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ELECTRONICALLY FILED
Superior Court of California,
County of Tulare
08/31/2026
By: Angelica Garcia,
Deputy Clerk

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

MARISA SANCHEZ, on behalf of other
similarly situated employees of Defendant and
the State of California under the Private
Attorneys General Act,

Plaintiffs,

vs.

RACK ROOM SHOES, INC.; and DOES 1
through 50, inclusive,

Defendants.

Case No. VCU337543

Hon. David Mathias
Dept. 1

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. Unpaid Vacation Wages
7. Untimely Payment of Wages
8. Wage Statement Violations
9. Waiting Time Penalties
10. Failure to Reimburse Business Expenses
11. Unfair Competition
12. Unpaid Reporting Time Wages
13. Failure to Provide Suitable Seating
14. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: July 21, 2026

1 Plaintiff MARISA SANCHEZ, on behalf of all other similarly situated employees of
2 Defendants and the State of California under the Private Attorneys General Act (“Plaintiff”) brings
3 this FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against
4 Defendants RACK ROOM SHOES, INC.; and DOES 1 through 50, inclusive (collectively
5 “Defendants”), alleging as follows:

6 **INTRODUCTION**

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

9 2. Defendants employed Plaintiff and other putative class members during the statutory
10 period.

11 3. Defendants failed to pay minimum wages for all hours worked, which was facilitated
12 by company-wide practices of requiring off-the-clock work, including mandatory security checks after
13 clocking out and editing time records to reflect fewer hours worked.

14 4. Defendants failed to pay all overtime wages owed as a result of their failure to
15 accurately record all hours worked.

16 5. Defendants failed to pay Plaintiff and putative class members all accrued paid sick
17 leave and all accrued and unused vacation wages upon separation.

18 6. Defendants failed to pay reporting time wages when putative class members were sent
19 home after working less than half of their scheduled shifts.

20 7. Defendants failed to provide, authorize, and/or permit Plaintiff and putative class
21 members to take compliant meal and rest periods, yet did not pay all meal and rest period premiums.

22 8. Defendants failed to reimburse Plaintiff and putative class members for necessary
23 business expenses, including cell phone and vehicle costs.

24 9. Defendants failed to provide suitable seating to Plaintiff and putative class members.

25 10. Defendants failed to maintain accurate employee payroll and time records.

26 11. Defendants' employment policies, practices, and payroll administration systems
27 enabled and facilitated these violations on a company-wide basis with respect to the putative class
28 members.

12. Defendants are further liable for derivative claims for wage statements, untimely payment, and other associated violations.

13. Plaintiff seeks to recover the underpaid damages, plus associated penalties, interests, attorney's fees and costs.

JURISDICTION & VENUE

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 of 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.

PARTIES

A. Plaintiff Marisa Sanchez

18. Plaintiff Marisa Sanchez is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about February 2026 to May 2026. Plaintiff worked as a Team Lead.

19. The State of California, via the Labor and Workforce Development Agency (“LWDA”), 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.

1 **B. Defendants**

2 20. Defendant RACK ROOM SHOES, INC. is a North Carolina corporation that maintains
3 operations and conducts business throughout the State of California, including in this county.

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

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

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

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

22 **CLASS ALLEGATIONS**

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

- 25 a. All current and former non-exempt employees who worked for Defendants in
26 California from October 25, 2023 through date of class certification.

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

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

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

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

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

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

23 e. Public Policy Considerations: Certification of this lawsuit as a class action
24 advances the State of California's strong public interest in ensuring its
25 approximately millions of employed residents are properly paid the wages they
26 earned for the hours they worked. Class actions provide a mechanism for
27 enforcement of labor laws and allow for vindication of employee rights by
28 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 putative class members worked for Defendant as non-exempt employees and were compensated on an hourly basis.

