

Rick Waltman (State Bar No. 306463)
Ricardo De Leon (State Bar No. 365493)
Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 fax
nick@ferrarovega.com / lauren@ferrarovega.com
rick@ferrarovega.com / ricardo@ferrarovega.com

*Attorneys for Plaintiffs Megan Acevedo
and Kara Douglas*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

MEGAN ACEVEDO and KARA DOUGLAS,
on behalf of others similarly situated and the
State of California under the Private Attorneys
General Act,

Plaintiffs,

vs.

RADY CHILDREN'S HOSPITAL SAN DIEGO
and DOES 1 through 50, inclusive,

Defendants.

Case No. 26CU036219C

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

1. Failure to Pay All Wages Owed
2. Failure to Pay All Overtime Wages
3. Meal Period Violations
4. Rest Period Violations
5. Paid Sick Leave Violations
6. Untimely Payment of Wages
7. Wage Statement Violations
8. Waiting Time Penalties
9. Failure to Reimburse Business Expenses
10. Unfair Competition
11. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: July 6, 2026

1 Plaintiffs MEGAN ACEVEDO and KARA DOUGLAS, on behalf of all others similarly
2 situated and the State of California under the Private Attorneys General Act (“Plaintiffs”) bring this
3 FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants
4 RADY CHILDREN'S HOSPITAL SAN DIEGO and DOES 1 through 50, inclusive (collectively
5 “Defendants”), alleging as follows:

6 **INTRODUCTION**

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

9 2. Defendants failed to pay Plaintiffs and the class members all minimum and overtime
10 wages due to its unlawful policies and practices.

11 3. Defendants failed to comply with California's paid sick leave laws with respect to the
12 class members.

13 4. Defendants failed to provide, authorize, and/or permit Plaintiffs and the class members
14 to take all meal and rest periods to which they were entitled.

15 5. Defendants failed to reimburse for necessary business expenses for use of personal cell
16 phones;

17 6. Defendants' employment policies, practices, and payroll administration systems
18 enabled and facilitated these violations on a company-wide basis with respect to the class members.

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

21 8. Plaintiffs seek to recover the underpaid damages, plus associated penalties, interests,
22 attorneys' fees and costs.

23 **JURISDICTION & VENUE**

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

26 10. The monetary damages and restitution sought exceed the minimal jurisdiction limits of
27 the Superior Court.
28

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

12. 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 Megan Acevedo

13. Plaintiff Acevedo is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about August 2022 to Present. Plaintiff worked as a MRI Technologist.

14. Plaintiff Kara Douglas is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about 2022 to December 2025. Plaintiff worked as a MRI Technologist.

15. 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 to *Balderas v. Fresh Start Harvesting, Inc.* (2024) 101 Cal. App. 5th 533 and *Rodriguez v. Packers Sanitation Services Ltd., LLC* (2025) 109 Cal.App.5th 69, the PAGA claim is brought exclusively as a representative action and does not include arbitrable claims.

B. Defendants

16. Defendant Rady Children's Hospital San Diego is a California Nonprofit Corporation that maintains operations and conducts business throughout the State of California, including in this county.

17. The true names and capacities, whether individual, corporate, or otherwise, of the parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued

1 by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,
2 each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some
3 manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their
4 true names and capacities once ascertained.

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

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

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

17 **CLASS ALLEGATIONS**

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

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

23 22. Plaintiffs reserve the right to establish various subclass definitions as appropriate at the
24 class certification stage, according to proof.

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

- 27 a. Numerosity: The class is estimated to exceed 50 individuals, although the
28 precise membership of the entire class is unknown at this time. The class is so

1 numerous that joinder of all class members is impracticable. The identities of
2 class members are ascertainable by inspection of Defendants' employment and
3 payroll records.

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

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

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

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

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

GENERAL ALLEGATIONS

25. Defendants failed to pay Plaintiffs and the class members for all regular and overtime hours worked. Plaintiffs and class members were required to work through their meal periods frequently. Plaintiffs' duties include(d) administering a constant stream of patients throughout their shift, including reading patient charts, conferring with nurses, physicians and other staff regarding incoming and outgoing patient scans, administering MRI scans, and preparing equipment for the same, among other departmental communications and duties. These duties for the heavy flow of patients, combined with insufficient staffing to properly allow employees to cover for breaks, resulted in frequent interrupted meal breaks that resulted in unpaid time while Plaintiffs and others were clocked out. Although Plaintiffs and the class members clocked out for their meal periods, they often were required to eat lunch at their work stations while still working. However, they were directed to clock out for exactly 30 minutes regardless of whether they were performing any duties during this time. This resulted in Plaintiffs and the class members working uncompensated through their meal periods due to the demands of the job.

