ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
7/24/2026 4:05:19 PM

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

ANITA M. CARBAJAL-OLVERA, on behalf of others similarly situated and the State of California under the Private Attorneys General Act, Plaintiffs, vs. ABC IMAGING OF WASHINGTON, INC. and DOES 1 through 50, inclusive, Defendants.	Case No. 26CU032156C **Judge: Hon. Wendy M. Behan** **Department: C-66** **CLASS ACTION** **FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT** 1. Failure to Pay All Wages Owed 2. Failure to Pay All Overtime Wages 3. Meal Period Violations 4. Rest Period Violations 5. Paid Sick Leave Violations 6. Untimely Payment of Wages 7. Wage Statement Violations 8. Waiting Time Penalties 9. Failure to Reimburse Business Expenses 10. Unlawful Employment Condition 11. Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*) Action Filed:

Plaintiff ANITA M. CARBAJAL-OLVERA, on behalf of all others similarly situated and the State of California under the Private Attorneys General Act ("Plaintiff") brings this FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants ABC IMAGING OF WASHINGTON, INC. and DOES 1 through 50, inclusive (collectively "Defendants"), alleging as follows:

INTRODUCTION

1. This is a class action filed for wage and hour violations of the California Labor Code.

2. Defendants failed to compensate Plaintiff and covered employees at the lawful minimum wage rate for all hours worked.

3. Defendants' underpayment of wages was facilitated by company-wide practices of editing time records with unauthorized reductions and requiring significant off-the-clock work.

4. Defendants failed to pay overtime wages at the lawful rate of pay for overtime hours worked.

5. Defendants failed to properly credit and pay for all accrued paid sick leave hours.

6. Defendants failed to provide compliant meal periods and failed to pay owed meal period premiums.

7. Defendants maintained a company-wide practice that effectively abolished legally compliant rest periods and failed to pay required rest period premium wages.

8. Defendants failed to timely pay all wages and premiums due during employment and upon separation of employment.

9. Defendants failed to furnish accurate itemized wage statements and failed to provide required updates of available paid sick leave and paid time off balances.

10. Defendants failed to reimburse covered employees for necessary business expenditures incurred as part of their job duties.

11. Defendants failed to maintain accurate employee payroll records showing daily hours worked and wages paid.

12. Defendants required covered employees to sign unlawful non-solicitation agreements as a condition of employment.

13. Plaintiff seeks to recover all damages, penalties, attorneys' fees, costs, and interest on behalf of the class members.

<u>JURISDICTION & VENUE</u>

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

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

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

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

<u>PARTIES</u>

A. Plaintiff Anita M. Carbajal-Olvera

18. Plaintiff M. Carbajal-Olvera is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about September 2025 to January 2026. Plaintiff worked as a Customer Service Representative and Inside Sales Representative.

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

B. Defendants

20. Defendant ABC Imaging of Washington, Inc. is a Maryland Stock Corporation that maintains operations and conducts business throughout the State of California, including in this county.

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

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

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

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

CLASS ALLEGATIONS

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

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

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

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

a. Numerosity: The class is estimated to exceed 50 individuals, although the precise membership of the entire class is unknown at this time. The class is so numerous that joinder of all class members is impracticable. The identities of class members are ascertainable by inspection of Defendants' employment and payroll records.

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

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

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

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

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

GENERAL ALLEGATIONS

29. Plaintiff and the covered employees worked for Defendants as non-exempt employees and were compensated on an hourly basis.

30. Defendants employed Plaintiff in the positions of Customer Service Representative and Inside Sales Representative from about September 2025 to January 2026. During their employment, Plaintiff and the other covered employees were subject to wage and hour and employment protections. The covered employees include all current and former non-exempt employees, including those misclassified as non-exempt, who worked for Defendants in the State of California during the one-year period preceding the date of this notice through the current date and the date of trial in any pending action.

31. Defendants failed to pay Plaintiff and the covered employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants engaged in an unlawful policy and practice of editing Plaintiff's and the covered employees' time records with unauthorized reductions to their overall hours worked. For example, Plaintiff recalls multiple occasions where she was asked to stay in the office after the end of her eight-hour shift to continue working, but wasn't paid for the additional time because Defendants would edit her timecard to only reflect eight hours of work.

