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FILED
Superior Court of California
County of Los Angeles
10/29/2026
David W. Slayton, Executive Officer / Clerk of Court
By: R. Lozano Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

EDITH NAVARRETE, an individual, on her own behalf and on behalf of all others similarly situated,

Plaintiffs,

vs.

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

Defendants.

CASE NO.: 26STCV20969

FIRST AMENDED CLASS ACTION COMPLAINT FOR:

1. **FAILURE TO PAY OVERTIME (Cal. *Labor Code* §§ 510, 558, 1194, 1194.3, 1198; IWC Wage Order No. 7;**
2. **FAILURE TO PAY MINIMUM WAGES (Cal. *Labor Code* §§ 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order No. 7;**
3. **FAILURE TO PROVIDE TIMELY OFF DUTY MEAL PERIODS (Cal. *Labor Code* §§ 226.7, 512; IWC Wage Order No. 7;**
4. **FAILURE TO PROVIDE REST PERIODS (Cal. *Labor Code* § 226.7; IWC Wage Order No. 7;**
5. **FAILURE TO MAINTAIN RECORDS AND PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS (Cal. *Labor Code* § 226; IWC Wage Order No. 7;**
6. **FAILURE TO PAY WAGES DUE ON TERMINATION (Cal. *Labor Code* §§ 201-203);**
7. **FAILURE TO REIMBURSE BUSINESS EXPENSES (Cal. *Labor Code* § 2802);**

8. **UNFAIR COMPETITION (Cal. *Bus. & Prof. Code* §§ 17200 *et seq.*); and**
9. **DAMAGES PURSUANT TO PRIVATE ATTORNEYS GENERAL ACT OF 2004 ("PAGA").**

DEMAND FOR A JURY TRIAL

All allegations in this First Amended Complaint are based upon information and belief except for those allegations which pertain to the Plaintiff named herein and her counsel. Each allegation has evidentiary support or is likely to have evidentiary support after a reasonable opportunity for further investigation and discovery.

Edith Navarrete ("Plaintiff") alleges the following:

1. This is a class action brought under California law by an individual who was employed by CSS Distributions, Inc. ("CSS") (along with DOES 1 through 100, collectively "Defendants"). Plaintiff brings this action on behalf of herself and others similarly situated to recover wages from Defendants due to Defendants' systematic failure to: pay overtime wages, pay minimum wages, provide meal and rest breaks (or pay the statutory compensation due), issue accurate wage statements, pay all wages upon resignation, and reimburse business expenses.

2. Plaintiffs have worked as Cashiers and other employees for Defendants in California. While working, Plaintiffs have been forced to endure stressful and illegal workplace conditions created by Defendants' efforts to maximize profits and tightly control labor costs.

3. Plaintiff, like her co-workers whom Defendants also employed during the applicable limitations period, spend their workdays as Cashiers and other employees at Defendants' locations in North Hollywood, California, under illegal and highly regimented circumstances. That regimen results from Defendants' insistence to strictly monitor and curtail labor costs, which Defendants accomplish by not paying for all labor costs, failing to pay overtime wages, failing to pay minimum wages, failing to provide meal and rest breaks (or pay

the statutory compensation due), failing to issue accurate wage statements, failing to pay all wages upon resignation, failing to reimburse business expenses, and by using other unlawful stratagems to ensure that labor costs remain artificially low.

4. Plaintiff brings this class action to recover, among other things, wages and penalties from unpaid wages earned and due, including but not limited to, overtime wages, minimum wages, premium pay for failure to afford compliant meal and rest breaks, wages due to discharged or quitting employees, penalties for failure to provide accurate itemized wage statements, damages for failure to reimburse business expenses and interest, attorneys' fees, costs, and expenses.

5. Plaintiff seeks compensatory, statutory, declaratory, and injunctive relief for herself and all members of the Class, to compensate these workers for the unpaid wages and to protect current and future workers of Defendants from being subjected to similar wage theft and otherwise unlawful working conditions.

6. Plaintiff also brings an action seeking relief for Defendants' violations of California *Business & Professions Code* §§ 17200 *et seq*., including full restitution and disgorgement of all compensation retained by Defendants as a result of their unlawful and unfair business practices, as well as injunctive relief.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this First Amended Complaint under *Code of Civil Procedure* § 410.10. This action is brought under *Code of Civil Procedure* § 382, and *Business & Professions Code* §§ 17200 *et seq.* Plaintiff Edith Navarrete brings this First Amended Complaint on her own behalf and on behalf of all persons in the Class as defined in paragraph 17 below.

8. Venue is proper in this Court pursuant to *Code of Civil Procedure* §§ 395 and 395.5, because the claims made, and the *Labor Code* violations as against the persons identified herein, occurred in the County of Los Angeles and because Defendants owned and operated their business in the County of Los Angeles.

PAGA NOTICE

9. Pursuant to the California Labor Code, on or about June 30, 2026, Plaintiff filed a notice with the Labor and Workforce Development Agency ("LWDA") of her intent to pursue claims against Defendants under the Private Attorneys General Act ("PAGA").