26. Plaintiffs and class members also received work-related calls and text messages from managers and other employees on their days off. Such communications pertained to questions about patients, logs, examinations, equipment issues, and staff coverage. Plaintiffs and class members were not compensated for this time.

27. Defendants failed to provide Plaintiffs and the class members with all sick leave accrued due to Defendants' unlawful policy and practice of requiring off-the-clock work. Therefore, Plaintiffs and the class members were underpaid sick pay whenever Defendants required them to complete work off-the-clock.

28. Plaintiffs and the class members were often not provided with compliant first and second meal periods in compliance with California law without being paid the corresponding meal period premium at their regular rate of pay as required by law. For example, on March 17, and 18, 2026 Plaintiff Acevedo was forced to take her first meal break late, and received no second meal breaks despite working over 10 hours. However, Plaintiff Acevedo was not paid for the required meal

1 period premiums during that pay period, as shown in the April 3, 2026 pay stub covering the dates of
2 3/15/2026 through 3/28/2026.

3 29. Plaintiffs and class members also routinely experienced interrupted and non-compliant
4 meal periods to keep up with the high demands of the job. To stay caught up with the constant flow
5 of patients without proper coverage for Plaintiffs and other aggrieved employees to take their proper
6 meal breaks, Plaintiffs and aggrieved employees would work through meal periods, and regularly eat
7 their meals at their workstations. Although Plaintiffs and the aggrieved employees clocked out for
8 their meal periods, they often were required to eat lunch at their desks while still working. This
9 resulted in Plaintiffs and the aggrieved employees working through their meal periods due to the
10 demands of the job.

11 30. Plaintiffs and other class members reported to management regarding their inability to
12 take breaks due to the constant work demands with insufficient staffing to take proper breaks.
13 However, management did not make the necessary scheduling adjustments to assure all employees
14 had sufficient coverage to take breaks, or ensure that all owed premiums were paid for late, untaken,
15 or interrupted breaks.

16 31. Plaintiffs and the class members were inhibited from stepping away from their work
17 stations due to their large patient loads and Defendants' policy and practice of not providing sufficient
18 staffing to cover that patient load. Thus, to keep up with Defendant's demands, Plaintiffs and the class
19 members were unable to take rest periods in violation of Labor Codes 226.7 and 516.

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

26 33. Defendants also required Plaintiffs and other class members to use their personal cell
27 phones for work-related purposes, including responding to manager and coworker communications
28 regarding questions about patients, logs, examinations, equipment issues, and staff coverage.

Sometimes managers and coworkers would text or call on Plaintiffs' and other employees' days off. Defendants knew or should have known that Plaintiffs incurred expenses related to this required use because their managers were often communicating with employees on their cell phones. Despite this, Defendants failed to reimburse Plaintiffs and class members for the use of their personal cell phones.

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)

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

35. 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."

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

37. Defendants' unlawful acts and omissions deprived Plaintiffs and class members of minimum, regular and overtime wages in amounts to be determined at trial. Plaintiffs and class members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an

1 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys'
2 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2,
3 218.6 and any other applicable statutes.

4 **SECOND CAUSE OF ACTION**

5 **FAILURE TO PAY ALL OVERTIME WAGES**

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

7 38. All outside paragraphs of this Complaint are incorporated into this section.

8 39. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
9 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
10 wages all overtime hours worked, and which further provide a private right of action for an employer's
11 failure to pay all overtime compensation for overtime hours worked.

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

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

22 **THIRD CAUSE OF ACTION**

23 **MEAL PERIOD VIOLATIONS**

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

25 42. All outside paragraphs of this Complaint are incorporated into this section.

26 43. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
27 §§ 226.7, 558 and 512, which require non-exempt employees be provided compliant meal periods (or
28 meal period premiums in lieu thereof), and which further provide a private right of action for an

1 employer's failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful
2 regular rate of compensation.