32. Additionally, Plaintiff and the covered employees experienced frequent issues with the required timekeeping application, resulting in hours not being accurately tracked. When Plaintiff reported these issues, Defendants failed to address the software malfunction and instead edited Defendants' and the covered employees' time sheets to further reduce the number of hours worked down to their scheduled shift, disregarding the hours they actually worked.

33. Furthermore, Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the covered employees to perform significant off-the-clock work. Specifically, Defendants enforced a policy where Plaintiff and the covered employees would only be credited with commissions for a completed sale if the sale originated outside of the office, while also strictly enforcing a policy of refusing to pay employees for hours spent off-the-clock generating sales outside the office. For example, Plaintiff performed significant uncompensated work, including attending networking events, and consistently informed Defendants of her efforts to generate sales while off-the-clock. In response to her complaints regarding unpaid hours, Defendants repeatedly stated that commissions were her pay and that she needed to invest her own time to earn additional income. Defendants failed to pay Plaintiff and the covered employees for all hours worked as a direct result of this practice.

34. Defendants failed to pay Plaintiff and the covered employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As a direct result of Defendants' unlawful policies and practices of time-shaving and requiring off-the-clock work without compensation, Plaintiff and the covered employees were not paid for all hours worked due to Defendants' policy and practice of significant time editing and requiring off-the-clock work without compensation. Plaintiff and the covered employees frequently worked over 8 hours a day and over 40 hours a week without those hours being accurately reflected in their pay records. When Plaintiff and the covered employees worked more than 8 hours in a day or over 40 hours in one week, those practices resulted in unpaid overtime wages.

35. In addition to these violations, Defendants failed to comply with paid sick leave laws with respect to the covered employees. Because Defendants failed to record and pay for all hours that Plaintiff and the covered employees actually worked, Defendants also failed to credit them with all paid sick leave hours that they actually accrued. Additionally, each time that Plaintiff and the covered employees worked off-the-clock, resulting in unpaid overtime hours, Defendants failed to properly account for all overtime hours worked when calculating an employee's paid sick leave. Therefore, Plaintiff and the covered employees were not awarded the total amount and value of accrued paid sick leave that they were actually entitled to.

36. Plaintiff and the covered employees also routinely experienced missed, late, shortened, or interrupted meal periods due to Defendants' systematic understaffing and non-compliant labor practices. Defendants forced Plaintiff and the covered employees to assume a volume of work responsibilities that exceeded what could reasonably be completed during their assigned shifts, creating a high-pressure environment where taking a timely, uninterrupted meal period was effectively impossible. This environment of excessive demand was compounded by Defendants' failure to relieve employees of all duties during their meal periods, leading to frequent interruptions or the complete forfeiture of breaks. Plaintiff's own time records reveal facial meal period violations that reflect these systemic failures, which resulted in the non-payment of required meal period premiums at the correct regular rate of compensation. Each time Plaintiff and the covered employees experienced a non-compliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiff and the covered employees were not provided meal period premiums in place of non-compliant meal periods.

37. Despite legal requirements, Defendants maintained a systematic, company-wide policy and practice that effectively abolished legally compliant rest periods. Specifically, Defendants discouraged and prohibited Plaintiff and the covered employees from taking compliant paid rest breaks, instead requiring employees to take a one-hour unpaid meal period while failing to provide uninterrupted paid 10-minute rest periods. This policy was communicated to Plaintiff at the outset of her employment by her General Manager, who informed Plaintiff that the company simply did not provide rest breaks. When Plaintiff attempted to take legally mandated rest periods, she was openly shamed by supervisors and mocked by management, who treated her inquiries regarding rest breaks as a joke. Plaintiff repeatedly complained about Defendants' noncompliant rest break policies during her employment, but Defendants continued to ridicule Plaintiff for attempting to exercise her rights and reinforced their expectation that employees work through their shifts without taking rest periods. Defendants' unlawful practice of failing to provide compliant and legally mandated rest periods was widespread and common among the covered employees. Despite knowingly maintaining these unlawful policies and practices, Defendants failed to pay Plaintiff and the covered employees the required rest period premium wages for each workday a compliant rest period was not provided.

38. Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated rules regarding timely payment during employment. Defendants failed to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period. Specifically, Defendants consistently failed to pay Plaintiff and the covered employees all owed meal and rest break premiums, in addition to wages that weren't properly recorded.

