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

LOUIE VALBUENA, on behalf of others
similarly situated and the State of California
under the Private Attorneys General Act,

Plaintiffs,

vs.

ISS ACTION, INC., a New York corporation;
and DOES 1 through 50, inclusive,

Defendants.

Case No. 26CU033528C

Hon. Terrie E. Roberts
Dept. 68

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

1. Failure to Pay All Wages Owed
2. Unlawful Wage Deductions
3. Failure to Pay All Overtime Wages
4. Meal Period Violations
5. Rest Period Violations
6. Paid Sick Leave Violations
7. Untimely Payment of Wages
8. Wage Statement Violations
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: June 22, 2026

1 Plaintiff LOUIE VALBUENA, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this FIRST AMENDED
3 CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants ISS ACTION, INC.
4 and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

6 1. Plaintiff Louie Valbuena brings this class action on behalf of himself and all other
7 similarly situated current and former employees of Defendants for a series of systemic violations of
8 the California Labor Code and IWC Wage Orders.

9 2. Defendants failed to pay Plaintiff and the putative class members at the lawful
10 minimum wage rate for all hours worked, resulting in unpaid minimum wages.

11 3. Defendants maintained an unlawful policy and practice of making unauthorized wage
12 deductions from Plaintiff and the putative class members.

13 4. Defendants failed to pay Plaintiff and the putative class members overtime wages and
14 the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages.

15 5. Defendants failed to comply with California’s paid sick leave laws with respect to the
16 putative class members.

17 6. Plaintiff and the putative class members were not always given adequate opportunity
18 to take compliant meal and rest breaks, yet Defendant failed to pay Plaintiff and the putative class
19 members for meal or rest period premiums.

20 7. Defendants required Plaintiff and the putative class members to incur costs for work-
21 related purposes without full reimbursement.

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

24 9. Plaintiff seeks to recover the unpaid damages, plus associated penalties, interests,
25 attorneys’ fees and costs.

26 **JURISDICTION & VENUE**

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

manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their true names and capacities once ascertained.

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

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

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

CLASS ALLEGATIONS

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

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

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

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

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

1 payroll records.

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

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

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

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

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

27 **GENERAL ALLEGATIONS**

28 25. Defendants failed to pay Plaintiff and the putative class members at the lawful

1 minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically,
2 Defendants engaged in a pattern and practice of shaving/rounding employees' time in such a manner
3 that failed to accurately compensate Plaintiff and the putative class members for all time worked.

4 26. Plaintiff's experiences can clearly demonstrate this pattern and practice. For example,
5 Plaintiff and the putative class members were instructed not to incur any double time during their
6 shifts, and to clock out strictly at the twelve-hour mark in their shifts. However, Defendants scheduled
7 a mere 15-minute overlap between the shifts, during which the previous shift of detention officers was
8 expected to fully brief the new shift of officers on inmate status and any relevant information for the
9 detention officers.

10 27. On some occasions, Plaintiff was unable to timely clock out prior to incurring
11 doubletime wages. When this happened, Plaintiff feared retribution from Defendants, and permitted
12 the rounding down of his time to comply with Defendants' policies.

13 28. Defendants maintained an unlawful policy and practice of making unauthorized wage
14 deductions from Plaintiff and the putative class members. Specifically, Defendants systematically
15 deducted amounts from employees' paychecks for insurance and other benefits, even when those
16 benefits were not actually provided.

17 29. On or around January 1, 2026, Defendants terminated Plaintiff's health insurance
18 coverage. Despite this termination, Defendants failed to cease the automatic payroll deductions,
19 continuing to withhold wages from Plaintiff each pay period for insurance benefits he was no longer
20 receiving. Upon information and belief, Plaintiff's experience mirrors that of other putative class
21 members who continued to suffer automatic wage deductions after their benefits were canceled.

22 30. Defendants failed to pay Plaintiff and the putative class members overtime wages and
23 the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically,
24 Defendants failed to include all hours worked by the Plaintiff and the putative class members when
25 determining whether or not the Plaintiff and the putative class members should be compensated at
26 their base rate of pay or at an overtime or doubletime premium rate.