THE PARTIES

PLAINTIFF

10. At all times relevant hereto, Plaintiff was:

a) An individual over age 18 and a resident of San Fernando, California;

b) Employed as an hourly employee for Defendants as a Cashier at various locations in North Hollywood, California;

c) Did not receive overtime wages in violation of *Labor Code* §§ 510, 558, 1194, 1194.3, 1198 and IWC Wage Order No. 7;

d) Did not receive minimum wages as required by *Labor Code* §§ 1194, 1194.2, 1197, 1197.1, 1198 and IWC Wage Order No. 7;

e) Did not receive the meal periods required by *Labor Code* §§ 226.7, 512 and IWC Wage Order No. 7;

f) Did not receive the rest periods required by *Labor Code* § 226.7 and IWC Wage Order No. 7;

g) Did not receive accurate wage statements as mandated by *Labor Code* § 226;

h) When she resigned from her employment, did not receive her final pay within the time limits prescribed by *Labor Code* § 202;

i) Was not reimbursed for business expenses as required by *Labor Code* § 2802. Each of these was a violation of the *Labor Code*.

DEFENDANTS

11. Plaintiff is informed and believes, and based on that information and belief, alleges, CSS is, and at all times mentioned herein was:

a) A California corporation, with a principal place of business at 13061 Saticoy St, North Hollywood, California 91605. CSS has been authorized to do business and has been doing business in the County of Los Angeles;

b) The former employer of Plaintiff and the current and former employer of the putative Class members;

c) Paid Plaintiff and all Class Members on an hourly basis;

d) Failed to pay Plaintiff and all putative Class members overtime wages;

e) Failed to pay Plaintiff and all putative Class members minimum wages;

f) Failed to provide Plaintiff and all putative Class members with meal and rest periods, and failed to provide Plaintiff and all putative Class members with accurate itemized wage statements;

g) Failed to issue final pay timely to Plaintiff and all putative Class members; and

h) Failed to reimburse business expenses to Plaintiff and all putative Class members. Each of these was a violation of the *Labor Code*.

12. The true names and capacities, whether individual, corporate, subsidiary, partnership, associate or otherwise of Defendants DOES 1 through 100, inclusive, are unknown to Plaintiff, who therefore sues these Defendants by such fictitious names pursuant to *Code of Civil Procedure* § 474. Plaintiff will seek leave to amend her First Amended Complaint to allege the true names and capacities of DOES 1 through 100, inclusive, when they are ascertained.

13. Plaintiff is informed and believes, and based on that information and belief alleges, that Defendant DOES 1 through 100 are persons, corporations or other entities which reside in or are authorized to do, or are otherwise doing, business in the State of California. Specifically, DOES 1 through 100 maintain offices, operate businesses, employ persons, and conduct business in the County of Los Angeles. Each of the Defendants DOES 1 through 100 was the managerial agent, employee, predecessor, successor, joint-venturers, co-conspirator,

alter ego and/or representative of one or more of the other Defendants named herein, and acting with permission, authorization, and/or ratification and consent of the other Defendants.

14. Plaintiff is informed and believes, and based on that information and belief alleges, that the Defendants named in this First Amended Complaint, including DOES 1 through 100, inclusive, are responsible in some manner for one or more of the events and happenings that proximately caused the injuries and damages hereinafter alleged.

15. Plaintiff is informed and believes, and based on that information and belief alleges, that Defendants named in this First Amended Complaint, including DOES 1 through 100, inclusive, are, and at all times mentioned herein were, the agents, servants, and/or employees of each of the other Defendants and that each Defendant was acting within the course and scope of his, hers or its authority as the agent, servant and/or employee of each of the other Defendants. Consequently, all of the Defendants are jointly and severally liable to the Plaintiff, and the Class, for the damages sustained as a proximate result of their conduct.

16. Plaintiff is informed and believes, and based on that information and belief alleges, that the Defendants named in this First Amended Complaint, including DOES 1 through 100, inclusive, knowingly and willfully acted in concert, conspired and agreed together among themselves and entered into a combination and systemized campaign of activity to *inter alia* damage Plaintiff, and the Class, and to otherwise consciously and/or recklessly act in derogation of the rights of Plaintiff and the Class, and the trust reposed by Plaintiff, and the Class, in each of the Defendants, the acts being negligently and/or intentionally inflicted. Their conspiracy, and Defendants' concerted actions, were such that, to Plaintiff's information and belief, and to all appearances, Defendants, and each of them, represented a unified body so that the actions of one Defendant were accomplished in concert with, and with the knowledge, ratification, authorization and approval of each of the other Defendants.

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CLASS ALLEGATIONS

A. The Definition of the Class

17. The Class ("the Class") is defined as follows:

(a) "All current and former employees who were hourly paid employees of Defendants and worked for Defendants in California at any time during the period commencing on the date that is four (4) years prior to the filing of this Complaint and continuing through the present date (the "Class Period")."

(b) "All persons who were hourly paid employees of Defendants and worked for Defendants in California and left the employ of Defendants at any time during the period commencing on the date that is within one (1) year prior to the filing of this Complaint and continuing through the present date (the "Class Period")".

18. Plaintiff reserves her right under Rule 3.765 of the California Rules of Court to amend or modify the Class description with greater specificity or further division into subclasses or limitation to particular issues.

B. Maintenance of the Action

19. Plaintiff brings this action individually and on behalf of herself and as representative of all similarly situated persons under *Business & Professions Code* §§ 17203 and 17204 and *Code of Civil Procedure* § 382.