39. Furthermore, Defendants failed to pay all wages and premiums owed to covered employees during their employment, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. For example, Defendants failed to pay Plaintiff her final wages upon termination, instead compensating her for her final wages approximately four days later.

40. Defendants also failed to provide accurate itemized wage statements to the covered employees each pay period. Defendants failed to list the correct "gross wages earned" or "net wages earned," as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of "gross wages earned" on those wage statements. Likewise, Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub. Defendants further failed to provide Plaintiff and the covered employees with an itemized update of available paid sick leave and PTO balances on each wage statement, or in a separate writing provided on the designated pay date.

41. Plaintiff and other covered employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other covered employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

42. Defendants required Plaintiff and the covered employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the covered employees unavoidably and necessarily incurred these losses, expenditures, and costs as a matter of policy and practice. Defendant required Plaintiff and the covered employees to use their personal cell phones for business purposes, specifically to contact sales leads outside of business hours, without any reimbursement whatsoever. To the extent Defendants reimbursed the covered employees, those amounts were underpaid.

43. Finally, Defendants required that Plaintiff and the covered employees agree to an unlawful term or condition in writing during their employment. Defendants required that Plaintiff and the covered employees sign non-solicitation agreements restricting their ability to accept certain work on behalf of themselves or other employers. For example, Defendants required Plaintiff to agree to a non-solicitation clause pertaining to company employees, clients, and vendors that extends for a period of (12) months immediately following the termination of her employment for any reason whatsoever as a condition of employment. Defendants' practice of requiring employees to agree to unlawful non-solicitation clauses as a condition of employment was common amongst the covered employees.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL WAGES OWED

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

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

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

45. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours and Days of Work" and "Minimum Wages" sections of the applicable orders), which require non-exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of work, and further provide a private right of action for an employer's failure to pay all minimum wages (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that "'wages' includes 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."

46. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class members at least the lawful minimum wage for each hour worked in violation of Labor Code sections 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the "Hours and Days of Work" and "Minimum Wages" sections of the applicable orders), including payment at the lawful local and county minimum wage ordinances in effect. As a result, Defendants are liable for all associated damages, including liquidated damages for the minimum wage violations pursuant to Labor Code § 1194.2.

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

SECOND CAUSE OF ACTION

FAILURE TO PAY ALL OVERTIME WAGES

Violation of Labor Code §§ 510 and 1194

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

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

50. Defendants failed in their affirmative obligation to pay Plaintiff and class members no less than one and one-half times their respective "regular rate of pay" for all hours worked in excess of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of work in any one workweek, and no less than twice their respective "regular rate of pay" for all hours over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for

such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC Wage Orders (the "Hours and Days of Work" sections of the applicable orders).

51. Plaintiff and class members are entitled to recover the full amount of the unpaid overtime, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

<u>THIRD CAUSE OF ACTION</u>

MEAL PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 512

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

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

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

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

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

<u>FOURTH CAUSE OF ACTION</u>

REST PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 516

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

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

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

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

<u>FIFTH CAUSE OF ACTION</u>

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

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

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

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

64. Defendants failed to pay Plaintiff and class members their paid sick leave wages at one of the lawful rates set forth in the statute or ordinance because Defendants failed to include in their sick leave calculation the additional remuneration received by Plaintiff and class members (i.e., at the regular rate of pay and/or calculated based on total wages earned).

65. Furthermore, to the extent the paid sick leave paid constitutes Covid-related paid sick leave, Defendants knowingly and intentionally failed in their affirmative obligation to pay Covid-19 Supplemental Sick Leave wages to class members at the correct accrual rate or hourly pay rate in violation of Labor Code sections 246, 248.1, 248.2, and 248 *et seq.*

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

<u>SIXTH CAUSE OF ACTION</u>

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

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

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

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

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

SEVENTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

Violation of Labor Code § 226

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

72. This cause of action is brought by a wage statement subclass pursuant to Labor Code § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each pay period, and which further provide a private right of action for an employer's failure to comply with this obligation.

73. Defendants knowingly and intentionally failed in their affirmative obligation to provide accurate itemized wage statements to Plaintiff and class members resulting in injury to Plaintiff and class members. Specifically, the wage statements issued to Plaintiff and class members did not accurately state each pay period all of the information required by Labor Code § 226(a)(1)-(9).