27 31. Additionally, Defendants failed to include all wages earned by the Plaintiff and the
28 putative class members when calculating the regular rate of pay for overtime and double time purposes.

1 32. As described above, Defendants failed to accurately record and pay for all hours
2 worked by the Plaintiff and the putative class members. To the extent that such hours worked resulted
3 in Plaintiff working more than eight hours in a day, twelve hours in a day, or forty hours in a week,
4 such hours should have been compensated at either overtime or doubletime rates of pay. Due to
5 Defendants' failure to pay for these hours at the applicable rates of pay, Plaintiff and the putative class
6 members are entitled to penalties for each underpayment.

7 33. Additionally, Defendants failed to include Plaintiff's health and welfare payments into
8 his regular rate of pay. For example, during the pay period from December 8, 2025 to December 21,
9 2025, Plaintiff earned payments under both the "M38" pay code and the "MEDI" pay code from the
10 Defendants and worked overtime. However, Defendants failed to include these amounts in the regular
11 rate of pay when calculating Plaintiff's overtime rate, instead compensating the Plaintiff at one-and-
12 one-half times his base rate of pay.

13 34. Defendants failed to comply with California's paid sick leave laws with respect to the
14 putative class members. As described previously, Defendants failed to track all hours worked by
15 Plaintiff and the putative class members, resulting in the failure to provide Plaintiff and the putative
16 class members all paid sick leave hours they should have accrued. Additionally, Defendants failed to
17 pay Plaintiff and the putative class members their paid sick leave at the proper rate based on the
18 permissible methods outlined in Labor Code section 246.

19 35. Plaintiff's experiences are consistent with those of the putative class members as a
20 whole. For example, during the pay period covering March 30, 2026, and April 12, 2026, Plaintiff
21 earned payments under the "M38" code and the "MEDI" code. However, when Plaintiff took paid sick
22 leave in this same period, it was paid at his base rate of pay, despite the fact that any permissible
23 method of determining the rate of pay for Plaintiff's paid sick leave required incorporating these
24 amounts.

25 36. Defendants engaged in a pattern and practice of denying Plaintiff and the putative class
26 members their legally mandated meal periods. Specifically, Defendants failed to track the meal periods
27 of Plaintiff and the putative class members throughout the class, resulting in a presumption that every
28 meal period was missed, short, late, or interrupted. Further, if Defendants had tracked the meal periods

1 for Plaintiff and the putative class members, it would have been clear that Plaintiff and the putative
2 class members were not being provided with compliant meal periods, and that the vast majority of
3 those breaks were either missed entirely, shorter than thirty minutes, provided after the fifth hour of
4 work, or interrupted by work assignments.

5 37. In Plaintiff's timesheet covering October 27, 2025 through November 9, 2025, Plaintiff
6 worked overnight shifts (noted by his start on one day at 21:45 (9:45 PM) and working through
7 midnight until 5:00 or 6:00 AM the next day) over eight hours in length. Despite this, there is no record
8 that Plaintiff recorded a compliant meal period at any point during this wage statement. Instead,
9 Plaintiff's records reflect eight straight hours of work without relief, supporting the presumption that
10 no meal periods were provided to Plaintiff and the putative class members throughout the class period.

11 38. Further, throughout his employment with the Defendants, Plaintiff recalls that there
12 was no official relief provided for meal periods. Plaintiff and the putative class members were expected
13 not to take breaks in general, and were not provided with rest from their labor. As a result of this
14 failure to provide official relief, the failure to track meal periods, and the sensitive nature of Plaintiff's
15 work as a detention officer (requiring Plaintiff to watch detainees and inmates at all times), Plaintiff
16 was rarely, if ever, able to take a compliant meal period. Despite this, Defendants failed to pay Plaintiff
17 any premium pay for missed, late, short, or interrupted meal periods.

