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County of San Diego

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Clerk of the Superior Court
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

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

Plaintiffs,

vs.

REHAB UNITED SPORTS MEDICINE AND
PHYSICAL THERAPY, INC.; and DOES 1
through 50, inclusive,

Defendants.

Case No. 26CU041810C

Hon. Marcella O. McLaughlin
Dept. 72

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. Paid Sick Leave Violations
5. Untimely Payment of Wages
6. Wage Statement Violations
7. Waiting Time Penalties
8. Unfair Competition
9. Unlawful Wage Deductions
10. Unlawful Employment Condition
11. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: August 4, 2026

1 Plaintiff GLORIA AGUILAR, 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 REHAB UNITED
4 SPORTS MEDICINE AND PHYSICAL THERAPY, INC.; and DOES 1 through 50, inclusive
5 (collectively “Defendants”), alleging as follows:

6 **INTRODUCTION**

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

9 2. Defendants employed Plaintiff and other covered employees during the PAGA Period.

10 3. Defendants failed to pay Plaintiff and covered employees minimum wages for all hours
11 worked, facilitated by company-wide practices of timeshaving.

12 4. Defendants maintained an unlawful policy and practice of deducting wages and
13 earnings from Plaintiff and covered employees.

14 5. Defendants underpaid overtime by failing to account for all hours worked and by failing
15 to include non-discretionary commissions in the regular rate of pay.

16 6. Defendants failed to pay Plaintiff and covered employees all sick leave accrued.

17 7. Defendants failed to provide compliant meal periods and did not pay all associated
18 meal period premiums.

19 8. Defendants required Plaintiff and covered employees to sign non-competition
20 agreements prohibited by California law.

21 9. Defendants failed to maintain accurate employee payroll records.

22 10. Defendants' employment policies, practices, and payroll administration systems
23 enabled and facilitated these violations on a company-wide basis with respect to covered employees.

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

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

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

16. 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.

A. Plaintiff Gloria Aguilar

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

19. Defendant Rehab United Sports Medicine and Physical Therapy, Inc., is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

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

21. 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.

22. 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.

23. 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

24. 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.

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

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

- 1 a. Numerosity: The class is estimated to exceed 50 individuals, although the
2 precise membership of the entire class is unknown at this time. The class is so
3 numerous that joinder of all class members is impracticable. The identities of
4 class members are ascertainable by inspection of Defendants' employment and
5 payroll records.
- 6 b. Typicality: Plaintiff's claims are typical of the claims of the other class
7 members. They were subject to the same policies and practices of Defendants,
8 which resulted in losses to the class. Proof of common unlawful business
9 practices, which Plaintiff experienced, will establish the right of the class to
10 recover on the causes of action alleged herein.
- 11 c. Adequacy: Plaintiff is an adequate class representative; will take all necessary
12 steps to protect the class members' interests adequately and fairly; has no
13 interest antagonistic to other class members; and is represented by attorneys
14 who have substantial experience prosecuting, defending, resolving, and
15 litigating wage and hour class, collective, and representative actions in
16 California state and federal courts.
- 17 d. Superiority: A class action is superior to other means for adjudicating this
18 dispute. Individual joinder is impractical. Class treatment will allow for
19 common issues to be resolved in a single forum, simultaneously, and without
20 duplication of effort and expense.
- 21 e. Public Policy Considerations: Certification of this lawsuit as a class action
22 advances the State of California's strong public interest in ensuring its
23 approximately millions of employed residents are properly paid the wages they
24 earned for the hours they worked. Class actions provide a mechanism for
25 enforcement of labor laws and allow for vindication of employee rights by
26 unnamed class members.

27 27. Common questions of law and fact as to the class members predominate over questions
28 affecting only individual members. The common questions of law and fact exist as to whether the

1 employment policies and practices formulated by Defendants and applied to the class members
2 constitute violations of California law.

3 **GENERAL ALLEGATIONS**

4 28. Plaintiff and the putative class members worked for Defendants as non-exempt
5 employees and were compensated on an hourly basis.

6 29. Defendants employed Plaintiff during the PAGA Period in the position of Medical
7 Biller and Administrator from about October 2024 to May 2026. During their employment Plaintiff
8 and the other covered employees were subject to the wage and hour and employment protections set
9 forth in the California Labor Code and IWC Wage Orders.

10 30. Defendants failed to pay Plaintiff and the putative class members at the lawful
11 minimum wage rate for all hours worked, resulting in unpaid minimum wages. Throughout the Class
12 Period, Plaintiff and the putative class members were subject to having their hours worked reduced by
13 the Defendants. For example, Plaintiff was forced to perform uncompensated off-the-clock work by
14 returning a few minutes earlier from her meal periods to contend with the system's processing lag and
15 to ensure she could successfully log into the system on time. As a further example, Plaintiff
16 experienced a similar technical failure when attempting to clock out at the end of her shifts; she was
17 regularly required to stay several minutes past her shift just to successfully work the malfunctioning
18 system to clock out. However, to eliminate the recording of this additional labor, Defendants
19 systematically manipulated Plaintiff's electronic timecards by retroactively adjusting her actual clock-
20 out entries back to her scheduled departure time each time this occurred, as opposed to actual clock-
21 out time, rendering that post-shift work entirely uncompensated. Defendants' unlawful practice of
22 uncompensated off-the-clock work was common amongst the covered employees.