74. Defendants' unlawful acts and omissions deprived Plaintiff and class members of accurate itemized wage statements, causing confusion and concealing wage and premium underpayments.

75. As a result, Plaintiff and class members are entitled to recover the statutory penalty of $50 per employee for the initial pay period in which a violation occurred and $100 per employee for each violation in a subsequent pay period, up to an aggregate penalty of $4,000 per employee, in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code section 226(e).

EIGHTH CAUSE OF ACTION

WAITING TIME PENALTIES

Violation of Labor Code §§ 201 *et seq*.

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

77. This cause of action is brought by a waiting time subclass pursuant to Labor Code §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of employment, and which further provide a private right of action to recover statutory waiting time penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days wages.

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

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

NINTH CAUSE OF ACTION

FAILURE TO REIMBURSE BUSINESS EXPENSES

Violation of Labor Code § 2802

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

81. Defendants willfully failed in their affirmative obligation to reimburse Plaintiff and a reimbursement subclass for all necessary expenditures, losses, expenses, and costs incurred by them in direct discharge of the duties of their employment, in violation of Labor Code section 2802.

82. Defendants' unlawful acts and omissions deprived Plaintiff and class members of lawful reimbursements for business expenses in amounts to be determined at trial. Plaintiff and class members are entitled to recover the amount unreimbursed expenses of Plaintiff and class members in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code section 2802.

TENTH CAUSE OF ACTION

UNLAWFUL EMPLOYMENT CONDITION

Violation of Labor Code § 432.5

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

84. Defendants violated Labor Code section 432.5 with respect to Plaintiff and class members by requiring that they agree to an unlawful term or condition in writing during their employment.

85. Labor Code section 432.5 states that "[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."

86. Business and Professions Code 16600 provides that "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void."

87. Defendants required Plaintiff and the class members to sign non-solicitation agreements restricting their ability to accept certain work on behalf of themselves or other employers. For example, Defendants required Plaintiff to agree to a non-solicitation clause pertaining to company employees, clients, and vendors that extends for "a period of (12) months immediately following the termination of her employment for any reason whatsoever" as a condition of employment. Defendants' practice of requiring employees to agree to unlawful non-solicitation clauses as a condition of employment was common amongst the aggrieved employees. Therefore, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the covered employees sign non-competition agreements prohibited by California law.

88. Plaintiff and class members are entitled to injunctive relief declaring the agreements unlawful, attorneys' fees, and costs to the extent permitted by law.

<u>ELEVENTH CAUSE OF ACTION</u>

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

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

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

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

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

92. The State of California, via the Labor and Workforce Development Agency ("<u>LWDA</u>"), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The "government entity on whose behalf the plaintiff files suit is always the real party in interest."])

93. Labor Code section 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 the employee and other current or former employees against whom a violation of the same provision was committed pursuant to the procedures specified in Section 2699.3. "

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

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

96. On or about **May 19, 2026**, Plaintiff paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants' alleged Labor Code violations, including the facts and theories to support the alleged violations.

97. A true and correct copy of Plaintiff's written PAGA notice, entitled "Notice of Labor Code Violations" is attached hereto as Exhibit 1 and incorporated by reference as though fully set forth herein (the "PAGA notice").

98. To date, neither Plaintiff nor Plaintiff's counsel has received a response to Plaintiff's written PAGA notice from the LWDA.

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

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

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

a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.

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

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

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

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

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

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

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

i. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.

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

k. ***Unlawful Employment Condition.*** Violation of Labor Code § 432.5.

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

PRAYER

Plaintiff prays for judgment as follows:

a. For certification of this action as a class action;

b. For appointment of Plaintiff as the class representative;

c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;

d. For division of class members into appropriate classes and/or subclasses according to proof;

e. For recovery of all statutory penalties and liquidated damages;

f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;

g. For restitution and injunctive relief;

h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and Code of Civil Procedure § 1021.5.

i. For recovery of damages in amount according to proof;

j. For all recoverable pre- and post-judgment interest;

k. For this action to be maintained as a representative action under the PAGA;

l. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;

m. For recovery of all civil penalties and other recoverable amounts under the PAGA;

n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and

o. For such other relief the Court deems just and proper.

Dated: July 24, 2026

Ferraro Vega Employment Lawyers, Inc.