18 39. Defendants engaged in a pattern and practice of denying Plaintiff and the putative class
19 members their legally mandated rest periods. Specifically, Defendants failed to authorize and permit
20 Plaintiff and the putative class members to take compliant rest breaks. Plaintiff and the putative class
21 members frequently missed their rest periods entirely, were shorter than ten minutes, provided late, or
22 interrupted by work assignments.

23 40. Throughout his employment with Defendants, Plaintiff received no official relief or
24 coverage for his rest periods. Due to this lack of relief and the sensitive nature of his work as a
25 detention officer—which required him to monitor detainees and inmates at all times—Plaintiff was
26 rarely, if ever, able to take a compliant rest period. Despite these violations, Defendants failed to pay
27 Plaintiff the required premium wages for his missed, late, short, or interrupted rest periods.

28 41. 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 complaint.

42. As described above, Defendants failed to track all hours worked by Plaintiff and the putative class members, resulting in a failure to pay all regular wages owed. Additionally, Defendants failed to pay all earned overtime and double-time wages, both because they failed to track all hours worked, and because they failed to calculate these overtime premiums using the lawful regular rate of pay. Finally, Defendants failed to pay the requisite premium wages for all missed, short, late, or interrupted meal and rest periods.

43. Because Plaintiff and the putative class members earned wages and premiums that went unpaid, the amounts recorded on their wage statements were systematically understated. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to accurately state the applicable hourly rates in effect and the corresponding number of hours worked at those rates. As described above, these wage statements were fundamentally inaccurate because they omitted all earned regular wages, premium wages for overtime and double time, premium pay for missed meal and rest periods, and properly calculated paid sick leave.

44. Plaintiff and other putative class members 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 putative class members 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.

45. Defendants required Plaintiff and the putative class members to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the putative class members unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice.

46. Throughout his employment, Defendants routinely required Plaintiff to use his personal vehicle to travel between job sites for work purposes. However, despite mandating this travel,

Defendants never reimbursed Plaintiff for the business mileage he incurred while carrying out his job duties and following their directions.

47. Because of the policies and practices set forth, 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.

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

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL WAGES OWED

Violation of Labor Code §§ 200, 218, 1194, 1194.2, 1197, and 1198

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

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

50. 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."

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

Code § 1194.2.

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

SECOND CAUSE OF ACTION

UNLAWFUL WAGE DEDUCTIONS

Violation of Labor Code §§ 221 through 225

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

54. Labor Code section 221 renders it "unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee."

55. Labor Code section 222 renders it illegal to unlawfully withhold any part of wages agreed upon from the employee.

56. Labor Code section 222.5 renders it unlawful to deduct from employee compensation, or require employee payment, for pre-employment medical or physical examination taken as a condition of employment.

57. Labor Code section 223 states "[w]here any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract."

58. As described above, Defendants maintained an unlawful policy and practice of deducting wages and earnings from Plaintiff and other class members by deducting wages rightfully owed to the class for insurance and other benefits, even when those benefits were not actually provided.

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1 **THIRDCAUSE OF ACTION**

2 **FAILURE TO PAY ALL OVERTIME WAGES**

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

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

5 60. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
6 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
7 wages all overtime hours worked, and which further provide a private right of action for an employer's
8 failure to pay all overtime compensation for overtime hours worked.

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

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

19 **FOURTH CAUSE OF ACTION**

20 **MEAL PERIOD VIOLATIONS**

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

22 63. All outside paragraphs of this Complaint are incorporated into this section.

23 64. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
24 §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or
25 meal period premiums in lieu thereof), and which further provide a private right of action for an
26 employer's failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful
27 regular rate of compensation.

28 65. Defendants willfully failed in their affirmative obligation to consistently provide

1 Plaintiff and class members compliant, duty-free meal periods of not less than 30 minutes beginning
2 before the fifth hour of hour for each work period of more than five hours per day and a second duty-
3 free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in
4 violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the “Meal Periods”
5 sections of the applicable orders).