C. The Class Requisites

20. At all material times, Plaintiff was a member of the Class.

21. The Class action meets the statutory prerequisites for maintaining a class action under Code of Civil Procedure § 382 in that:

(a) The persons who comprise the Class are so numerous that the joinder of all those persons is impracticable and the disposition of their claims as a Class will benefit the parties and the Court;

(b) Nearly all factual, legal, statutory, declaratory and injunctive relief issues that are raised in this First Amended Complaint are common to the Class and will apply uniformly to every Class member;

(c) The claims of the representative Plaintiff are typical of the claims of each Class member. Plaintiff, like all Class members, has sustained damages arising from Defendants' violations of the laws of the State of California. Plaintiff, and the Class members, were and are similarly or identically harmed by the same unlawful, deceptive, unfair, systematic and pervasive pattern of misconduct engaged in by the Defendants;

(d) The representative Plaintiff has, and will continue to, fairly and adequately represent and protect the interests of the Class and has retained counsel who are competent and experienced in class action litigation. There are no material conflicts between the claims of the representative Plaintiff and the Class members that would make class certification inappropriate. Counsel for the Class will vigorously assert the claims of all Class members.

22. The persons who comprise the Class are so numerous that joining all of them is impracticable, and jointly adjudicating their claims will benefit the parties and the Court. Plaintiff's claims are typical of the claims of the Class that Plaintiff seeks to represent. Plaintiff will fairly and adequately protect the interests of the Class she seeks to represent. Plaintiff does not have any interests that are antagonistic to the Class she seeks to represent. Counsel for Plaintiff are experienced, qualified and generally able to conduct complex class action litigation.

23. The Court should permit the action to be maintained as a class action under *Code of Civil Procedure* § 382 because:

(a) The questions of law and fact common to the Class predominate over any question affecting only individual members;

(b) A class action is superior to any other available method for fairly and efficiently adjudicating the claims of the Class;

(c) The Class members are so numerous that it is impractical to bring all of them before the Court;

(d) Plaintiff and other Class members will not be able to obtain effective and economic legal redress unless the action is maintained as a class action;

(e) There is a community of interest in obtaining appropriate legal and equitable relief for the statutory violations, and in obtaining adequate compensation for the damages and injuries for which Defendants are responsible in an amount sufficient to adequately compensate the Class members;

(f) Without Class certification, the prosecution of separate actions by individual Class members would create a risk of:

i. Inconsistent or varying adjudications for individual Class members that would establish incompatible standards of conduct for Defendants; and/or,

ii. Adjudication for individual Class members that would, as a practical matter, dispose of other non-party members' interests, or that would substantially impair or impede the non-parties' ability to protect their interests, by, for example, potentially exhausting the funds available from Defendants; and

(g) Defendants have acted or refused to act on grounds generally applicable to the Classes, making final injunctive relief appropriate for the Class, as a whole.

24. Plaintiff contemplates eventually issuing notice to the proposed Class Members that would set forth the subject and nature of the action. The Defendants' own business records may be utilized for assisting to prepare and issue the contemplated notice. To the extent that any further notices may be required, Plaintiff would contemplate using additional media and/or mailing.

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GENERAL ALLEGATIONS

25. At all times material hereto, Defendants have been and are, a factory direct distributor specializing in kitchen and bathroom products including kitchen cabinets and stone, operating as a wholesaler with retail store locations in North Hollywood, California.

26. Plaintiff and members of the Class were employed as Cashiers and other non-exempt employees by Defendants in California at various times during the Class Period.

THE CONDUCT

27. Plaintiff seeks relief from Defendants' uniform policies and practices of denying Plaintiff and members of the Class wages and compensation owed under California law.

28. Starting on or about January 4, 2021 and continuing to May 1, 2026, Defendants employed Plaintiff on an hourly basis as a Cashier at various locations in North Hollywood, California, including 13061 Saticoy Street, North Hollywood, California 91605, 13005 Saticoy Street, North Hollywood, California 91605, and 12228 Sherman Way, North Hollywood, California 91605.

29. While employed by Defendants as a Cashier, Plaintiff was paid at an hourly rate ranging from approximately $16.50 per hour to $20.00 per hour.

30. The employment by Defendants of the Class members, and each of them, is governed by California Industrial Welfare Commission ("IWC") Wage Order No. 7, which covers those persons employed in the mercantile industry.

OFF-THE-CLOCK WORK

31. Employers must compensate non-exempt employees for "off-the-clock" work (before punching in or after punching out on a time clock) if the employers knew or should have known that the employees were working those hours. *Morillion v. Royal Packing Co*. (2000) 22 Cal. 4th 575, 585.

32. Defendants required Plaintiff and the Class to regularly perform compensable tasks off-the-clock for which they did not receive any compensation. Specifically, at all times relevant, Plaintiff and Class members were required to use their personal cell phones both on and off the clock for work-related activities, such as texting and calling supervisors, calling

clients, texting and calling co-workers, and downloading work applications, for approximately 2 hours per day. Defendants were aware of this required cell phone use and refused to provide Plaintiff with a work phone.

33. As a result, and because they improperly treated such off the clock work as non-compensable, Defendants failed to compensate Plaintiff and the Class for such time.

FAILURE TO PAY OVERTIME WAGES

34. Under California law, non-exempt employees as defined by IWC Wage Order No. 7 are entitled to premium wages for overtime worked. Under California law, an hourly paid employee is entitled to overtime pay when they exceed eight hours of work in a single day, exceed 40 hours of work in a week or work seven days in a row.

35. At all times during the relevant time period, Plaintiff and the Class routinely worked schedules such that they were due pay at overtime rates. Plaintiff worked approximately 1 to 2 hours of overtime every week. During this period, it was the practice and policy of Defendants to not pay employees overtime wages at the required time-and-a-half rate. Monies for unpaid overtime remain due and owing.