30. Defendants failed to pay Plaintiff and putative class members at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants required Plaintiff and the putative class members to complete extensive off-the-clock work. First, Defendants required Plaintiff and the putative class members to complete duties off-the-clock and after they had already clocked out from their shifts. For example, on information and belief, Defendants maintained a security policy wherein they required Plaintiff and the putative class members to submit to a security check after clocking out from their shifts prior to leaving the store. Specifically, these security checks entailed finding an available manager to search through Plaintiff's and the putative class members' bags and belongings to ensure they had not attempted to steal from the store. Defendants explicitly ordered Plaintiff and the putative class members to submit to these security checks after clocking out at the end of their shift. These security checks varied in length but amounted to several minutes of off-the-clock work each week. Defendants mandated that the Plaintiff and the putative class members complete all their operational tasks before reporting for their security check at the end of their shift, despite being off the clock per Defendants' policy. As a further example, Defendants required Plaintiff and the putative class members to clock out of their shifts several minutes before the hour, before the end of their shifts, to ensure the incoming shift could clock in on time without causing overlapping coverage hours. All these activities are compelled by the necessities of Defendants' business and are performed primarily, if not exclusively, for Defendants' benefit. Consequently, all time spent performing such activities constitutes "hours worked" within the meaning of the IWC orders.

31. During the relevant times, Defendants engaged in an unlawful policy and practice of editing time records to reflect fewer hours worked. Specifically, Defendants routinely made edits to

1 Plaintiff's and the putative class members' time records without their authorization, thereby reducing
2 the amount of time they spent working. For example, Defendants recorded compliant meal periods,
3 even when no compliant meal period was provided. Plaintiff recalls having her timesheet manually
4 altered by Defendants to fabricate a "perfect" 30-minute meal period, despite Plaintiff having taken a
5 shortened meal period and returning to work several minutes early. Consequently, Defendants failed
6 to compensate Plaintiff and the putative class members for off-the-clock work they performed during
7 interrupted and missed meal breaks.

8 32. Defendants failed to pay Plaintiff and the putative class members overtime wages and
9 the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically,
10 Defendants failed to compensate Plaintiff and the putative class members for all overtime hours
11 worked due to their unlawful policy and practice of failing to accurately record all hours worked while
12 requiring employees to perform off-the-clock work, such as submitting security checks or waiting for
13 the incoming shift. When Plaintiff and the putative class members worked eight hours a day or forty
14 hours a week, the unrecorded time they spent working off-the-clock pushed their total hours into
15 overtime that was not accurately compensated. Defendants failed to pay Plaintiff and the putative class
16 members all overtime wages owed to them as a direct result of their unlawful policies and practices.

17 33. Defendants failed to comply with California's paid sick leave laws with respect to
18 Plaintiff and the putative class members. Because Defendants failed to record and pay Plaintiff and
19 the putative class members for all regular hours worked, Defendants also failed to credit them with all
20 paid sick leave hours that they accrued. Additionally, each time Plaintiff and the putative class
21 members worked off-the-clock, resulting in unpaid overtime, the overtime hours were not accounted
22 for when calculating an employee's accrued paid sick leave. Therefore, Plaintiff and the putative class
23 members were not awarded the total accrued paid sick leave time they had earned.

24 34. Defendants maintained an unlawful policy and practice of failing to pay all accrued and
25 unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture
26 of vested vacation time and wages. As described above, Defendants failed to record all the regular and
27 overtime hours that Plaintiff and the putative class members actually worked, thereby undercounting
28 their total hours worked. Consequently, Defendants failed to accurately credit Plaintiff and the putative

1 class members for all vacation time they accrued.

2 35. Defendants maintained an unlawful policy and practice of failing to pay reporting time
3 wages to the putative class members. Plaintiff and the putative class members were regularly
4 scheduled to work full shifts ranging from six to eight hours, but Defendants failed to pay them any
5 reporting time wages when sent home after completing less than half of these scheduled shifts. For
6 example, on May 21, 2026, Plaintiff recalls reporting to work for her scheduled eight-hour shift and
7 being sent home early due to being terminated near the start of her workday. Plaintiff was sent home
8 after working for only 20 minutes. Despite being scheduled to work and report for a full shift, Plaintiff
9 was not compensated whatsoever for having reported to work on May 21.

10 36. During the relevant times, Plaintiff and the putative class members often experienced
11 missed, late, short, and interrupted meal periods in order to keep up with the high demands of the job.
12 Specifically, Defendants maintained an explicit store policy that there should always be at least one
13 manager, assistant manager, or team lead on the sales floor at all times. For example, as a Team Lead,
14 Plaintiff was regularly scheduled for shifts with inadequate break coverage due to staff availability
15 and the operational needs of the store. Plaintiff would consequently be forced to plan her meal periods
16 around coverage deficiencies, sometimes forcing her to interrupt her meal period and return to work
17 early when the high demands of her position required it. Each time Plaintiff and the putative class
18 members experienced a non-compliant meal period, they were owed a meal period premium.