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

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

14 **FIFTH CAUSE OF ACTION**

15 **REST PERIOD VIOLATIONS**

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

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

18 69. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
19 §§ 226.7 and 516, which require non-exempt employees be authorized to take complaint rest periods
20 (or rest period premiums in lieu thereof), and which further provide a private right of action for an
21 employer’s failure to lawfully provide all rest periods and/or pay rest period premiums at the lawful
22 regular rate of compensation.

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

28 71. Further, Defendants willfully failed in their affirmative obligation to consistently pay

1 Plaintiff and class members one additional hour of pay at the respective regular rate of compensation
2 for each workday that a fully compliant rest period was not provided, in violation of Labor Code
3 sections 226.7, 516, 558, and 1198 and the IWC Wage Orders.

4 **SIXTH CAUSE OF ACTION**

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

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

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

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

14 74. Labor Code section 246(l), in conjunction with Labor Code section 248 *et seq.*, 248.1,
15 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class
16 members, govern how Defendants were required to calculate paid sick leave.

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

19 **SEVENTH CAUSE OF ACTION**

20 **UNTIMELY PAYMENT OF WAGES**

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

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

23 77. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
24 §§ 204, 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay
25 period, and which further provide a private right of action for an employer’s failure to comply with
26 this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due
27 under these sections, including Labor Code § 210(c)’s statutory late payment penalties.

28 78. Defendants willfully failed in their affirmative obligation to timely pay all wages,

1 including paid sick leave and meal and rest premiums, earned by Plaintiff and class members twice
2 during each calendar month on days designated in advance by the employer as regular paydays (for
3 employees paid on a non-weekly basis) and on the regularly-scheduled weekly payday for weekly
4 employees, if any, in violation of Labor Code sections 204 and 204b and the IWC Wage Orders (the
5 “Minimum Wages” sections of the applicable orders).

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

11 **EIGHTH CAUSE OF ACTION**

12 **WAGE STATEMENT VIOLATIONS**

13 **Violation of Labor Code § 226**

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

15 81. This cause of action is brought by a wage statement subclass pursuant to Labor Code
16 § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each
17 pay period, and which further provide a private right of action for an employer’s failure to comply
18 with this obligation.

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

23 83. Defendants’ unlawful acts and omissions deprived Plaintiff and class members of
24 accurate itemized wage statements, causing confusion and concealing wage and premium
25 underpayments.

26 84. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
27 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
28 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in

1 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
2 Code section 226(e).

3 **NINTH CAUSE OF ACTION**

4 **FAILURE TO REIMBURSE BUSINESS EXPENSES**

5 **Violation of Labor Code § 2802**

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

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

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

15 **TENTH CAUSE OF ACTION**

16 **UNFAIR COMPETITION**

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

18 88. All outside paragraphs of this Complaint are incorporated into this section.

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

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

28 91. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this

1 Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full
2 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,
3 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

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

8 93. Plaintiff and class members are entitled to injunctive relief against Defendants,
9 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
10 an ownership interest and to prevent future damage and the public interest under Business and
11 Professions Code § 17200 et seq. Plaintiff and class members are further entitled to recover interest,
12 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
13 § 1021.5.

14 **ELEVENTH CAUSE OF ACTION**

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

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

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

18 94. All outside paragraphs of this Complaint are incorporated into this section.

19 95. Plaintiff brings this cause of action as a proxy for the State of California on behalf of
20 the following "aggrieved employees" pursuant to the Private Attorneys General Act ("PAGA"),
21 codified as Labor Code section 2698 et seq.:

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

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

27 97. The State of California, via the Labor and Workforce Development Agency
28 ("LWDA"), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*

1 *Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
2 files suit is always the real party in interest.”])

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

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

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

15 101. On or about **June 2, 2026**, Plaintiff paid the requisite PAGA filing fee and provided
16 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
17 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
18 violations.

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

22 103. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
23 written PAGA notice from the LWDA.

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

27 105. Now that at least 65 days have passed from Plaintiff notifying Defendants of these
28 violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate

the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

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

- a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.
- b. ***Unlawful Wage Deductions.*** Violation of Labor Code §§ 221 through 225.
- c. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- d. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- e. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- f. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- g. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- 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 Provide Employee Records.*** Violation of Labor Code §§ 226, 432, 1174, 1198.5; IWC Wage Orders.
- k. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

107. 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).