FAILURE TO PAY MINIMUM WAGES

37. Under California law, non-exempt employees as defined by IWC Wage Order No. 7 are entitled to minimum wages. Labor Code section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code section 1194 entitles "any employee receiving less than the legal minimum wage ... is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage." The applicable IWC Wage Order No. 7 obligates employers to pay each employee minimum wages for all hours worked.

38. These minimum wage standards apply to each hour employees worked or were subject to control by the employer for which they were not paid. Therefore, an employer's failure to pay for any particular hour of time worked by an employee or subject to the employer's control is unlawful, even if averaging an employee's total pay over all hours

worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc*., 135 Cal. App. 4th 314, 324 (2005).

39. At all times during the relevant time period, it was the practice and policy of Defendants to pay employees less than minimum wage rates due to the lack of compliant meal and rest breaks, and failure to pay for all off-the-clock work. Monies for these underpaid amounts remain due and owing.

MEAL BREAKS NOT COMPLIANT

40. Under California law, non-exempt employees as defined by Wage Order No. 7 are entitled to a 30-minute off-duty meal period for each 5 hours worked, and one hour pay at their regular pay rate for each day the requisite meal period is not provided.

41. Plaintiff and Class members' meal breaks were routinely not afforded or were afforded late. Almost daily, Plaintiff and Class members took late meal breaks. Defendants' management asked employees to clock out, continue working, and then take their meal breaks later. On approximately 1 to 2 occasions per month, Plaintiff and Class members missed their meal breaks entirely. Additionally, Defendants' time records reflect occasions where Plaintiff worked shifts of 5 to 6 hours or more with no meal break recorded, on dates including February 3, 2026, February 18, 2026, and January 27, 2026. Plaintiff did not sign a meal break waiver.

42. Defendants have a policy or practice of failing to ensure that Plaintiff and members of the Class take the meal periods required by California Labor Code section 226.7 and IWC Wage Order No. 7. Defendants also have a policy or practice of failing to pay each of their employees who was not provided with a compliant meal period an additional one hour of compensation at each employee's regular rate of pay. While paystubs show "Meal Premium" paid on some occasions, Plaintiff does not believe she received a premium for every violation.

43. California Labor Code section 218 authorizes Plaintiff and the members of the Class to bring a private right of action to recover wages due based on the deprivation of compliant meal periods under California Labor Code section 226.7(b).

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REST BREAKS NOT COMPLIANT

44. Plaintiff and Class members were routinely not afforded rest breaks. Per Plaintiff, 80 to 90 percent of the time she missed her rest breaks. She only took rest breaks approximately 10 to 20 percent of the time. No one informed employees to take rest breaks and they were too busy to take them. Defendants' available paystubs do not show any rest break premiums paid to Plaintiff. Defendants did not pay rest break premiums for rest break violations.

FAILURE TO ISSUE ACCURATE WAGE STATEMENTS

45. As a result of Defendants' failure to pay employees required overtime wages, minimum wages, and premium pay for missed meal and rest breaks, the wage statements issued to employees did not comply with Labor Code section 226 and IWC Wage Order No. 7 in that they did not accurately reflect all wages earned and due and owing. Additionally, available paystubs do not show commissions paid to Plaintiff and Class members, and do not show any rest break premiums paid.

FAILURE TO PAY WAGES DUE ON TERMINATION AND/OR RESIGNATION

46. As a further result of Defendants' failure to pay employees at required overtime rates, minimum wage rates, and for meal and rest breaks not compliant, when employees left their employ, they were not timely paid all wages due them as required by Labor Code sections 201 and 202.

47. Plaintiff gave approximately one week's notice before her employment end date of May 1, 2026. Plaintiff did not receive her final pay on her employment end date; she had to wait approximately two weeks for her final pay. Plaintiff was not paid anything extra for waiting.

FAILURE TO REIMBURSE BUSINESS EXPENSES

48. Plaintiff and Class members were not reimbursed for their necessary business expenses. Defendants required Plaintiff and Class members to use their personal cell phones for work-related activities, including texting and calling supervisors, calling clients, calling co-workers, and downloading work applications, for approximately 2 hours per day, both on and

off the clock. Defendants did not reimburse Plaintiff and Class members for this required personal cell phone use. Additionally, Defendants required Plaintiff and Class members to use their personal vehicles to travel between work locations and to run errands, but did not reimburse Plaintiff and Class members for mileage or vehicle expenses. Available paystubs show Plaintiff was not reimbursed for mileage or personal cell phone use.

FIRST CAUSE OF ACTION

FAILURE TO PAY OVERTIME

(Cal. *Labor Code* §§ 510, 558, 1194, 1194.3, 1198; IWC Wage Order No. 7 By Plaintiffs Against Defendants and Does 1 through 100)

49. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

50. During Plaintiff's entire employment with Defendants, pursuant to California *Labor Code* §§ 510, 1194, and 1198, and IWC Wage Order No. 7, Defendants were required to compensate Plaintiff with premium pay for all overtime work performed, for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week and for the first eight (8) hours on the seventh (7th) consecutive day of any work week.

51. At all times relevant herein, California *Labor Code* section 1194(a) provided that an employee who had not been paid overtime compensation could recover the unpaid balance of the full amount of overtime wages due, including interest thereon, together with reasonable attorneys' fees and costs of suit.