19 37. Furthermore, Defendants maintained an unlawful policy and practice of failing to
20 provide timely, uninterrupted 30-minute meal periods and altering Plaintiff's and the putative class
21 members' time records to hide these violations. For example, on occasions where Plaintiff clocked in
22 early from her meal period, thereby receiving a short, non-compliant meal period, Defendants
23 manually altered her timecard to create the appearance that Plaintiff received a full, compliant 30-
24 minute meal period.

25 38. Each time Plaintiff and the putative class members experienced a non-compliant meal
26 period, they were owed a meal period premium. As a matter of policy and practice, Defendants failed
27 to provide Plaintiff and the putative class members with meal period premiums in lieu of non-
28 compliant meal periods as required.

1 39. During the relevant times, Defendants failed to provide Plaintiff and the putative class
2 members with compliant rest periods due to their inadequate staffing practices and explicit policies
3 that certain staff members must always be present on the sales floor. For example, Plaintiff recalls that
4 Defendants would pressure her not to leave the sales floor unattended to such a degree that she was
5 regularly forced to skip her first rest period entirely to ensure adequate coverage. Plaintiff reported
6 these rest period issues as they occurred, but Defendants consistently failed to address the lack of
7 adequate coverage when the issue persisted. Defendants' unlawful practice of failing to provide
8 mandated and compliant rest periods was common amongst the putative class members.

9 40. Because Defendants failed to pay all wages and premiums in each pay period in which
10 such wages were earned at the lawful rate, Defendants violated their obligation to pay all wages timely.
11 Defendants failed to pay all wages and premiums owed on the regular pay days scheduled each pay
12 period within seven calendar days of the close of the payroll period. Specifically, Defendants
13 consistently failed to pay all regular and overtime wages, in addition to all owed meal and rest break
14 penalties, on time each payday.

15 41. Defendants failed to pay all wages and premiums owed to putative class members
16 during their employment and also failed to timely pay those amounts to departing employees upon
17 separation of employment. Defendants did not pay waiting time penalties for the late payments.

18 42. Defendants failed to provide accurate itemized wage statements to the putative class
19 members each pay period. Defendants failed to list the correct "gross wages earned" or "net wages
20 earned," as the employees earned wages and premiums that were not paid, resulting in an inaccurate
21 reflection, and recording of "gross wages earned" on those wage statements. Likewise, Defendants
22 failed to state on employee wage statements each pay period the applicable hourly rates in effect and
23 the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to
24 employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate
25 reflection on the pay stub.

26 43. Plaintiff and other putative class members cannot promptly and easily determine from
27 the wage statement alone the wages paid or earned without reference to other documents or
28 information. Indeed, these wage statement violations are significant because they sow confusion

1 among Plaintiff and other putative class members with respect to what amounts were owed and paid,
2 at what rates, the number of hours worked, and how those amounts were or should be calculated. The
3 wage statements reflect a false statement of earnings and conceal the underlying problems and
4 underpayments of employee wages.

5 44. Defendants required Plaintiff and the putative class members to incur costs for work-
6 related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and
7 the putative class members unavoidably and necessarily incurred these losses, expenditures, costs, and
8 as a matter of policy and practice. Specifically, Defendants mandated Plaintiff and the putative class
9 members use their personal cell phones and data plans to download a corporate communication
10 application for shift correspondence, as well as a centralized security application used across outlet
11 locations to coordinate text-based assistance from security guards. Defendants failed to provide
12 company cell phones, cellular allowances, or data reimbursement to Plaintiff and the putative class
13 members. Additionally, Defendants required Plaintiff and the putative class members to use their
14 personal vehicles to complete required tasks. For example, Plaintiff recalls being required to drive her
15 personal vehicle to execute cash deposits at the bank on behalf of Defendants. While Plaintiff received
16 nominal payouts for mileage she incurred on those trips, Defendants failed to fully reimburse Plaintiff
17 for all necessary expenditures she incurred while using her personal vehicle for work because the
18 nominal payouts did not reflect the actual costs, she incurred while operating her vehicle for
19 Defendants' business use.

20 45. Thus, as a direct consequence of their job duties, Plaintiff and the putative class
21 members unavoidably and necessarily incurred these losses, expenditures, and costs as a matter of
22 policy and practice. To the extent that Defendants reimbursed Plaintiff and the putative class members,
23 those amounts were underpaid. At all times, Defendants were required to comply with the
24 reimbursement mandate.