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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

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

2 Dated: August 12, 2026

Ferraro Vega Employment Lawyers, Inc.

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4 

5 Nicholas J. Ferraro

6 Lauren N. Vega

7 Troy Strange

8 *Attorneys for Plaintiff Louie Valbuena*

EXHIBIT 1
Notice of Labor Code Violations

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FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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619-350-6855 fax
ferrarovega.com

June 2, 2026

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

VIA CERTIFIED U.S. MAIL

- *Electronic Return Receipt* -

ISS Action, Inc., a New York Corporation
% Clark Gross,
2029 Century Park East, Suite 400-N
Los Angeles, CA 90067

- *PAGA Notice & Filing Fee* -

Submitted electronically to the Labor and
Workforce Development Agency

ISS Action, Inc., a New York Corporation
204 E McKenzie St., Unit E6
Punta Gorda, FL 33950-6068

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **Louie Valbuena** (“Plaintiff(s)”) and all other “covered employees” of the following “Defendant(s)”:

ISS Action, Inc., a New York Corporation

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

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy

and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Detention Officer from about March 20, 2023 to the present. During their employment Plaintiff and the other covered (i.e., aggrieved) employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS -

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 covered 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 covered employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants engaged in a pattern and practice of rounding employees' time in such a manner that failed to accurately compensate Plaintiff and the covered employees for all time worked.

Plaintiff's experiences can clearly demonstrate this pattern and practice. For example, Plaintiff and the covered employees were instructed not to incur any double time during their shifts, and to clock out strictly at the twelve-hour mark in their shifts. However, Defendants scheduled a mere 15-minute overlap between the shifts, during which the previous shift of detention officers was expected to fully brief the new shift of officers on inmate status and any relevant information for the detention officers. On some occasions, Plaintiff was unable to timely clock out prior to incurring doubletime wages. When this happened, Plaintiff feared retribution from Defendants, and permitted the rounding of his time down to comply with Defendants' policies.

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

Unlawful Wage Deductions
Violation of Labor Code §§ 221 through 225

Defendants violated Labor Code sections 221 through 225 with respect to the covered employees.

Labor Code section 221 renders it “unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.” Labor Code section 222 renders it illegal to unlawfully withhold any part of wages agreed upon from the employee. Labor Code section 222.5 renders it unlawful to deduct from employee compensation, or require employee payment, for pre-employment medical or physical examination taken as a condition of employment. Labor Code section 223 states “[w]here any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract.”

Defendants maintained an unlawful policy and practice of making unauthorized wage deductions from Plaintiff and the covered employees. Specifically, Defendants systematically deducted amounts from employees' paychecks for insurance and other benefits, even when those benefits were not actually provided.

Plaintiff's experience exemplifies this unlawful practice. On or around January 1, 2026, Defendants terminated Plaintiff's health insurance coverage. Despite this termination, Defendants failed to cease the automatic payroll deductions, continuing to withhold wages from Plaintiff each pay period for insurance benefits he was no longer receiving. Upon information and belief, Plaintiff's experience mirrors that of other covered employees who continued to suffer automatic wage deductions after their benefits were canceled.

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

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

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

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

Defendants failed to pay Plaintiff and the covered employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically, Defendants failed to include all hours worked by the Plaintiff and the covered employees when determining whether or not the Plaintiff and the covered employees should be compensated at their base rate of pay or at an overtime or double-time premium rate. Additionally, Defendants failed to include all wages earned by the Plaintiff and the covered employees when calculating the regular rate of pay for overtime purposes.

Plaintiff’s experiences are a prime example of these practices. As described above, Defendants failed to accurately record and pay for all hours worked by the Plaintiff and the covered employees. To the extent that such hours worked resulted in Plaintiff working more than eight hours in a day, twelve hours in a day, or forty hours in a week, such hours should have been compensated at either overtime or doubletime rates of pay. Due to Defendants’ failure to pay for these hours at the applicable rates of pay, Plaintiff and the covered employees are entitled to penalties for each underpayment.