Andrew T. Katseanes
Attorneys for Plaintiff Anita M. Carbajal-Olvera

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

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Lauren N. Vega
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ATTORNEYS AT LAW
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5/19/2026

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

VIA CERTIFIED U.S. MAIL
- Electronic Return Receipt -

ABC Imaging of Washington, Inc.
7630 Little River Turnpike, Suite 700
Annandale, VA 22003

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

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **ANITA CARBAJAL-OLVERA** ("Plaintiff(s)") and all other "covered employees" of the following "Defendant(s)":

ABC IMAGING OF WASHINGTON, INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the positions of Customer Service Representative and Inside Sales Representative from about September 2025 to January 2026. During their employment, Plaintiff and the other covered (i.e., aggrieved) employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The "aggrieved employees" include Plaintiff and the following individuals:

> All current and former non-exempt employees, including those misclassified as non-exempt, who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the "covered employees" and the "PAGA Period"). As defined, these covered current and former employees are "aggrieved employees" under PAGA.

Plaintiff reserves the right to expand or narrow the definition of the "covered employees" in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants' violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

<u>Unpaid Hours Worked/Minimum Wage</u>
Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the "Hours and Days of Work" and "Minimum Wages" sections of the applicable IWC Wage Orders with respect to the covered employees.

<u>Labor Code section 1194</u> renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. <u>Labor Code section 1197</u> further mandates that "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful." <u>Labor Code section 1198</u> renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The <u>California Minimum Wage Order</u> and the applicable sections of the <u>IWC Wage Orders</u> further require payment of minimum wages for all hours worked. The "Minimum Wages" sections of the applicable IWC Wage Order provide that "[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise." The foregoing California wage laws require payment of "not less than the applicable minimum wage *for all hours worked* in the payroll period" and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and the covered employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants engaged in an unlawful policy and practice of editing Plaintiff's and the aggrieved employees' time records with unauthorized reductions to their overall hours worked. For example, Plaintiff recalls multiple occasions where she was asked to stay in the office after the end of her eight-hour shift to continue working, but wasn't paid for the additional time because Defendants would edit her timecard to only reflect eight hours of work. Additionally, Plaintiff recalls frequent issues with the timekeeping app that she and the aggrieved employees were required to use, resulting in hours not being accurately tracked. Plaintiff would report this issue to Defendants as it occurred, but Defendants failed to address the software issue and would instead edit Defendants' and the aggrieved employees' time sheets to further reduce the number of hours worked down to their scheduled shift, as opposed to the hours they actually worked.

Additionally, Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to perform significant off-the-clock work. Specifically, Defendants enforced a policy where Plaintiff and the aggrieved employees would only be credited with commissions for a completed sale if the sale originated outside of the office, while also strictly enforcing a policy of refusing to pay employees for hours spent off-the-clock generating sales outside the office. For example, Plaintiff recalls performing significant work off-the-clock, including attending networking events without being paid, and consistently informing Defendants of her extensive efforts to generate sales while off-the-clock. Though Plaintiff complained about her unpaid hours, Defendants repeatedly informed her that commissions were her pay and that she needed to invest her own time if she wanted to earn additional income. Defendants failed to pay Plaintiff and the aggrieved employees for all hours worked as a direct result of their practice of refusing to pay employees for off-the-clock work performed towards generating sales leads.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 510, 1194, and 1198, along with the "Hours and Days of Work" sections of the applicable IWC Wage Orders with respect to the covered employees.

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

Defendants failed to pay Plaintiff and the covered employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As discussed above, Plaintiff and the aggrieved employees were not paid for all hours worked due to Defendants' policy and practice of significant time editing and requiring off-the-clock work without compensation. Plaintiff and the aggrieved employees often worked over 8 hours a day and over 40 hours a week, which was not accurately reflected in their pay records, which was not accurately reflected in their pay records as a direct result of Defendants' unlawful practices. When Plaintiff and the aggrieved employees worked more than 8 hours in a day or over 40 hours in one week, those practices resulted in unpaid overtime wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 246 through 248.7 with respect to the covered employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 40 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