25 46. Due to the nature of the store, Defendants failed to provide suitable seating to Plaintiff
26 and other employees. Specifically, Defendants required Plaintiff and the putative class members to
27 stand for most of the time on their shifts while failing to provide them with an adequate number of
28 suitable seats in a reasonable proximity to their work area. For example, Defendants refused to provide

any form of seating in the sales area and only provided one chair in the employee break room. Defendants expressly prohibited Plaintiff and the putative class members from sitting at any time while they were working on the sales floor. Plaintiff recalls that Defendants would enforce their policy against sitting on the sales floor to such an extreme that she was ordered not to sit behind the cash register, even when she could perform her job duties while sitting.

47. Because of the policies and practices described herein, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with the applicable law and the IWC Wage Orders.

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)

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 §§ 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.”

50. 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

1 Code § 1194.2.

2 51. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
3 minimum, regular and overtime wages in amounts to be determined at trial. Plaintiff and class
4 members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an
5 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys'
6 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2,
7 218.6 and any other applicable statutes.

8 **SECOND CAUSE OF ACTION**

9 **FAILURE TO PAY ALL OVERTIME WAGES**

10 **Violation of Labor Code §§ 510 and 1194**

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

12 53. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
13 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
14 wages all overtime hours worked, and which further provide a private right of action for an employer's
15 failure to pay all overtime compensation for overtime hours worked.

16 54. Defendants failed in their affirmative obligation to pay Plaintiff and class members no
17 less than one and one-half times their respective "regular rate of pay" for all hours worked in excess
18 of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of
19 work in any one workweek, and no less than twice their respective "regular rate of pay" for all hours
20 over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for
21 such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC
22 Wage Orders (the "Hours and Days of Work" sections of the applicable orders).

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

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1 **THIRD CAUSE OF ACTION**

2 **MEAL PERIOD VIOLATIONS**

3 **Violation of Labor Code §§ 226.7 and 512**

4 56. All outside paragraphs of this Complaint are incorporated into this section.

5 57. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
6 §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or
7 meal period premiums in lieu thereof), and which further provide a private right of action for an
8 employer's failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful
9 regular rate of compensation.

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

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

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

24 **FOURTH CAUSE OF ACTION**

25 **REST PERIOD VIOLATIONS**

26 **Violation of Labor Code §§ 226.7 and 516**

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

28 62. 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.

63. 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).

64. 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.

FIFTH CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

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

66. 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"].)

67. 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.

68. Defendants failed to record and pay Plaintiff and the putative class members for all regular hours worked and, as a result, Defendants failed to credit them with all paid sick leave hours

1 that they accrued. Specifically, each time Plaintiff and the putative class members worked off-the-
2 clock, resulting in unpaid overtime, the overtime hours were not accounted for when calculating an
3 employee's accrued paid sick leave. Therefore, Plaintiff and the putative class members were not
4 awarded the total accrued paid sick leave time they had earned.

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

7 **SIXTH CAUSE OF ACTION**

8 **UNPAID VACATION WAGES**

9 **Violation of Labor Code §§ 201, 202, 203, and 227.3 and 1194, and 1198**

10 70. All outside paragraphs of this Complaint are incorporated into this section.

11 71. This cause of action is brought by an unpaid vacation wages subclass pursuant to Labor
12 Code §§ 200, 201, 202, 203, and 227.3 and 1194, and 1198, which require non-exempt employees be
13 timely paid all vested vacation wages at their final rate of pay upon separation of employment, and
14 which further provide a private right of action for an employer's timely failure to pay all vacation
15 compensation upon termination.

16 72. Defendants offered Plaintiff and class members an employment contract or policy
17 providing for the accrual of vacation and/or paid time off. Plaintiff and class members accrued
18 vacation and/or PTO pursuant to the contract or policy.

19 73. Defendants failed to record all the regular and overtime hours that Plaintiff and the
20 putative class members actually worked, thereby undercounting their total hours worked.
21 Consequently, Defendants failed to accurately credit Plaintiff and the putative class members for all
22 vacation time they accrued.

23 74. Upon separation of Plaintiff and class members, Defendants willfully failed in their
24 affirmative obligation to timely pay Plaintiff and class members all accrued but unused vacation at
25 their final rate during their employment with Defendants, in violation of Labor Code sections 201(a),
26 202(a), and 227.3.