Additionally, Defendants failed to include Plaintiff’s health and welfare payments into his regular rate of pay. For example, during the paper period from December 8, 2025 to December 21, 2025, Plaintiff earned payments under both the “M38” pay code and the “MEDI” pay code from the Defendants and worked overtime. However, Defendants failed to include these amounts in the regular rate of pay when calculating Plaintiff’s overtime rate, instead compensating the Plaintiff at one-and-one-half times his base rate of pay.

#2314 - Louie M. Valbuena				Voucher #(138992)		Pay Date: 12/24/2025	
San Diego Se/Operations/Transport Off/CHU Sta						Pay Period: 12/08/2025-12/21/2025	
Earnings						Company Paid Benefits	
	Rate	Hours	YTD	Current	YTD	Current	YTD
HOL			80.00		3,079.20		42.00
HW			44.75		1,722.42	85.72	4,231.37
M38					6,670.72	20.04	989.59
M38				203.60	396.32		7.00
Medi				313.79	8,158.54		329.00
OT	57.74	1.25	68.50	72.17	3,954.89		
REG	38.49	40.00	1574.50	1,539.60	60,602.52		
SIC			40.00		1,539.60		
VAC			80.00		3,079.20		
Gross Pay				1,611.77	73,977.83		
Deductions							
				Current	YTD		
DEN				23.20	580.00		
LTD				45.26	1,131.50		
MED H&W				198.75	4,968.75		
VIS				7.25	181.25		
Total				274.46	6,861.50		
Taxes Withheld							
	Taxable	Taxable YTD		Current	YTD		
FIT	1,382.57	68,247.83		22.87	4,283.30		
FICA	1,382.57	68,247.83		85.72	4,231.37		
MEDI	1,382.57	68,247.83		20.04	989.59		
SIT:CA	1,382.57	68,247.83		25.33	2,914.30		
SDI:CA	1,382.57	68,247.83		16.59	818.97		
Total				170.55	13,237.53		
Net Pay				1,166.76	53,878.80		
San Diego County Credit Unio				1,166.76	53,878.80		
Timesheet							
	Time Off	In	Out	Total			
Wed, 12/10/2025	Workmans Compens			0.01			
Thu, 12/11/2025	Workmans Compens			0.01			
Fri, 12/12/2025	Workmans Compens			0.01			
Sat, 12/13/2025	Workmans Compens			0.01			
Sun, 12/14/2025	Workmans Compens			0.01			
Wed, 12/17/2025		05:45	14:00	8.25			
Thu, 12/18/2025		05:45	14:00	8.25			
Fri, 12/19/2025		05:45	14:00	8.25			
Sat, 12/20/2025		05:45	14:00	8.25			
Sun, 12/21/2025		05:45	14:00	8.25			
Accruals							
		Taken	Bal.	Sch.			
COVID-19	Hrs: 0.00	0.00	0.00				
Sick	Hrs: 40.00	4.14	0.00				
Vacation	Hrs: 80.00	0.00	0.00				
Vacation Accrued	Hrs: 0.00	52.96	0.00				
Vacation Cash Out- Seniority	Hrs: 0.00	0.00	0.00				
Information & Announcements							
"Just one small positive thought in the morning can change your whole day," Happy Holidays!!							

As a result of these unlawful practices, Plaintiff and the covered employees were denied full payment for all overtime hours worked. Consequently, Plaintiff is entitled to recover civil penalties on behalf of the State of California and all covered employees, up to the maximum amount permitted under the Labor Code.

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

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

Labor Code section 246 requires employers to provide paid sick leave to their 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 allowing employees to accrue paid sick leave each pay period. If an employer chooses the accrual method,

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

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the covered employees. As described previously, Defendants failed to track all hours worked by Plaintiff and the covered employees, resulting in the failure to provide Plaintiff and the covered employees all paid sick leave hours they should have accrued. Additionally, Defendants failed to pay Plaintiff and the covered employees their paid sick leave at the proper rate based on the permissible methods outlined in Labor Code section 246.