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

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

Defendants failed to comply with California's paid sick leave laws with respect to the covered employees. Because Defendants failed to record and pay for all hours that Plaintiff and the aggrieved employees actually worked, Defendants also failed to credit them with all paid sick leave hours that they actually accrued. Additionally, each time that Plaintiff and the aggrieved employees worked off-the-clock, resulting in unpaid overtime hours, Defendants also failed to properly account for all overtime hours worked when calculating an employee's paid sick leave. Therefore, Plaintiff and the aggrieved employees were not awarded the total amount and value of accrued paid sick leave that they were actually entitled to.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the covered employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff and the aggrieved employees routinely experienced missed, late, shortened, or interrupted meal periods due to Defendants' systematic understaffing and non-compliant labor practices. Defendants forced Plaintiff and the aggrieved employees to assume a volume of work responsibilities that exceeded what could reasonably be completed during their assigned shifts, creating a high-pressure environment where taking a timely, uninterrupted meal period was effectively impossible. This environment of excessive demand was compounded by Defendants' failure to relieve employees of all duties during their meal periods, leading to frequent interruptions or the complete forfeiture of breaks. Plaintiff's own time records reveal facial meal period violations that reflect these systemic failures, which resulted in the non-payment of required meal period premiums at the correct regular rate of compensation.

Plaintiff's time records reveal facial meal period violations. An illustrative example of meal period violations is shown below:

Time Card
01/01/2025 - 03/11/2026

Date	Action	Shift		Hours	Regular	OT	Total Paid	Unpaid
01/09/2026	Work	07:05 AM	12:21 PM	5.27	5.27		5.27	
01/09/2026	Meal	12:21 PM	01:17 PM	0.93				0.93
01/09/2026	Work	01:17 PM	04:18 PM	3.02	1.38	1.63	3.02	
01/12/2026	Work	07:03 AM	08:35 AM	1.53	1.53		1.53	
01/12/2026	Work	08:55 AM	12:15 PM	3.33	3.33		3.33	
01/12/2026	Meal	12:15 PM	01:21 PM	1.10				1.10
01/12/2026	Work	01:21 PM	03:54 PM	2.55	2.55		2.55	
01/13/2026	Work	07:15 AM	12:40 PM	5.42	5.42		5.42	
01/13/2026	Meal	12:40 PM	01:40 PM	1.00				1.00
01/13/2026	Work	01:40 PM	04:23 PM	2.72	2.72		2.72	
01/14/2026	Work	07:04 AM	11:52 AM	4.80	4.80		4.80	
01/14/2026	Meal	11:52 AM	12:57 PM	1.08				1.08
01/14/2026	Work	12:57 PM	04:00 PM	3.05	3.05		3.05	
01/15/2026	Work	07:07 AM	12:04 PM	4.95	4.95		4.95	
01/15/2026	Meal	12:04 PM	01:12 PM	1.13				1.13
01/15/2026	Work	01:12 PM	04:29 PM	3.28	3.28		3.28	
01/16/2026	Work	06:55 AM	12:10 PM	5.25	5.25		5.25	
01/16/2026	Meal	12:10 PM	04:20 PM	4.17				4.17
01/16/2026	Work	04:20 PM	04:20 PM	0.00				
01/19/2026	Work	07:03 AM	12:05 PM	5.03	5.03		5.03	
01/19/2026	Meal	12:05 PM	01:08 PM	1.05				1.05
01/19/2026	Work	01:08 PM	04:21 PM	3.22	3.22		3.22	
01/20/2026	Work	12:03 PM	06:16 PM	6.22	6.22		6.22	
01/21/2026	Work	07:02 AM	12:30 PM	5.47	5.47		5.47	
01/21/2026	Meal	12:30 PM	01:30 PM	1.00				1.00
01/21/2026	Work	01:30 PM	04:30 PM	3.00	3.00		3.00	
01/22/2026	Work	07:15 AM	11:02 AM	3.78	3.78		3.78	
01/22/2026	Meal	11:02 AM	12:36 PM	1.57				1.57
01/22/2026	Work	12:36 PM	05:03 PM	4.45	4.45		4.45	
01/23/2026	Work	07:02 AM	11:50 AM	4.80	4.80		4.80	
01/23/2026	Meal	11:50 AM	12:52 PM	1.03				1.03
01/23/2026	Work	12:52 PM	05:17 PM	4.42	4.03	0.38	4.42	
01/26/2026	Work	07:07 AM	11:05 AM	3.97	3.97		3.97	
01/26/2026	Meal	11:05 AM	11:59 AM	0.90				0.90
01/26/2026	Work	11:59 AM	05:00 PM	5.02	5.02		5.02	

Extract from Plaintiff's Time Records for January 2026

Here, Plaintiff's time records show seven instances in January 2026 where Plaintiff worked shifts over 5 hours without a compliant meal period. Plaintiff's wage statements for the corresponding pay periods below demonstrate that Defendants failed to pay Plaintiff a single meal period premium for any of these violations.

