties for violations of its requirements. Ms. Cisneros seeks civil penalties on behalf of the State of California and all Aggrieved Employees for these wage statement violations.

Failure to Maintain Payroll Records and Provide Records Upon Request

Labor Code §§ 1174, 1174.5, and 1198.5, as well as the applicable IWC Wage Order, impose a non-waivable duty on the Employer to accurately keep, maintain, and preserve complete payroll records showing hours worked, wages paid, and other required data for each employee for at least three years. Additionally, Labor Code §§ 226(b) and (c) and Labor Code § 1198.5 require the Employer to produce payroll records within 21 calendar days and other personnel records within 30 calendar days of an employee's written request. Failure to maintain accurate records or to timely produce records upon request constitutes a violation. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code § 2699(a), on a representative basis.

The Employer failed to maintain complete and accurate payroll records reflecting all hours Claimant and Aggrieved Employees worked, including overtime and double-time hours. Timekeeping entries were altered or "moved around" to reduce recorded hours. Supervisors instructed employees to document additional hours only in notes or comments rather than as compensable time. The Employer's electronic system (AlayaCare) reflected actual hours in multiple places including time entries and notes, but payroll records did not

Laurel Employment Law APC

reflect all hours worked. Wage statements showed discrepancies indicating recordkeeping failures.

On January 13, 2026, and again on January 20, 2026, Claimant's attorney submitted written requests for her personnel file and payroll records. The Employer failed to produce payroll records by February 5, 2026, the 21-day deadline. The Employer failed to produce personnel files by February 14, 2026, the 30-day deadline. This failure entitles Claimant to a statutory penalty of seven hundred fifty dollars (\$750) and impeded Claimant's ability to verify hours, wages, and employment information.

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders. Evidence substantiating these violations and their uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, audit logs, request logs, emails or messages, and personnel or payroll files that document deficiencies, gaps, inaccuracies, or denials of access regarding payroll and employment records for Aggrieved Employees.

Failure to Reimburse Business Expenses

Labor Code section 2802 and the applicable IWC Wage Order impose a non-waivable duty on the Employer to indemnify employees for all necessary expenditures or losses incurred in direct consequence of the discharge of their duties or in obedience to the directions of the Employer. This obligation requires the Employer to fully reimburse employees for all reasonable and necessary business expenses, including costs associated with the required use of personal equipment, tools, or resources for work purposes. Partial, token, or inconsistent reimbursements that fail to cover the reasonable proportion of costs attributable to work use do not satisfy this statutory requirement. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps in Labor Code section 2699.3.

The Employer required Claimant and Aggrieved Employees to use their personal cellular telephones for work-related communications with supervisors, care coordinators, schedulers, and other personnel necessary to perform their job duties. These communications were essential to coordinating patient care, receiving shift assignments, reporting work status, and responding to employer directives. The Employer knew that employees were using personal cell phones for work purposes based on the regular communications conducted through these devices.

Despite this required business use, the Employer failed to fully reimburse Claimant and Aggrieved Employees for the reasonable costs incurred. Reimbursement amounts were inadequate and inconsistent, varying from month to month. Some employees received only

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ten to fifty dollars per month when actual costs attributable to work use were higher. Wage statements reflected unexplained cell phone deductions and adjustments, including instances showing a five-dollar deduction and a five-dollar adjustment in the same pay period. The Employer's reimbursement practice did not account for or cover a reasonable percentage of the employee's cell phone bill attributable to required work use.

The Employer failed to implement a compliant reimbursement policy or methodology to ensure employees received full reimbursement for necessary business expenses as required by Labor Code section 2802. The inadequate and fluctuating reimbursement amounts demonstrate the Employer's failure to properly calculate and pay the reasonable proportion of cell phone costs that employees incurred in performing their work duties.

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek recovery of actual unreimbursed expenses or other damages, which are reserved for non-PAGA claims.

Evidence substantiating these violations and their uniform application may include written policies and handbooks, reimbursement policies and procedures, reimbursement request forms and approvals, payroll registers and wage statements showing deductions and reimbursements, communications regarding required use of personal equipment, and personnel or payroll files documenting reimbursement practices for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Unlawful Withholding and Deductions

Labor Code sections 221, 222, and 223 prohibit employers from collecting, deducting, or receiving any part of wages previously paid to an employee, except as permitted by statute or with the employee's written authorization for lawful purposes. An employer may not make deductions from an employee's wages unless such deductions are either mandated by law (such as taxes, Social Security, Medicare, state disability insurance, or court-ordered withholdings) or explicitly authorized in writing by the employee for lawful purposes such as insurance premiums, hospital or medical dues, or other proper deductions. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps in Labor Code section 2699.3.

The Employer made deductions from the wages of Claimant and Aggrieved Employees that were not authorized by the employee in writing and were not permitted by law. Wage statements reflected "Cell Phone" deductions (for example, negative five dollars per pay period with a year-to-date total of negative fifty dollars). Claimant and Aggrieved Employees did not authorize these deductions in writing. These deductions were not for lawful purposes or statutory withholdings such as taxes, insurance, court orders, or other

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legally mandated withholdings. Wage statements also showed unexplained "Cell Phone" adjustments and credits in the same pay periods, suggesting confusion or arbitrary application of the deduction policy.

Wage statements reflected other unexplained reductions in compensation that were not standard payroll withholdings and were not authorized by Claimant or Aggrieved Employees. These unauthorized deductions reduced employees' compensation below the amounts they earned and were entitled to receive. The Employer acknowledged some wage statement errors and issued corrective payments, suggesting awareness of the improper deductions.