Plaintiff’s experiences are consistent with those of the covered employees as a whole. For example, during the pay period covering March 30, 2026, and April 12, 2026, Plaintiff earned payments under the “M38” code and the “MEDI” code. However, when Plaintiff took paid sick leave in this same period, it was paid at his base rate of pay, despite the fact that any permissible method of determining the rate of pay for Plaintiff’s paid sick leave required incorporating these amounts.

Earnings					
	Rate	Hours	YTD	Current	YTD
HOL			32.00		1,231.68
HW			16.00		615.84
M38				96.61	2,132.61
Medi				310.59	1,863.54
OT	57.74	2.25	22.25	129.91	1,284.62
REG	38.49	72.00	440.00	2,771.28	16,935.60
SIC	38.49	1.75	17.75	67.36	683.20
VAC	38.49	6.25	6.25	240.56	240.56
OB	19.25	1.25	19.25	24.06	370.50
Gross Pay				3,209.11	20,991.50

As a result of this practice, both Plaintiff and the covered employees were denied all paid sick leave hours earned and all wages owed for paid sick leave. Therefore, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

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

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

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

Defendants engaged in a pattern and practice of denying Plaintiff and the covered employees their legally mandated meal periods. Specifically, Defendants failed to track the meal periods of Plaintiff and the covered employees throughout the class, resulting in a presumption that every meal period was missed, short, late, or interrupted. Further, if Defendants had tracked the meal periods for Plaintiff and the covered employees, it would have been clear that Plaintiff and the covered employees were not being provided with compliant meal periods,

and that the vast majority of those breaks were either missed entirely, shorter than thirty minutes, provided after the fifth hour of work, or interrupted by work assignments.

Plaintiff's experiences mirror those of the covered employees as a whole. As a preliminary matter, Defendants failed to track Plaintiff's meal periods throughout the PAGA period. An example of Plaintiff's timesheets (which show the style of records maintained by the Defendants) are attached below:

Timesheet				
	Time Off	In	Out	Total
Mon, 10/27/2025		00:00	06:00	6.00
Thu, 10/30/2025	Sick Call Out			8.00
Fri, 10/31/2025		21:45	00:00	2.25
Sat, 11/01/2025		00:00	06:00	6.00
Sat, 11/01/2025		21:45	00:00	2.25
Sun, 11/02/2025		00:00	05:00	6.00
Sun, 11/02/2025		21:45	00:00	2.25
Mon, 11/03/2025		00:00	06:00	6.00
Thu, 11/06/2025		21:45	00:00	2.25
Fri, 11/07/2025		00:00	06:00	6.00
Fri, 11/07/2025		21:45	00:00	2.25
Sat, 11/08/2025		00:00	06:00	6.00
Sat, 11/08/2025		21:45	00:00	2.25
Sun, 11/09/2025		00:00	06:00	6.00
Sun, 11/09/2025		21:45	00:00	2.25

In this timesheet covering October 27, 2025 through November 9, 2025, Plaintiff worked overnight shifts (noted by his start on one day at 21:45 (9:45 PM) and working through midnight until 5:00 or 6:00 AM the next day) over eight hours in length. Despite this, there is no record that Plaintiff recorded a compliant meal period at any point during this wage statement. Instead, Plaintiff's records reflect eight straight hours of work without relief, supporting the presumption that no meal periods were provided to Plaintiff and the covered employees throughout the PAGA period.

Further, throughout his employment with the Defendants, Plaintiff recalls that there was no official relief provided for meal periods. Plaintiff and the covered employees were expected not to take breaks in general, and were not provided with rest from their labor. As a result of this failure to provide official relief, the failure to track meal periods, and the sensitive nature of Plaintiff's work as a detention officer (requiring Plaintiff to watch detainees and inmates at all times), Plaintiff was rarely, if ever, able to take a compliant meal period. Despite this, Defendants failed to pay Plaintiff any premium pay for missed, late, short, or interrupted meal periods.