52. Pursuant to IWC Wage Order No. 7-2001 section 3, employment beyond eight (8) hours in any workday is permissible provided the employee is compensated for such overtime at not less than: (a) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours in any workday and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and (b) Double the employee's regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.

53. California Labor Code section 558 provides in pertinent part:

> (a) Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows:
>
> (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.
>
> (2) For each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.
>
> (3) Wages recovered pursuant to this section shall be paid to the affected employee ...
>
> (c) The civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.

54. As alleged above, Defendants required Plaintiff and the Class to regularly perform compensable tasks off-the-clock for which they did not receive any compensation. Specifically, Plaintiff and Class members were required to use their personal cell phones both on and off the clock for work-related activities for approximately 2 hours per day. Additionally, Plaintiff worked approximately 1 to 2 hours of overtime per week and was not paid at the required time-and-a-half rate.

55. Throughout Plaintiff's employment, Defendants failed and refused to pay and properly calculate overtime compensation to Plaintiff and Class members as required by law.

56. The foregoing overtime compensation is owed and unpaid. As a direct and proximate result of Defendants' failure and refusal to pay overtime, Plaintiff and Class members suffered damages in an amount to be proven at trial.

57. Pursuant to California *Labor Code* section 1194(a), Plaintiff, who retained the services of legal counsel in order to enforce Plaintiff's rights to overtime pay, is entitled to recover Plaintiff's attorneys' fees, costs and interest.

SECOND CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGES

(Cal. *Labor Code* §§ 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order No. 7 By Plaintiffs Against Defendants and Does 1 through 100)

58. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

59. Labor Code section 1194(a) states: "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 attorney's fees, and costs of suit."

60. *Labor Code* section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage is unlawful. Similarly, *Labor Code* section 1194 entitles "any employee receiving less than the legal minimum wage ... entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage." IWC Wage Order No. 7-2001 also obligates employers to pay each employee minimum wages for all hours worked. These minimum wage standards apply to each hour employees worked for which they were not paid. Therefore, an employer's failure to pay for any particular hour of time worked by an employee is unlawful, even if averaging an employee's total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.*, 135 Cal. App. 4th 314, 324 (2005).

61. Pursuant to IWC Wage Order No. 7, Defendants are required to pay the members of the Class for all hours worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work, whether or not required to do so.

62. Furthermore, pursuant to *Labor Code* section 1198, "[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours

of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

63. Defendants failed to satisfy minimum wage requirements because they improperly failed to afford Plaintiff and Class members compliant meal and rest breaks in violation of California *Labor Code* sections 226.7, 1197, 1198 and IWC Wage Order No. 7. Further, Defendants failed to compensate Plaintiff and Class members for all off-the-clock work performed using their personal cell phones for approximately 2 hours per day.

64. Defendants' pattern, practice and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement, pursuant to *Labor Code* section 218, to recovery by Plaintiff and the members of the Class, in a civil action, of the unpaid balance of the full amount of wages owing, calculated at the appropriate rate.

65. *Labor Code* section 1194.2 allows an employee to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon for any action under *Labor Code* section 1194. Where an employee, such as Plaintiff and the other Class members, are not paid for all hours worked under *Labor Code* section 1194, the employee may recover minimum wages for the time associated with the overtime for which they received no compensation. *See Sillah v. Command Int'l Sec. Servs*., 154 F. Supp. 3d 891 (N.D. Cal. 2015) (holding that employees suing for failure to pay overtime could recover liquidated damages under Cal. Lab. Code section 1194.2 if they also showed they were paid less than minimum wage); *accord Andrade v. Arby's Rest. Grp., Inc*., 225 F. Supp. 3d 1115, 1132-33 (N.D. Cal. 2016).

66. Plaintiff and the other Class members suffered and continue to suffer losses related to the use and enjoyment of compensation due and owing to them as a direct result of Defendants' unlawful acts and Labor Code violations in an amount to be shown according to proof at trial and within the jurisdictional limitations of this Court.

67. Therefore, pursuant to *Labor Code* sections 200, 218.5, 558 and 1194, Plaintiff and the Class are entitled to recover the unpaid balances of the minimum wages Defendants owe them, plus interest, penalties, attorneys' fees, expenses and costs of suit, in amounts according to proof.

THIRD CAUSE OF ACTION

FAILURE TO PROVIDE TIMELY OFF-DUTY MEAL PERIODS

(Cal. *Labor Code* §§ 226.7, 512; IWC Wage Order No. 7 By Plaintiffs Against Defendants and Does 1 through 100)

68. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

69. California *Labor Code* section 226.7(a) prohibits an employer from requiring an employee to work during any meal period mandated by an applicable Industrial Wage Order. Section 226.7(b) of the California *Labor Code* provides that "[a]n employer shall not require an employee to work during a meal or rest break or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ..."

70. California *Labor Code* section 1198 makes unlawful the employment of an employee under conditions the IWC prohibits.

71. IWC Order No. 7-2001(11)(A) provides, in relevant part: "No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30-minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee."

72. IWC Order No. 7-2001 (11)(c) further provides, in relevant part: "Unless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an 'on duty' meal period and counted as time worked."