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

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

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

17 **FOURTH CAUSE OF ACTION**

18 **REST PERIOD VIOLATIONS**

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

20 47. All outside paragraphs of this Complaint are incorporated into this section.

21 48. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
22 §§ 226.7 and 516, which require non-exempt employees be authorized to take compliant rest periods
23 (or rest period premiums in lieu thereof), and which further provide a private right of action for an
24 employer's failure to lawfully provide all rest periods and/or pay rest period premiums at the lawful
25 regular rate of compensation.

26 49. Defendants willfully failed in their affirmative obligation to consistently authorize and
27 permit Plaintiffs and class members to receive compliant, duty-free rest periods of not less than ten
28 (10) minutes for every four hours worked (or major fraction thereof) in violation of Labor Code

1 sections 226.7, 516, 558, and 1198 and the IWC Wage Orders (the “Rest Periods” sections of the
2 applicable orders).

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

7 **FIFTH CAUSE OF ACTION**

8 **FAILURE TO PAY ALL PAID SICK LEAVE WAGES**

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

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

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

17 53. Labor Code section 246(l), in conjunction with Labor Code section 248 *et seq.*, 248.1,
18 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class
19 members, govern how Defendants were required to calculate paid sick leave.

20 54. As a result, Defendants violated the Labor Code and are liable to Plaintiffs and class
21 members for underpaid sick leave wages, in addition to interest, attorneys’ fees, and costs.

22 **SIXTH CAUSE OF ACTION**

23 **UNTIMELY PAYMENT OF WAGES**

24 **Violation of Labor Code §§ 204, 210, 218**

25 55. All outside paragraphs of this Complaint are incorporated into this section.

26 56. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
27 §§ 204, 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay
28 period, and which further provide a private right of action for an employer’s failure to comply with

1 this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due
2 under these sections, including Labor Code § 210(c)'s statutory late payment penalties.

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

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

14 **SEVENTH CAUSE OF ACTION**

15 **WAGE STATEMENT VIOLATIONS**

16 **Violation of Labor Code § 226**

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

18 60. This cause of action is brought by a wage statement subclass pursuant to Labor Code
19 § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each
20 pay period, and which further provide a private right of action for an employer's failure to comply
21 with this obligation.

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

26 62. Defendants' unlawful acts and omissions deprived Plaintiffs and class members of
27 accurate itemized wage statements, causing confusion and concealing wage and premium
28 underpayments.

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

EIGHTH CAUSE OF ACTION

WAITING TIME PENALTIES

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

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

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

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

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

NINTH CAUSE OF ACTION

FAILURE TO REIMBURSE BUSINESS EXPENSES

Violation of Labor Code § 2802

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

69. Defendants willfully failed in their affirmative obligation to reimburse Plaintiffs 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.

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

6 **TENTH CAUSE OF ACTION**

7 **UNFAIR COMPETITION**

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

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

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

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

19 74. Plaintiffs are a victim of Defendants' unfair and/or unlawful conduct alleged in this
20 Complaint, and Plaintiffs, as an individual and on behalf of others similarly situated, seeks full
21 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,
22 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

23 75. Plaintiffs do not have an adequate remedy at law for past or future violations, to the
24 extent the statute of limitations on each of the alleged causes of action do not extend to the four year
25 limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order
26 violations do not provide a private right of action.

27 76. Plaintiffs and class members are entitled to injunctive relief against Defendants,
28 restitution, and other equitable relief to return all funds over which Plaintiffs and class members have

1 an ownership interest and to prevent future damage and the public interest under Business and
2 Professions Code § 17200 *et seq.* Plaintiffs and class members are further entitled to recover interest,
3 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
4 § 1021.5.

5 **ELEVENTH CAUSE OF ACTION**

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

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

8 **(By Plaintiffs on Behalf of the State and the Aggrieved Employees Against All Defendants)**

9 77. All outside paragraphs of this Complaint are incorporated into this section.

10 78. Plaintiffs bring this cause of action as a proxy for the State of California on behalf of
11 the following “aggrieved employees” pursuant to the Private Attorneys General Act (“PAGA”),
12 codified as Labor Code section 2698 *et seq.*:

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

16 79. Plaintiffs reserve the right to amend, supplement, or add to this description of the
17 aggrieved employees, according to proof.