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

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

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

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major 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 engaged in a pattern and practice of denying Plaintiff and the covered employees their legally mandated rest periods. Specifically, Defendants failed to authorize and permit Plaintiff and the covered employees to take compliant rest breaks. Throughout the PAGA period, the rest periods for Plaintiff and the covered employees were frequently missed entirely, shorter than ten minutes, provided late, or interrupted by work assignments.

Plaintiff's experience mirrors that of the covered employees as a whole. Throughout his employment with Defendants, Plaintiff received no official relief coverage for his rest periods. Due to this lack of relief and the sensitive nature of his work as a detention officer—which required him to monitor detainees and inmates at all times—Plaintiff was rarely, if ever, able to take a compliant rest period. Despite these violations, Defendants failed to pay Plaintiff the required premium wages for his missed, late, short, or interrupted rest periods.

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

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

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

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

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice.

As described above, Defendants failed to track all hours worked by Plaintiff and the covered employees, resulting in a failure to pay all regular wages owed. Additionally, Defendants failed to pay all earned overtime and double-time wages, both because they failed to track all hours worked, and because they failed to calculate these overtime premiums using the lawful regular rate of pay. Finally, Defendants failed to pay the requisite premium wages for all missed, short, late, or interrupted meal and rest periods.

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

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

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

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, “an accurate itemized statement in writing showing:” (1) gross wages earned, (2) total hours worked, (3) the number of piece

rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the covered employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by failing to accurately list the “gross wages earned” and “net wages earned.” Because Plaintiff and the covered employees earned wages and premiums that went unpaid, the amounts recorded on their wage statements were systematically understated. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to accurately state the applicable hourly rates in effect and the corresponding number of hours worked at those rates. As described above, these wage statements were fundamentally inaccurate because they omitted all earned regular wages, premium wages for overtime and double time, premium pay for missed meal and rest periods, and properly calculated paid sick leave.

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

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

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

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

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

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

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

Plaintiff is a prime example of this practice. Throughout his employment, Defendants routinely required Plaintiff to use his personal vehicle to travel between job sites for work purposes. However, despite mandating this travel, Defendants never reimbursed Plaintiff for the business mileage he incurred while carrying out his job duties and following their directions.

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

Failure to Provide Employee Records **Violation of Labor Code §§ 226, 432, 1174, 1198.5; IWC Wage Orders**

Defendants violated Labor Code sections 226, 432, 1198.5, and 1174 with respect to the covered employees.

Labor Code section 226(b) requires employers to “afford current and former employees the right to inspect or receive a copy of records pertaining to their employment, upon reasonable request to the employer.” Labor Code section 432 states that “[i]f an employee ... signs any instrument relating to the obtaining or holding of employment, he shall be given a copy of the instrument upon request.” Labor Code section 1198.5 grants “[e]very current and former employee, or his or her representative, ... the right to inspect and receive a copy of the personnel files that the employer maintains relating to the employee’s performance or to any grievance concerning the employee.” Section 7(A) (Records) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates that employers maintain and make available “time records showing when the employee begins and ends each work period” as well as time records showing “[m]eal periods, split shift intervals, and daily hours worked[.]” Labor Code section 1174(d) requires these and other records be maintained for at least three years.

Defendants failed to provide all records upon Plaintiff’s request. As described above, Defendants have failed to maintain and provide all records of Plaintiff’s meal periods throughout the PAGA period. All time records provided for the Plaintiff include only a single entry to clock in each day and a single entry to clock out, and failed to recount

Plaintiff's alleged meal periods entirely. Upon information and belief, Plaintiff's records are representative of the covered employees as a whole.

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

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

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

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

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

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

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 covered employees and the State of California. Plaintiff continues to incur attorneys' fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the covered employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the covered employees' personnel

files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronic data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold 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 covered employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Troy Q. Strange', with a stylized, flowing script.

Troy Q. Strange

Cc Plaintiff Louie Valbuena
Debbie Andruk - dandruk@issaction.com