27 75. Plaintiff and class members are entitled to recover the full amount of the accrued
28 vacation wages owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and

costs to the extent permitted by law.

SEVENTH CAUSE OF ACTION

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

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

77. 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.

78. 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).

79. 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.

EIGHTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

Violation of Labor Code § 226

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

81. 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

1 with this obligation.

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

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

9 84. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
10 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
11 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in
12 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
13 Code section 226(e).

14 **NINTH CAUSE OF ACTION**

15 **WAITING TIME PENALTIES**

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

17 85. All outside paragraphs of this Complaint are incorporated into this section.

18 86. This cause of action is brought by a waiting time subclass pursuant to Labor Code
19 §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of
20 employment, and which further provide a private right of action to recover statutory waiting time
21 penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days
22 wages.

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

28 88. 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.

TENTH CAUSE OF ACTION

FAILURE TO REIMBURSE BUSINESS EXPENSES

Violation of Labor Code § 2802

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

90. 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.

91. 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.

ELEVENTH CAUSE OF ACTION

UNFAIR COMPETITION

Violation of Business and Professions Code §§ 17200 *et seq.*

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

93. Defendants have engaged and continue to engage in unfair and/or unlawful business practices in the State of California in violation of California Business and Professions Code § 17200 by committing the foregoing wage and hour violations alleged throughout this Complaint.

94. Defendants' dependence on these unfair and/or unlawful business practices deprived Plaintiff and continue to deprive other class members of compensation to which they are legally entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage to Defendants over competitors who have been and/or are currently employing workers in compliance with California's wage and hour laws. These failures constitute unlawful, deceptive, and unfair business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

95. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full

1 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,
2 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

3 96. Plaintiff does not have an adequate remedy at law for past or future violations, to the
4 extent the statute of limitations on each of the alleged causes of action do not extend to the four year
5 limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order
6 violations do not provide a private right of action.

7 97. Plaintiff and class members are entitled to injunctive relief against Defendants,
8 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
9 an ownership interest and to prevent future damage and the public interest under Business and
10 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,
11 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
12 § 1021.5.

13 **TWELFTH CAUSE OF ACTION**

14 **UNPAID REPORTING TIME WAGES**

15 **Violation of Labor Code § 1198; IWC Wage Orders**

16 98. All outside paragraphs of this Complaint are incorporated into this section.

17 99. Labor Code section 1198 renders unlawful the employment of any employee under
18 conditions of labor prohibited by the applicable IWC Wage Orders. Section 5 (Reporting Time Pay)
19 of the applicable IWC Wage Orders requires an employer to pay reporting time pay if an employee is
20 required to report for work and does report, but is not put to work or is furnished with less than half
21 of their scheduled shift's work. In such situations, the employer is required to pay the employee
22 reporting time pay in the amount of the greater of two hours or half the scheduled shift length, at the
23 employee's regular rate of pay.

24 100. During the relevant times, Defendants maintained an unlawful policy and practice of
25 failing to pay reporting time wages to Plaintiff and the other putative class members. Plaintiff and the
26 other putative class members were regularly scheduled to work full shifts ranging from six to eight
27 hours, but Defendants regularly failed to pay them any reporting time wages when they were sent
28 home after completing less than half of their scheduled shifts.

101. For example, on or about May 21, 2026, Plaintiff Marisa Sanchez reported to work for her scheduled eight-hour shift. She was sent home early near the start of her workday after working for only approximately 20 minutes. Despite reporting for a scheduled full shift and being sent home, Plaintiff was not paid any reporting time wages for having reported to work on that day.

102. As a result of Defendants' systematic policies and practices, Defendants failed to pay Plaintiff and other putative class members the reporting time pay required by California law.

103. Pursuant to Labor Code section 2699 et seq., Plaintiff seeks to recover all applicable civil penalties, attorneys' fees, and costs of suit according to proof.

THIRTEENTH CAUSE OF ACTION

SUITABLE SEATING VIOLATIONS

Violation of Labor Code § 1198; IWC Wage Orders

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

105. Labor Code section 1198 prohibits the employment of any employee under conditions of labor prohibited by an applicable IWC Wage Order. The Seating requirements section of the applicable IWC Wage Orders mandates that "all working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats".

106. The Wage Orders further mandate that even when employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats must be placed in reasonable proximity to the work area, and employees must be permitted to use those seats.