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

22 81. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
23 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
24 and Workforce Development Agency or any of its departments, divisions, commissions, boards,
25 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil
26 action brought by an aggrieved employee on behalf of the employee and other current or former
27 employees against whom a violation of the same provision was committed pursuant to the procedures
28 specified in Section 2699.3. “

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

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

6 84. On or about June 12, 2026, Plaintiffs paid the requisite PAGA filing fee and provided
7 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
8 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
9 violations.

10 85. A true and correct copy of Plaintiffs’ written PAGA notice, entitled “Notice of Labor
11 Code Violations” is attached hereto as Exhibit 1 and incorporated by reference as though fully set
12 forth herein (the “PAGA notice”).

13 86. To date, neither Plaintiffs nor Plaintiffs’ counsel has received a response to Plaintiffs’
14 written PAGA notice from the LWDA.

15 87. Within 33 calendar days of the postmark date of the notice sent by Plaintiffs, neither
16 Plaintiffs nor Plaintiffs’ counsel have received written notice by certified mail from any defendant
17 providing a description of any actions taken to cure the alleged violations.

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

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

25 a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,
26 1197, 1198; IWC Wage Orders.

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

- c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- d. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- e. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- i. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- j. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

90. Plaintiffs seek 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

Plaintiffs pray for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiffs as the class representatives;
- c. For appointment of above-captioned counsel for Plaintiffs 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;

- 1 h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by
2 law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and
3 Code of Civil Procedure § 1021.5.
- 4 i. For recovery of damages in amount according to proof;
- 5 j. For all recoverable pre- and post-judgment interest;
- 6 k. For this action to be maintained as a representative action under the PAGA;
- 7 l. For Plaintiffs and counsel of record to be provided with all enforcement capability as
8 if the action were brought by the State of California or the California Division of Labor
9 Enforcement;
- 10 m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- 11 n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
12 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
13 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
- 14 o. For such other relief the Court deems just and proper.

15
16 Dated: August 20, 2026

Ferraro Vega Employment Lawyers, Inc.

17
18 

19 Rick Waltman

Ricardo De Leon

Nicholas J. Ferraro

*Attorneys for Plaintiffs Megan Acevedo
and Kara Douglas*

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

June 12, 2026

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

VIA CERTIFIED U.S. MAIL

- *Electronic Return Receipt* -

Rady Children's Hospital San Diego
3020 Children's Way MC 5052
San Diego, CA 92123

- *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 **MEGAN ACEVEDO** and **KARA DOUGLAS** ("Plaintiffs") and all other "aggrieved employees" of the following "Defendant(s)":

RADY CHILDREN'S HOSPITAL SAN DIEGO

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, Plaintiffs intend 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. 73, 79. Plaintiffs maintain standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiffs request 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. Plaintiffs attempt 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(k). 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. Plaintiffs advise Defendants this letter should be also considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal. 4th 553, 561.

- BACKGROUND -

Defendants have employed Plaintiff Megan Acevedo ("Acevedo") during the PAGA Period in the position of MRI Technologist from August 2022 to present, and employed Plaintiff Kara Douglas ("Douglas") from 2022 through December 2025. During their employment Plaintiffs and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

All current and former non-exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the "aggrieved employees" and the "PAGA Period").

Plaintiffs reserve the right to expand or narrow the definition of the "aggrieved employees" in the forthcoming civil action. Furthermore, Plaintiffs seek 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 Plaintiffs and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Plaintiffs and the aggrieved employees were required to work through their meal periods frequently. Plaintiffs’ duties include(d) administering a constant stream of patients throughout their shift, including reading patient charts, conferring with nurses, physicians and other staff regarding incoming and outgoing patient scans, administering MRI scans, and preparing equipment for the same, among other departmental communications and duties. These duties for the heavy flow of patients, combined with insufficient staffing to properly allow employees to cover for breaks, resulted in frequent interrupted meal breaks that resulted in unpaid time while Plaintiffs and others were clocked out. Although Plaintiffs and the aggrieved employees clocked out for their meal periods, they often were required to eat lunch at their work stations while still working. However, they were directed to clock out for exactly 30 minutes regardless of whether they were performing any duties during this time. This resulted in Plaintiffs and the aggrieved employees working uncompensated through their meal periods due to the demands of the job.

Plaintiffs and aggrieved employees also received work-related calls and text messages from managers and other employees on their days off. Such communications pertained to questions about patients, logs, examinations, equipment issues, and staff coverage. Plaintiffs and aggrieved employees were not compensated for this time.