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek recovery of withheld wages or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Timely Pay Wages During Employment and Upon Separation

Labor Code § 204 and the applicable IWC Wage Order require employers to pay all wages earned by employees twice during each calendar month on pre-designated paydays. Wages earned between the 1st and 15th of the month must be paid by the 26th day of that month. Wages earned between the 16th and the last day of the month must be paid by the 10th day of the following month.

The Employer failed to pay Claimant and Aggrieved Employees all earned wages on the regular payday during multiple pay periods. Claimant and Aggrieved Employees worked extended shifts and accrued overtime, double-time, and premium pay for missed meal and rest periods, but these amounts were not paid on the regular payday. The Employer occasionally issued delayed corrections but did not consistently pay wages when due. The Employer ceased responding to wage complaints while continuing to issue paychecks that omitted earned wages. On at least one occasion, the Employer voluntarily paid a one hundred dollar (\$100) late payment penalty under Labor Code § 210, acknowledging late payment.

Labor Code §§ 201, 202, and 203 require employers to pay all wages owed when employment ends. If an employee is discharged, all wages must be paid immediately. If an employee quits with notice, all wages must be paid on the last day. If an employee quits without notice, all wages must be paid within 72 hours. As a result of the Employer's failure to pay all wages owed during employment, including unpaid hours, overtime, double-time, meal and rest period premiums, and expense reimbursement, the Employer necessarily failed to pay all wages owed when Claimant and other Aggrieved Employees separated from employment.

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This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties under Labor Code § 203, or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Unfair Business Practices

Business and Professions Code section 17200 prohibits any unlawful, unfair, or fraudulent business act or practice and any unfair, deceptive, untrue, or misleading advertising. The UCL provides an independent basis for relief and serves as a comprehensive statutory remedy for unfair competition in California. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps in Labor Code section 2699.3.

The Employer's conduct constitutes unlawful business practices in violation of Business and Professions Code section 17200 because it violates the Labor Code provisions detailed in this Notice. The Employer violated Labor Code sections 221, 222, and 223 (unlawful withholding and deductions), sections 510 and 1194 (failure to pay overtime), section 512 (failure to provide meal periods), section 226.7 (failure to provide rest periods), section 2802 (failure to reimburse business expenses), section 204 (failure to timely pay wages during employment), section 226 (failure to provide accurate wage statements), sections 1174 and 1198.5 (failure to maintain and provide payroll records), and sections 201, 202, and 203 (failure to timely pay wages upon separation). Each of these violations of the Labor Code and the applicable IWC Wage Order constitutes an unlawful business practice under Business and Professions Code section 17200.

The Employer's conduct also constitutes unfair business practices under Business and Professions Code section 17200 because it harms employees who have no ability to protect themselves from the Employer's systematic violations and because it violates the public policy embodied in California's comprehensive wage and hour laws. The Employer gained an unfair competitive advantage over compliant employers by underpaying employees, avoiding overtime obligations, denying meal and rest breaks, failing to reimburse necessary business expenses, and maintaining inaccurate records, thereby reducing labor costs compared to employers who comply with California law.

Under Business and Professions Code section 17203, employees and the State of California are entitled to injunctive relief and restitution to remedy violations of the UCL. Under PAGA, Claimant seeks civil penalties for these violations on behalf of the State of California and all Aggrieved Employees. Injunctive relief and restitution may be pursued in separate non-PAGA claims. The UCL has a four-year statute of limitations, which may extend the recovery period beyond the one-year PAGA lookback period.

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This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek restitution, injunctive relief, or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Attorneys' Fees, Costs, Interest, and Penalties

Labor Code §§ 218.6, 226(e), 1194, 1194.2, 2802, and 2699, *et seq.*, give employees the right to recover in a civil action the unpaid balance of the full amount of minimum wages, regular wages, overtime compensation, damages, liquidated damages, and penalties, including interest thereon, reasonable attorney's fees, and costs of suit.

Pursuant to Labor Code § 2699(m), Aggrieved Employees are entitled to collect 35% of the civil penalty assessment for violations that are cured within the statutory time period, and pursuant to Labor Code § 2699(f), Aggrieved Employees are entitled to collect 25% of civil penalties for violations that are not cured. The remaining amounts are paid to the Labor and Workforce Development Agency. Accordingly, Employer is liable for these civil penalties in addition to any unpaid wages and damages. Claimant has already incurred and will continue to incur costs and attorney's fees because of Employer's unlawful actions. Claimant seeks all available civil penalties under PAGA, as well as attorneys' fees and costs as provided by statute.

Conclusion

If the State of California intends to investigate the matters set forth herein, please notify our offices as soon as possible, as prompt administrative action will enable the unlawful practices to be rectified in a timely manner. If the State of California does not send notification of its intent to investigate the alleged violations within sixty-five (65) days from the date of receipt of this notice, as provided under Labor Code section 2699.3(a)(1)(A), then Ms. Cisneros reserves the right to file a PAGA cause of action seeking all available damages, penalties, and remedies as well as attorneys' fees, interest, and costs against the Employer, as permitted under Labor Code sections 2698, *et seq.* (PAGA). Should the State of California require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

Laurel Employment Law APC

Brendan J. Burton

Brendan J. Burton
brendan@laurelemploymentlaw.com

Cisneros v. Hallway Healthcare, Inc.

PAGA Notice
Page 11 of 11