PERSONAL AND CHECK INFORMATION
Anita M Carbajal-Olvera
[redacted]

Employee ID: 521185
Clock ID: 521185

Home Department: 4017 CA-San Diego Store-Hancock / 1100 Marketing & Sales / 1 Domestic

Pay Period: 01/01/26 to 01/15/26
Check Date: 01/22/26 **Check #:** 28259

NET PAY ALLOCATIONS

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Check Amount	0.00	0.00
Chkg 464	1763.81	3366.93
NET PAY	**1763.81**	**3366.93**

EARNINGS	*BASIS OF PAY*	*DESCRIPTION*	*HRS/UNITS*	*RATE*	*CURRENT ($)*	*YTD HRS/UNITS*	*YTD ($)*
		Hourly	71 6300	280000	2005.64	121 4100	3399.48
		Overtime	1 6300	420000	68.46	1 6300	68.46
		Holiday	8 0000	280000	224.00	16 0000	448.00
		PTO				16 0000	448.00
		Total Hours	81 2600			155 0400	
		Total Hrs Worked	73 2600			123 0400	
		Gross Earnings			2298.10		4363.94

WITHHOLDINGS	*DESCRIPTION*	*FILING STATUS*	*CURRENT ($)*	*YTD ($)*
	Social Security		142.48	270.56
	Medicare		33.33	63.28
	Fed Income Tax	J	173.91	321.06
	CA Income Tax	SMI2 0 0	62.77	110.82
	CA Disability		29.88	56.74
	TOTAL		442.37	822.46

DEDUCTIONS	*DESCRIPTION*	*CURRENT ($)*	*YTD ($)*
	401k EE Pretax	91.92	174.55
	TOTAL	91.92	174.55

Extract from Plaintiff's Pay Records for Pay Period 01/01/2026 - 01/15/2026

PERSONAL AND CHECK INFORMATION
Anita M Carbajal-Olvera
[redacted]

Employee ID: 521185
Clock ID: 521185

Home Department: 4017 CA-San Diego Store-Hancock / 1100 Marketing & Sales / 1 Domestic

Pay Period: 01/30/26 to 01/30/26
Check Date: 01/30/26 **Check #:** 28584

NET PAY ALLOCATIONS

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Check Amount	0.00	0.00
Chkg 464	1277.87	4644.80
NET PAY	**1277.87**	**4644.80**

EARNINGS	*BASIS OF PAY*	*DESCRIPTION*	*HRS/UNITS*	*RATE*	*CURRENT ($)*	*YTD HRS/UNITS*	*YTD ($)*
		Hourly	54 2300	280000	1518.44	175 6400	4917.92
		Overtime	0 3800	420000	15.96	2 0100	84.42
		Holiday				16 0000	448.00
		PTO	2 6700	280000	74.76	18 6700	522.76
		Total Hours	57 2800			212 3200	
		Total Hrs Worked	54 6100			177 6500	
		Gross Earnings			1609.16		5973.10

WITHHOLDINGS	*DESCRIPTION*	*FILING STATUS*	*CURRENT ($)*	*YTD ($)*
	Social Security		99.77	370.33
	Medicare		23.33	86.61
	Fed Income Tax	J	94.54	415.60
	CA Income Tax	SMI2 0 0	28.36	139.18
	CA Disability		20.92	77.66
	TOTAL		266.92	1089.38

DEDUCTIONS	*DESCRIPTION*	*CURRENT ($)*	*YTD ($)*
	401k EE Pretax	64.37	238.92
	TOTAL	64.37	238.92

Extract from Plaintiff's Pay Records for Pay Period 01/16/2026 - 01/30/2026

Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiff and the aggrieved employees were not provided meal period premiums in place of non-compliant meal periods as required by Labor Code section 226.7.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the covered employees.