As a result, Plaintiffs 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 Plaintiffs and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages.

As stated in the “Unpaid Hours Worked” section above, Defendants engaged in an unlawful policy and practice of requiring off-the-clock work. To the extent that these unlawful practices resulted in unpaid hours worked over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

As a result, Plaintiffs 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 24 hours of paid sick leave to employees or to allow employees to

accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees.

Defendants failed to provide Plaintiffs and the aggrieved employees with all sick leave accrued due to Defendants’ unlawful policy and practice of requiring off-the-clock work. Therefore, Plaintiffs and the aggrieved employees were underpaid sick pay whenever Defendants required them to complete work off-the-clock.

As a result, Plaintiffs 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.

Plaintiffs and the aggrieved employees were often not provided with compliant first and second meal periods in compliance with California law without being paid the corresponding meal period premium at their regular rate of pay as required by law. For example, on March 17, and 18, 2026 Plaintiff Acevedo was forced to take her first meal break late, and received no second meal breaks despite working over 10 hours¹ as shown in the time records below:

b - 247	Tue 03/17/2026	06:27		~~~~~	10034301010
[	Tue 03/17/2026	06:30	10.00	SCHED	10034301010
[	Tue 03/17/2026	12:15		~~~~~	10034301010
[	Tue 03/17/2026	12:45		~~~~~	10034301010
b - 247	Tue 03/17/2026	17:02		~~~~~	10034301010
b - 247	Wed 03/18/2026	06:27		~~~~~	10034301010
[	Wed 03/18/2026	06:30	10.00	SCHED	10034301010
@	Wed 03/18/2026	12:42		~~~~~	10034301010
[	Wed 03/18/2026	13:12		~~~~~	10034301010
b - 247	Wed 03/18/2026	17:02		~~~~~	10034301010
b - 247	Thu 03/19/2026	06:26		~~~~~	10034301010
[	Thu 03/19/2026	06:30	10.00	SCHED	10034301010
[	Thu 03/19/2026	12:01		~~~~~	10034301010
@	Thu 03/19/2026	12:31		~~~~~	10034301010

However, Plaintiff Acevedo was not paid for the required meal period premiums during that pay period, as shown in the April 3, 2026 pay stub covering the dates of 3/15/2026 through 3/28/2026:

¹ The time scheduled by Defendant for these shifts was only 10 hours, but the sum of time logged for each of these shifts by Plaintiff Acevedo is in fact greater than 10 hours for these and other shifts.

Rady Children's Hospital-San Diego
3020 Children's Way
San Diego, CA 92123

Pay Group: STF-Staff
Pay Begin Date: 03/15/2026
Pay End Date: 03/28/2026

Megan Elizabeth Acevedo
11904 Paseo Lucido Unit 145
San Diego, CA 92128

Employee ID: 316729
Department: 3430-Magnetic Resonance Imaging
Location: Nelson-Hahn Pavilion
Job Title: MRI Tech
Pay Rate: \$56.150000 Hourly

HOURS AND EARNINGS					
Description	Rate	Current		YTD	
		Hours	Earnings	Hours	Earnings
Overtime**	86.567267	7.70	666.57	94.20	8,282.16
Regular**	56.150000	64.55	3,624.48	417.14	23,357.94
Standby	9.000000	20.95	188.55	357.52	3,217.68
Cost of Shift Premium 1.5**	84.225000	0.57	48.01	2.22	183.57
Differential OT Wknd	2.250000	1.58	3.56	16.97	38.21
Overtime**	84.702351	6.78	574.28		0.00
Differential Regular Wknd	2.250000	8.00	18.00	83.85	188.66
Sick Leave	56.700000	1.00	56.70	31.00	1,904.20
Differential Doubletime Wknd			0.00	1.33	2.99
Doubletime**			0.00	2.75	315.82
Premium - Holiday			0.00	20.53	576.38
Premium - Meal			0.00	2.00	115.68
Paid Leave			0.00	39.50	2,196.20

Moreover, liability extends beyond just the non-compliance shown on the time records. As mentioned in the “Unpaid Hours Worked” section above, Plaintiffs and the aggrieved employees routinely experienced interrupted and non-compliant meal periods to keep up with the high demands of the job. To stay caught up with the constant flow of patients without proper coverage for Plaintiffs and other aggrieved employees to take their proper meal breaks, Plaintiffs and aggrieved employees would work through meal periods, and regularly eat their meals at their workstations. Although Plaintiffs and the aggrieved employees clocked out for their meal periods, they often were required to eat lunch at their desks while still working. This resulted in Plaintiffs and the aggrieved employees working through their meal periods due to the demands of the job.