73. Section 512(a) of the California *Labor Code* provides, in relevant part, that:

> An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30-minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30-minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

74. The Labor Code and Wage Order provisions cited above require California employers to provide employees with off-duty 30-minute meal periods on or before the fifth hour of their shifts. To satisfy this obligation, California employers must: (1) make employees aware of their right to off-duty 30-minute meal periods before the fifth hour of their shifts, and (2) ensure that employees are actually free of job duties for thirty minutes per day on or before the fifth hour of their shifts.

75. As alleged herein, Plaintiff and Class members' meal breaks were routinely not afforded or were afforded late throughout the Class Period. Almost daily, Plaintiff and Class members took late meal breaks at the direction of Defendants' management, who asked employees to clock out, continue working, and then take their meal breaks later. Additionally, Plaintiff and Class members missed their meal breaks entirely on approximately 1 to 2 occasions per month. Defendants' time records reflect occasions where Plaintiff worked shifts of 5 hours or more with no meal break recorded, and Plaintiff did not sign a meal break waiver.

76. Under California law, employers must also record their employees' meal periods: "Every employer shall keep accurate information with respect to each employee, including the following: ... Meal periods ... shall also be recorded. Meal periods during which operations cease ... need not be recorded." IWC Order No. 7, section (7)(A)(3). Where the employer has failed to keep records required by statute, the consequences of such failure should fall on the employer, not the employee. In such a situation, imprecise evidence by the employee can provide a sufficient basis for liability." *Hernandez v. Mendoza*, 199 Cal. App. 3d 721, 727 (1988). Inasmuch as Defendants had an obligation under the record-keeping requirements of the Wage Order to track meal periods unless "all work ceases", Defendants knew or should

have known their employees were regularly not afforded compliant meal periods during the Class Period.

77. Defendants have a policy or practice of failing to ensure that Plaintiff and members of the Class take the meal periods required by California *Labor Code* section 226.7 and IWC Wage Order No. 7.

78. By their actions in not affording Plaintiff and Class members compliant meal periods, Defendants violated Cal. *Lab. Code* section 226.7(b) and section 11 of IWC Wage Order No. 7 in the amount of one additional hour of pay at the employee's regular rate of compensation for each work period during each day in which Defendants failed to provide employees with statutory timely and off-duty meal periods.

79. Defendants also have a policy or practice of failing to pay each of their employees who was not provided with a compliant meal period as required an additional one hour of compensation at each employee's regular rate of pay.

80. California *Labor Code* section 218 authorizes Plaintiff and the members of the Class to bring a private right of action to recover wages due based on the deprivation of compliant meal periods under California *Labor Code* section 226.7(b).

81. As a direct and proximate result of Defendants' unlawful conduct as alleged herein, Plaintiff and members of the Class have sustained economic damages, including but not limited to unpaid wages and lost interest, in an amount to be established at trial, and are entitled to recover economic and statutory damages, attorneys' fees and penalties and other appropriate relief due to Defendants' violations of the California *Labor Code* and IWC Wage Order No. 7.

FOURTH CAUSE OF ACTION

FAILURE TO PROVIDE REST PERIODS

(Cal. *Labor Code* § 226.7; IWC Wage Order No. 7 By Plaintiffs Against Defendants and Does 1 through 100)

82. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

83. *Labor Code* section 226.7 and IWC Wage Order No. 7 provide that employers shall authorize and permit all employees to take rest periods at the rate of ten minutes net rest time per four hours of work, or major fraction thereof.

84. *Labor Code* section 226.7 and IWC Wage Order No. 7 provide that if an employer fails to provide an employee with rest periods in accordance with those provisions, the employer shall pay the employee one hour of pay at the employee's regular rate of compensation for each workday that the rest periods were not so provided.

85. Defendants have intentionally and improperly denied compliant rest periods to Plaintiff and the Class in violation of *Labor Code* section 226.7 and IWC Wage Order No. 7. Plaintiff and Class members were routinely not afforded rest breaks approximately 80 to 90 percent of the time. No one informed employees to take rest breaks, and employees were too busy to take them. Defendants' available paystubs do not show any rest break premiums paid to Plaintiff and Class members.

86. At all times relevant hereto, Defendants failed to provide rest periods as required by *Labor Code* section 226.7 and IWC Wage Order No. 7.

87. By virtue of Defendants' unlawful failure to provide rest periods to Plaintiff and the Class, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and the Class, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

FIFTH CAUSE OF ACTION

FAILURE TO MAINTAIN RECORDS AND PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Cal. *Labor Code* § 226; IWC Wage Order No. 7 By Plaintiffs Against Defendants and Does 1 through 100)

88. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

89. Pursuant to IWC Wage Order No. 7, Defendants were the employers of Plaintiff and the Class.

90. Pursuant to California *Labor Code* sections 226 and 1174, and IWC Wage Order No. 7-2001, Defendants are required to maintain and provide accurate records relating to employee compensation including all formulas and production records used to calculate wages due.

91. Defendants are further required to provide, *inter alia*, semimonthly or at the time of each payment of wages, an accurate itemized statement showing: (1) gross wages earned; (2) all deductions from wages; (3) net wages earned; (4) the inclusive dates of the period for which the employee is being paid; (5) the name of the employee; and (6) the name and address of the legal entity that is the employee's actual employer. Cal. *Labor Code* section 226(a).

92. Section 226(e) provides that an employee is entitled to recover $50 for the initial pay period in which a violation of Section 226 occurs and $100 for each subsequent pay period, not to exceed $4,000, plus an award of costs and reasonable attorneys' fees, for all pay periods in which the employer knowingly and intentionally failed to provide accurate itemized statements to the employee causing the employee to suffer injury.