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major faction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Despite these requirements, Defendants maintained a systematic, company-wide policy and practice that effectively abolished legally compliant rest periods. Specifically, Defendants discouraged and prohibited Plaintiff and the aggrieved employees from taking compliant paid rest breaks, instead requiring employees to take a one-hour unpaid meal period while failing to provide uninterrupted paid 10-minute rest periods as required under California law. This policy was communicated to Plaintiff at the outset of her employment by her General Manager, who informed Plaintiff that the company simply did not provide rest breaks. When Plaintiff attempted to take legally mandated rest periods, she was openly shamed by supervisors and mocked by management, who treated her inquiries regarding rest breaks as a joke. Plaintiff repeatedly complained about Defendants' noncompliant rest break policies during her employment, but Defendants continued to ridicule Plaintiff for attempting to exercise her rights and reinforced their expectation that employees work through their shifts without taking rest periods.

Defendants' unlawful practice of failing to provide compliant and legally mandated rest periods was widespread and common among the aggrieved employees. Despite knowingly maintaining these unlawful policies and practices, Defendants failed to pay Plaintiff and the aggrieved employees the required rest period premium wages for each workday a compliant rest period was not provided.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the covered employees.

Labor Code section 204(a) requires payment of "all wages" for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid "not more than seven calendar days following the close of the payroll period." Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides "every person who fails to pay the wages of an employee as provided in Section … 204 … shall be subject to a civil penalty" of $100 for an initial violation and $200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice. Specifically, Defendants consistently failed to pay Plaintiff and the aggrieved employees all owed meal and rest break premiums, in addition to wages that weren't properly recorded due to Defendants' egregious time editing practices, on

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 201, 202, and 203 with respect to the covered employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours' notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours' notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to covered employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. For example, Defendants failed to pay Plaintiff her final wages upon termination as required under California law, instead compensating her for her final wages approximately four days later. As a result, Defendants violated Labor Code sections 201, 202, and 203.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the covered employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

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

Defendants further violated Labor Code sections 226 and all other applicable Labor Code sections by failing to provide Plaintiff and the aggrieved employees with an itemized update of available paid sick leave and PTO balances on each wage statement, or in a separate writing provided on the designated pay date.

Plaintiff and other covered employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other covered employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unreimbursed Employee Expenses
Violation of Labor Code §§ 2802, 2804

Defendants violated Labor Code section 2802 with respect to the covered employees by failing to reimburse the covered employees for all necessary expenditures or losses incurred as part of their job duties.

Labor Code section 2802 requires an employer to "indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

Labor Code section 2804 affirms that "[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State."

Defendants required Plaintiff and the covered employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the covered employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. Specifically, Defendant required Plaintiff and the aggrieved employees to use their personal cell phones for business purposes, specifically to contact sales leads outside of business hours, without any reimbursement whatsoever.

Thus, in direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, and costs as a matter of policy and practice. To the extent Defendants reimbursed the aggrieved employees, those amounts were underpaid. At all times, Defendants were required to comply with the reimbursement mandate of Labor Code sections 2800 and 2802.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

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

Labor Code section 1174 requires that employers maintain accurate "payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments." Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unlawful Employment Condition
Violation of Labor Code § 432.5

Defendants violated Labor Code section 432.5 with respect to Plaintiff and other covered employees by requiring that they agree to an unlawful term or condition in writing during their employment.

Labor Code section 432.5 states that "[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."

Non-competition agreements and post-employment non-solicitation agreements are illegal under California law. Business and Professions Code 16600 provides that "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." Defendants required that Plaintiff and the covered employees sign non-solicitation agreements restricting their ability to accept certain work on behalf of themselves or other employers. For example, Defendants required Plaintiff to agree to a non-solicitation clause that extends for "a period of (12) months immediately following the termination of her employment for any reason whatsoever" as a condition of employment. Defendants' practice of requiring employees to agree to unlawful non-solicitation clauses as a condition of employment was common amongst the aggrieved employees. Therefore, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the covered employees sign non-competition agreements prohibited by California law.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

<u>Attorneys' Fees and Costs</u>
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other covered employees and the State of California. Plaintiff continues to incur attorneys' fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE –

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the covered employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the covered employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronic data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

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

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the covered employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

Andrew T. Katseanes

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Cc Plaintiff Anita Carbajal-Olvera
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