Plaintiffs and other aggrieved employees reported to management regarding their inability to take breaks due to the constant work demands with insufficient staffing to take proper breaks. However, management did not make the necessary scheduling adjustments to assure all employees had sufficient coverage to take breaks, or ensure that all owed premiums were paid for late, untaken, or interrupted breaks.

Each time Plaintiffs and the aggrieved employees experienced a noncompliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiffs and the aggrieved employees were not provided meal period premiums in lieu of missed meal periods as required by Labor Code section 226.7.

As a result, Plaintiffs 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 Plaintiffs 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.

As a matter of common policy and practice, Defendants failed to provide all rest periods to which Plaintiffs and the aggrieved employees were entitled.

As mentioned above in the "Unpaid Meal Period Premium Wages," due to the nature of Plaintiffs and the aggrieved employees' work they regularly missed rest periods. Plaintiffs and the aggrieved employees were inhibited from stepping away from their work stations due to their large patient loads and Defendants' policy and practice of not providing sufficient staffing to cover that patient load. Thus, to keep up with Defendant's demands, Plaintiffs and the aggrieved employees were unable to take rest periods in violation of Labor Codes 226.7 and 516.

Further, when Plaintiffs and other aggrieved employees experienced these missed and interrupted rest periods, Defendants failed to pay rest period premiums at the regular rate as required by Labor Code section 226.7.

As a result, Plaintiffs 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 Plaintiffs 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.

As explained above, Defendants failed to pay Plaintiffs and the aggrieved employees all wages owed for regular, overtime, and meal and rest period premiums. Therefore, Defendants failed to pay all wages owed no later than seven (7) calendar days following the close of the payroll period in violation of Labor Code section 204(a).

As a result, Plaintiffs 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.

Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees’ “total hours worked,” as the wage statements did not accurately include the uncompensated time Plaintiffs and other aggrieved employees worked due to Defendants’ policy and practice of requiring off-the-clock work.

Plaintiffs 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 Plaintiffs 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 concealed the underlying problems and underpayments of employee wages.

As a result, Plaintiffs 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**

Defendants violated Labor Code sections 201, 202 and 203 requiring timely payment of all wages upon separation and waiting time penalties in lieu thereof with respect to 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.

Because Defendants failed to pay all wages owed to Plaintiff Douglas and the aggrieved employees during their employment and failed to properly pay regular and overtime wages at the lawful respective rates, Defendants failed to timely pay all wages owed upon separation of employment in violation of Labor Code sections 201, 202 and 203.

As a result, Plaintiffs 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 Plaintiffs 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, Plaintiffs 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 Plaintiffs and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiffs and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, and costs as a matter of policy and practice.

Defendants required Plaintiffs and other aggrieved employees to use their personal cell phones for work-related purposes, including responding to manager and coworker communications regarding questions about patients, logs, examinations, equipment issues, and staff coverage. Sometimes managers and coworkers would text or call on Plaintiffs’ and other employees’ days off. Defendants knew or should have known that Plaintiffs incurred expenses related to this required use because their managers were often communicating with employees on their cell phones. Despite this, Defendants failed to reimburse Plaintiffs and aggrieved employees for the use of their personal cell phones.

As a result, Plaintiffs 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(g)

Plaintiffs have been compelled to retain the services of counsel to protect the interests of other aggrieved employees and the State of California. Plaintiffs continues to incur attorneys’ fees and costs, which are recoverable under California law, including Labor Code section 2699(g).

- 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 Plaintiffs 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 electronical 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, Plaintiffs intend 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 Plaintiffs' counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Waltman", with a long horizontal flourish extending to the right.

Rick Waltman

Cc: Plaintiff Megan Acevedo
Plaintiff Kara Douglas
Counsel for Defendant Rady:
marilyn.moriarty@lewisbrisbois.com;
Ashley.Kreider@lewisbrisbois.com;
Amanda.Wintz@lewisbrisbois.com