107. During the relevant times, Defendants failed to provide suitable seating to Plaintiff and other aggrieved employees. Specifically, Defendants required Plaintiff and other aggrieved employees to stand for the vast majority of their shifts, failed to provide an adequate number of suitable seats in reasonable proximity to their work areas, and expressly prohibited employees from sitting at any time while working on the sales floor.

108. For example, Defendants refused to provide any form of seating in the sales area and only provided a single chair in the employee break room. Defendants strictly enforced this policy against sitting on the sales floor, even ordering Plaintiff not to sit behind the cash register when she

1 was fully capable of performing her job duties while seated.

2 109. The nature of the work performed by Plaintiff and the aggrieved employees reasonably
3 permitted the use of seats. Despite this, Defendants maintained a uniform policy and practice of
4 denying suitable seating to employees.

5 110. As a result of the foregoing violations, Plaintiff, as a proxy and agent of the State of
6 California and on behalf of all aggrieved employees, is entitled to recover civil penalties pursuant to
7 Labor Code section 2699 *et seq.*, as well as reasonable attorneys' fees and costs pursuant to Labor
8 Code section 2699(k)(1).

9 **FOURTEENTH CAUSE OF ACTION**

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

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

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

13 111. All outside paragraphs of this Complaint are incorporated into this section.

14 112. Plaintiff brings this cause of action as a proxy for the State of California on behalf of
15 the following “aggrieved employees” pursuant to the Private Attorneys General Act (“PAGA”),
16 codified as Labor Code section 2698 *et seq.*:

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

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

22 114. The State of California, via the Labor and Workforce Development Agency
23 (“LWDA”), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*
24 *Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
25 files suit is always the real party in interest.”])

26 115. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
27 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
28 and Workforce Development Agency or any of its departments, divisions, commissions, boards,

1 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil
2 action brought by an aggrieved employee on behalf of the employee and other current or former
3 employees against whom a violation of the same provision was committed pursuant to the procedures
4 specified in Section 2699.3. “

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

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

10 118. On or about **June 25, 2026**, Plaintiff paid the requisite PAGA filing fee and provided
11 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
12 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
13 violations.

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

17 120. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
18 written PAGA notice from the LWDA.

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

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

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

- a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.
- b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- d. ***Unpaid Vacation Wages.*** Violation of Labor Code § 227.3.
- e. ***Unpaid Reporting Time Wages.*** Violation of Labor Code § 1198; IWC Wage Orders.
- f. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- g. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- h. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- i. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- j. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- k. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- l. ***Suitable Seating Violations.*** Violation of Labor Code § 1198; IWC Wage Orders.
- m. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

124. 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).

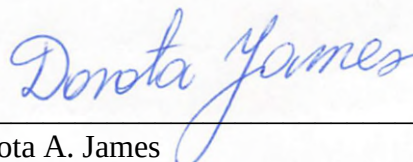
PRAYER

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: August 31, 2026

Ferraro Vega Employment Lawyers, Inc.



Dorota A. James
Attorneys for Plaintiff Marisa Sanchez

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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June 25, 2026

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

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

Rack Room Shoes, Inc.
8310 Technology Dr
Charlotte, North Carolina 28262

- 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 **MARISA SANCHEZ** (“Plaintiff(s)”) and all other “aggrieved employees” of the following “Defendant(s)”:

RACK ROOM SHOES, INC.

Defendant(s) 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 that this letter should also be considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Team Lead from about February 2026 to May 2026. During their employment, Plaintiff and the other aggrieved employees were subject to the wage and hour, and employment protections outlined 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 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 (the “aggrieved employees” and the “PAGA Period”).

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

- PAGA CLAIMS -

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

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

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.”

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

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants required Plaintiff and the aggrieved employees to complete extensive off-the-clock work.

First, Defendants required Plaintiff and the aggrieved employees to complete duties off-the-clock and after they had already clocked out from their shifts. For example, on information and belief, Defendants maintained a security policy wherein they required Plaintiff and the aggrieved employees to submit to a security check after clocking out from their shifts and prior to leaving the store. Specifically, these security checks entailed finding an available manager to search through Plaintiff’s and the aggrieved employees’ bags and belongings to ensure they had not attempted to steal from the store. Defendants explicitly ordered Plaintiff and the aggrieved employees to submit to these security checks after clocking out at the end of their shift. These security checks varied in length but amounted to several minutes of off-the-clock work each week. Defendants mandated that the Plaintiff and the aggrieved employees complete all their operational tasks before reporting for their security check at the end of their shift, despite being off the clock per Defendants’ policy. As a further example, Defendants required Plaintiff and the aggrieved employees to clock out of their shifts several minutes before the hour, before the end of their shifts, to ensure the incoming shift could clock in on time without causing overlapping coverage hours. All these activities are compelled by the necessities of Defendants’ business and are performed primarily, if not exclusively, for Defendants’ benefit. Consequently, all time spent performing such activities constitutes “hours worked” within the meaning of the IWC orders.