93. Notwithstanding these provisions, Defendants have engaged in a uniform practice of refusing to maintain and provide the accurate records and wage statements required by California law.

94. Throughout the Class Period, Defendants intentionally and knowingly provided Plaintiff and other members of the Class with itemized wage statements containing inaccurate information regarding the wages earned by Plaintiff and members of the Class in that the payments owed to Plaintiff and the members of the Class for overtime wages, minimum wages, and premium pay for non-compliant meal and rest breaks were not included in gross wages earned. Further, available paystubs do not show commissions paid and do not show any rest break premiums paid.

95. As a result, Plaintiff and members of the Class have been injured by having been deprived of the true facts pertaining to their compensation and employment.

96. Plaintiff and members of the Class were damaged by these failures because, among other things, the failures led them to believe that they were not entitled to overtime

wages, minimum wages and premium pay for meal and rest breaks not properly afforded, even though they were so entitled, and these failures hindered them from determining the amounts of wages owed to them.

97. Plaintiff and members of the Class are entitled to the amounts provided in California *Labor Code* section 226(e), plus attorneys' fees and costs.

98. As a result, Plaintiff seeks recovery of the penalties authorized by *Labor Code* sections 226(e) and 558, and such other penalties and legal and equitable remedies as are provided by law for Defendants' improper conduct.

SIXTH CAUSE OF ACTION

FAILURE TO PAY WAGES DUE ON TERMINATION

(Cal. *Labor Code* §§ 201-203 By Plaintiffs Against Defendants and Does 1 through 100)

99. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

100. *Labor Code* section 201(a) provides that a discharged employee's unpaid wages are due and payable immediately. *Labor Code* section 202(a) provides that when an employee resigns from employment, unpaid wages are due and payable within 72 hours of resignation.

101. *Labor Code* section 203(a) provides that if an employer willfully fails to pay wages as mandated by *Labor Code* sections 201 and 202, the employee's wages shall continue to accrue until paid, not to exceed thirty days.

102. Plaintiff and the Class resigned from Defendants' employ and Defendants willfully failed to pay Plaintiff and the Class wages due them for overtime, minimum wages, and meal and rest breaks not compliant. Plaintiff gave approximately one week's notice before her employment end date of May 1, 2026. Plaintiff did not receive her final pay on her employment end date; she had to wait approximately two weeks for her final pay, and was not paid anything extra for waiting.

103. Under *Labor Code* section 203(a), Plaintiff and the Class are entitled to one day's wages for each day he or she was not timely paid, not to exceed 30 days' wages.

SEVENTH CAUSE OF ACTION

FAILURE TO REIMBURSE BUSINESS EXPENSES

(Cal. *Labor Code* § 2802 By Plaintiffs Against Defendants and Does 1 through 100)

104. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

105. *Labor Code* section 2802 requires employers to indemnify employees for all necessary expenditures incurred by employees in the discharge of their duties.

106. At all times relevant herein, Defendants were aware that Plaintiff and Class members were using their personal cell phones for work-related activities, including texting and calling supervisors, calling clients, calling co-workers, and downloading work applications for approximately 2 hours per day, but failed to indemnify Plaintiff and Class members for all their business-related expenses in accordance with *Labor Code* section 2802. Additionally, Defendants required Plaintiff and Class members to use their personal vehicles to travel between work locations and to run errands during work hours, but did not reimburse Plaintiff and Class members for mileage or vehicle expenses. Available paystubs show Plaintiff was not reimbursed for mileage or personal cell phone use. Plaintiff is informed and believes and thereon alleges that at all relevant times, Defendants maintained a practice of not reimbursing Plaintiff and Class members for their work-related expenses that they incurred in using their personal cell phones and personal vehicles for work-related purposes.

107. As a result of Defendants' conduct, Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not reimbursed for all of their business-related expenses incurred in the discharge of their duties.

108. Pursuant to *Labor Code* section 2802, Plaintiff and Class members are entitled to recover the full amount of their unreimbursed business expenses, reasonable attorneys' fees and costs of suit.

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EIGHTH CAUSE OF ACTION

UNFAIR COMPETITION

(Cal. *Bus. & Prof. Code* §§ 17200 *et seq.* By Plaintiffs Against Defendants and Does 1 through 100)

109. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth in this First Amended Complaint.

110. Pursuant to IWC Wage Order No. 7, Defendants were the employers of Plaintiff and the Class. Defendants are also "person(s)" as that term is defined in *Business & Professions Code* section 17021.

111. The *Business & Professions Code* defines unfair competition as any unlawful, unfair, or fraudulent business practice. At all times relevant herein, by and through the conduct described herein, Defendants have engaged in unfair and unlawful practices by failing to (1) pay Plaintiff and the Class overtime wages; (2) pay minimum wages; (3) pay premium pay for meal breaks not properly afforded; (4) pay premium pay for rest breaks not properly afforded; (5) furnish Plaintiff and the Class with accurate itemized wage statements; (6) pay Plaintiff and the Class wages due when leaving their employ; and (7) reimburse business expenses, all in violation of *Business & Professions Code* sections 17200 *et seq*.

112. By and through the unfair and unlawful business practices described herein, Defendants have obtained valuable property, money and services from the Plaintiff and the Class and have deprived them of valuable rights and benefits guaranteed by law all to the detriment of Plaintiff and the Class.