Second, Defendants engaged in an unlawful policy and practice of editing time records to reflect fewer hours worked. Specifically, Defendants routinely made edits to Plaintiff’s and the aggrieved employees’ time records without their authorization, thereby reducing the amount of time they spent working. For example, Defendants recorded compliant meal periods, even when no compliant meal period was provided. Plaintiff recalls having her timesheet manually altered by Defendants to fabricate a “perfect” 30-minute meal period, despite Plaintiff having taken a shortened meal period and returning to work several minutes early. Consequently,

Defendants failed to compensate Plaintiff and the aggrieved employees for off-the-clock work they performed during interrupted and missed meal breaks.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved 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 aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically, Defendants failed to compensate Plaintiff and the aggrieved employees for all overtime hours worked due to their unlawful policy and practice of failing to accurately record all hours worked while requiring employees to perform off-the-clock work, such as submitting to security checks or waiting for the incoming shift. When Plaintiff and the aggrieved employees worked eight hours a day or forty hours a week, the unrecorded time they spent working off-the-clock pushed their total hours into overtime that was not accurately compensated. Defendants failed to pay Plaintiff and the aggrieved employees all overtime wages owed to them as a direct result of their unlawful policies and practices.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved 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 Plaintiff and the aggrieved employees. Because Defendants failed to record and pay Plaintiff and the aggrieved employees for all regular hours worked, Defendants also failed to credit them with all paid sick leave hours that they accrued. Additionally, each time Plaintiff and the aggrieved employees worked off-the-clock, resulting in unpaid overtime, the overtime hours were not accounted for when calculating an employee’s accrued paid sick leave. Therefore, Plaintiff and the aggrieved employees were not awarded the total accrued paid sick leave time they had earned.

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

Unpaid Vacation Wages
Violation of Labor Code § 227.3

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

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

Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and wages. As described above, Defendants failed to record all the regular and overtime hours that Plaintiff and the aggrieved employees actually worked, thereby undercounting their total hours worked. Consequently, Defendants failed to accurately credit Plaintiff and the aggrieved employees for all vacation time they accrued.

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

Unpaid Reporting Time Wages
Violation of Labor Code § 1198; IWC Wage Orders

Defendants violated Labor Code sections 1198 and Section 5 (Reporting Time Pay) of the applicable IWC Wage Orders concerning reporting time wages with respect to the aggrieved employees.

Section 5 of the applicable IWC Wage Orders requires an employer to pay reporting time pay if an employee shows up for a scheduled shift and is not put to work or is furnished with less than half of the scheduled shift. In this situation, the employer owes the employee reporting time pay in the amount of the greater of two hours or half the scheduled shift length. Section 5 further requires an employer to pay reporting time pay if an employee is required to report to work for a second time and is furnished with less than two hours of work on the second reporting. In this situation, the employer owes the employee reporting time pay in the amount of the greater of two hours or half the scheduled shift length. Labor Code section 1198 authorizes enforcement of the reporting time pay provisions of the IWC Wage Orders.

Defendants maintained an unlawful policy and practice of failing to pay reporting time wages to the aggrieved employees. Plaintiff and the aggrieved employees were regularly scheduled to work full shifts ranging from six to eight hours, but Defendants failed to pay them any reporting time wages when sent home after completing less than half of these scheduled shifts.

For example, on May 21, 2026, Plaintiff recalls reporting to work for her scheduled eight-hour shift and being sent home early due to being terminated near the start of her workday. Plaintiff was sent home after working for only 20 minutes. Despite being scheduled to work and report for a full shift, Plaintiff was not compensated whatsoever for having reported to work on May 21.

As a result, Defendants failed to pay Plaintiff in the amount of the greater of two hours or half the scheduled shift length as required by California law. This systematic failure to pay reporting time wages constituted a common practice that adversely impacted both Plaintiff and all aggrieved employees throughout their employment.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved 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.

First, Plaintiff and the aggrieved employees often experienced missed, late, short, and interrupted meal periods in order to keep up with the high demands of the job. Specifically, Defendants maintained an explicit store policy that there should always be at least one manager, assistant manager, or team lead on the sales floor at all times. For example, as a Team Lead, Plaintiff was regularly scheduled for shifts with inadequate break coverage due to staff availability and the operational needs of the store. Plaintiff would consequently be forced to plan her meal periods around coverage deficiencies, sometimes forcing her to interrupt her meal period and return to work early when the high demands of her position required it. Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period, they were owed a meal period premium.

Second, Defendants maintained an unlawful policy and practice of failing to provide timely, uninterrupted 30-minute meal periods and altering Plaintiff's and the aggrieved employees' time records to hide these violations. For example, on occasions where Plaintiff clocked in early from her meal period, thereby receiving a short, non-compliant meal period, Defendants manually altered her timecard to create the appearance that Plaintiff received a full, compliant 30-minute meal period.

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, Defendants failed to provide Plaintiff and the aggrieved employees with meal period premiums in lieu of non-compliant meal periods as required by Labor Code 226.7.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved employees.

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all

nondiscretionary payments, not just hourly wages”). Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee’s regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Defendants failed to provide Plaintiff and the aggrieved employees with compliant rest periods due to their inadequate staffing practices and explicit policies that certain staff members must always be present on the sales floor. For example, Plaintiff recalls that Defendants would pressure her not to leave the sales floor unattended to such a degree that she was regularly forced to skip her first rest period entirely to ensure adequate coverage. Plaintiff reported these rest period issues as they occurred, but Defendants consistently failed to address the lack of adequate coverage when the issue persisted. Defendants’ unlawful practice of failing to provide mandated and compliant rest periods was common amongst the aggrieved employees.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved 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 all regular and overtime wages, in addition to all owed meal and rest break penalties, on time each payday.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved 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 aggrieved employees during their employment as set forth in this notice and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved 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 aggrieved 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 aggrieved 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.

Plaintiff and other aggrieved 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 aggrieved 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 conceal 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 aggrieved 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 aggrieved employees by failing to reimburse the aggrieved 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 aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and

the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. Specifically, Defendants mandated Plaintiff and the aggrieved employees use their personal cell phones and data plans to download a corporate communication application for shift correspondence, as well as a centralized security application used across outlet locations to coordinate text-based assistance from security guards. Defendants failed to provide company cell phones, cellular allowances, or data reimbursement to Plaintiff and the aggrieved employees. Additionally, Defendants required Plaintiff and the aggrieved employees to use their personal vehicles to complete required tasks. For example, Plaintiff recalls being required to drive her personal vehicle to execute cash deposits at the bank on behalf of Defendants. While Plaintiff received nominal payouts for mileage she incurred on those trips, Defendants failed to fully reimburse Plaintiff for all necessary expenditures she incurred while using her personal vehicle for work because the nominal payouts did not reflect the actual costs she incurred while operating her vehicle for Defendants' business use.

Thus, as a 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 that Defendants reimbursed Plaintiff and 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 aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Suitable Seating Violations **Violation of Labor Code §§ 1198; IWC Wage Orders**

When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties, including during rest and recovery periods. Labor Code section 1198 provides that: "The 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 hours longer than those fixed by the order or under conditions of labor prohibited by the order is unlawful and provides for civil penalties." The Seating requirements section of the applicable IWC Wage Orders specifically require "all working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats" and "when employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties."

Due to the nature of the store, Defendants failed to provide suitable seating to Plaintiff and other employees. Specifically, Defendants required Plaintiff and the aggrieved employees to stand for most of the time on their shifts while failing to provide them with an adequate number of suitable seats in a reasonable proximity to their work area. For example, Defendants refused to provide any form of seating in the sales area and only provided one chair in the employee break room. Defendants expressly prohibited Plaintiff and the aggrieved employees from sitting at any time while they were working on the sales floor. Plaintiff recalls that Defendants would enforce their policy against sitting on the sales floor to such an extreme that she was ordered not to sit behind the cash register, even when she could perform her job duties while sitting.

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

Attorneys’ Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other aggrieved 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 aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

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

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved 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,



Dorota A. James

CY

Cc Plaintiff Marisa Sanchez
HR Representative, Tamika Harris - hr@rackroom.com