113. All the acts described herein are violations of, among other things, the *Labor Code* and IWC Wage Order No. 7, are unlawful and in violation of public policy; and in addition are immoral, unethical, oppressive, and unscrupulous, and thereby constitute unfair and unlawful business practices in violation of *Business & Professions Code* sections 17200 *et seq*.

114. Plaintiff and the Class are entitled to, and do, seek such relief as may be necessary to restore to them the money and property which Defendants have acquired, or of

which Plaintiff and the Class have been deprived by means of the above-described unfair and unlawful business practices.

115. Plaintiff and the Class are further entitled to, and do, seek a declaration that the above-described business practices are unfair and unlawful and that injunctive relief should be issued restraining Defendants from engaging in any of the above described unfair and unlawful business practices in the future.

116. Plaintiff and the Class have no plain, speedy, and/or adequate remedy at law to redress the injuries which they have suffered as a consequence of the unfair and unlawful business practices of Defendants. As a result of the unfair and unlawful business practices described above, Plaintiff and the Class have suffered and will continue to suffer irreparable harm unless Defendants are restrained from continuing to engage in these unfair and unlawful business practices. In addition, Defendants should be required to disgorge the unpaid moneys to Plaintiff and the Class.

NINTH CAUSE OF ACTION

(Damages Pursuant to Private Attorneys General Act Against All Defendants and Does 1 through 100)

1. Plaintiff and the Class reallege and incorporate by reference all of the allegations set forth herein.

2. Plaintiff brings this action on her own behalf and on behalf of all current and former employees of Defendants who were employed in California from May 1, 2025 to May 1, 2026, seeking to recover wages from Defendants due to Defendant's systematic failure to pay overtime, minimum wages, provide meal/rest breaks (or pay the statutory compensation due), to issue accurate wage statements, pay wages on termination, to reimburse business expenses, and unfair competition as set forth in this pleading.

3. On June 30, 2026, Plaintiff, pursuant to California Labor Code §§2699, et seq., by and through Plaintiff's attorneys, uploaded a PAGA claim to the LWDA and sent a letter by certified mail to the Defendants.

4. More than 65 days have passed since uploading of the PAGA claim and issuance of the letter. Plaintiff's counsel has not received any notice from the LWDA stating an intention to prosecute Plaintiff's PAGA claims.

5. Plaintiff has therefore complied with the administrative exhaustion requirements of PAGA.

6. Plaintiff seeks penalties, attorney's fees, and costs, in an amount according to proof at trial, as provided by PAGA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court enter judgment in her favor and against Defendants, and each of them, as follows:

7. For compensatory damages in the amount of unpaid overtime wages due to Plaintiff and Class members, according to proof;

8. For compensatory damages in the amount of minimum wages due to Plaintiff and Class members, according to proof;

9. For one (1) hour of pay at the regular rate of compensation for Plaintiff and Class members for each workday that a meal period was not provided;

10. For one (1) hour of pay at the regular rate of compensation for Plaintiff and Class members for each workday that a rest period was not provided;

11. For payment to Plaintiff and Class members of waiting time penalties pursuant to *Cal. Lab. Code* section 203, in an amount equal to her and Class members' respective daily rates of pay at the time of termination or layoff, multiplied by the total amount of days elapsed between the date of the involuntary termination, and/or 72 hours after notice of the voluntary termination, up to a maximum of 30 days' pay, according to proof;

12. For specific relief enforcing waiting time penalties of 30 days of per diem wages pursuant to *Cal. Bus. & Prof. Code* section 17200 and *Cal. Lab. Code* section 203, according to proof;

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13. For compensatory damages in the amount of Plaintiff and Class members' cell phone and vehicle expenses for business purposes, costs and attorneys' fees pursuant to *Cal. Lab. Code* section 2802(c);

14. For an award of consequential damages in Plaintiff and Class members' favor and against Defendants, in an amount to be proven at trial;

15. For statutory damages pursuant to *Cal. Lab. Code* section 226, according to proof;

16. For prejudgment interest accrued on all due and unpaid overtime and minimum wages from the date that wages were due and payable, pursuant to *Cal. Lab. Code* sections 218.6 and 1194(a), according to proof;

17. For statutory penalties pursuant to *Cal. Lab. Code* sections 558, 226.7, according to proof;

18. For civil penalties pursuant to *Cal. Labor Code* section 1198 and Wage Order No. 7;

19. For penalties provided by the Private Attorneys General Act of 2004;

20. For reasonable costs, including attorneys' fees, in an amount according to proof pursuant to, *inter alia*, *Cal. Labor Code* sections 1194, 218.5, 2802 and/or Cal. Code of Civ. Proc. section 1021.5;

21. For an award of restitution of wages to Plaintiff and Class members in an amount equal to the amount of wages owed and unpaid, according to proof;

22. For a tax consequence adjustment or "gross up" award to compensate Plaintiff and Class for their increased income tax responsibility following an award of compensatory damages;

23. For injunctive relief ordering the continuing unfair business acts and practices to cease, as the Court deems just and proper;

24. For other injunctive relief ordering Defendants to notify Plaintiff and Class members that they have not been paid the proper amounts in accordance with California law; and

25. For such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff Edith Navarrete hereby respectfully requests a trial by jury for all claims and issues raised in her First Amended Complaint that may be entitled to a jury trial.

LIPELES LAW GROUP, APC

Date: October 29, 2026

By: _____
Thomas H. Schelly
Attorneys for Plaintiff
Edith Navarrete