23 31. Defendants maintained an unlawful policy and practice of deducting wages and
24 earnings from Plaintiff and the putative class members. Throughout her employment, Defendants
25 executed a systematic policy and practice of making unauthorized, unlawful deductions directly from
26 Plaintiff's gross earnings. Defendants unlawfully deducted wages from Plaintiff as shown in her wage
27 statements. For example, on Plaintiff's itemized wage statements for the pay periods from April 18,
28 2026 through May 1, 2026 and May 2, 2026 through May 14, 2026, Defendants deducted \$96.46 per

1 pay period under the description "PHS Services." Defendants implemented these line-item deductions
2 under the pretext of a mandatory "automatic enrollment" corporate benefit program. Prior to these
3 transactions being run through payroll, Plaintiff explicitly communicated her selection to opt out of
4 the program. Despite her affirmative rejection of the program, Defendants overrode her opt-out
5 decision and unilaterally deducted her earnings. The recurring "PHS Services" deduction of \$96.46
6 remained completely unreimbursed, culminating in an unauthorized, cumulative withholding of
7 \$192.92 year to date.

8 32. Defendants failed to pay Plaintiff and the putative class members overtime wages at
9 the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. First, as outlined
10 in the unpaid hours worked section, not all of Plaintiff's working hours were accounted for, particularly
11 work performed during unpaid meal periods and after their scheduled shift. To the extent that these
12 unaccounted-for hours resulted in Plaintiff and the putative class members working more than eight
13 hours a day or forty hours a week, this resulted in unpaid overtime. Second, Defendants failed to pay
14 Plaintiff and the putative class members overtime at the correct "regular rate of pay." Under California
15 law, non-discretionary productivity incentives, such as Plaintiff's earned "Commissions for
16 Collections," must be factored into the regular rate of pay when computing overtime compensation.
17 Defendants bypassed this statutory requirement by paying all overtime hours at a baseline of \$39.00
18 per hour (representing only Plaintiff's base hourly rate of \$26.00 multiplied by 1.5), completely failing
19 to expand the regular rate to account for Plaintiff's commission earnings. This systematic
20 underpayment is demonstrated by, but not limited to, Plaintiff's itemized wage statements for the
21 following pay periods: August 9, 2025 through August 22, 2025; October 18, 2025 through October
22 31, 2025; January 24, 2026 through February 6, 2026; and April 18, 2026 through May 1, 2026.
23 Defendants' exclusion of non-discretionary incentive pay from regular rate computations resulted in
24 widespread, cumulative underpayments of legally mandated daily and weekly overtime premiums to
25 Plaintiff and the putative class members.

26 33. Defendants failed to comply with California's paid sick leave laws with respect to the
27 putative class members. Defendants failed to provide Plaintiff and the putative class members with all
28 sick leave accrued. As stated above, Plaintiff and the putative class members worked off-the-clock

1 hours that were not accounted for when calculating an employee's paid sick leave. Therefore, Plaintiff
2 and the putative class members were not awarded the total accrued sick leave time they earned.
3 Additionally, even where Plaintiff was paid for her accrued sick leave, Defendants failed to pay
4 Plaintiff's sick leave at the proper rate of pay under Labor Code § 245 *et seq.* For example, on the
5 wage statement covering August 9, 2025 to August 22, 2025, Plaintiff earned a commission of \$174.13
6 for her work. In the same pay period, Plaintiff used eight hours of sick leave. However, in spite of
7 Plaintiff's earned commission, Defendants paid Plaintiff's sick leave wages at only her base rate of
8 pay of \$26.00 an hour. Therefore, even when Plaintiff and the putative class were provided with sick
9 leave, Defendants failed to compensate sick leave wages at the proper rate of pay.

10 34. Defendants failed to provide compliant, uninterrupted 30-minute meal periods to
11 Plaintiff and the putative class members throughout the Class Period. Instead, Defendants maintained
12 a pattern and practice of requiring Plaintiff and the putative class to minimize their meal periods to
13 compensate for delays. For example, when Plaintiff attempted to clock in after her meal periods using
14 the iSolved timekeeping application, the platform regularly experienced extreme technical lag and
15 "spun" for approximately 10 minutes after recording the punch. To ensure Plaintiff could successfully
16 bypass the application's severe processing delays and clock back in on time from her meal periods,
17 Plaintiff was systematically forced to cut her meal periods short and return to her workstation a few
18 minutes early simply to battle the faulty timekeeping system to attempt to clock back in on time. This
19 operational defect and requirement to cut her meal periods short to accommodate the malfunctioning
20 platform was a widespread, shared experience that happened regularly to the putative class members
21 across the office. Despite this, Defendants completely failed to compensate Plaintiff and the putative
22 class members with the mandatory additional hour of premium pay at their regular rates of pay for
23 each workday that a complete, uninterrupted 30-minute meal window was denied.

24 35. Because Defendants failed to pay all wages and premiums in each pay period in which
25 such wages were earned at the lawful rate, Defendants violated the timely payment requirements.
26 Defendants failed to pay all wages and premiums owed on the regular pay days scheduled each pay
27 period within seven calendar days of the close of the payroll period.

28 36. Defendants failed to pay all wages and premiums owed to putative class members

1 during their employment, and also failed to timely pay those amounts to departing employees upon
2 separation of employment. Defendants did not pay waiting time penalties for the late payments.

3 37. Defendants failed to provide accurate itemized wage statements to the putative class
4 members each pay period. Defendants failed to list the correct "gross wages earned" or "net wages
5 earned," as the employees earned wages and premiums that were not paid, resulting in an inaccurate
6 reflection, and recording of "gross wages earned" on those wage statements. Likewise, Defendants
7 failed to state on employee wage statements each pay period the applicable hourly rates in effect and
8 the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to
9 employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate
10 reflection on the pay stub.

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

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

21 40. Non-competition agreements are illegal under California law. Defendants required that
22 Plaintiff and the putative class members sign non-competition agreements restricting their ability to
23 accept certain work on behalf of themselves or other employers. As such, Defendants required that
24 Plaintiff and the putative class members sign non-competition agreements prohibited by California
25 law.

26 41. For example, as a mandatory condition of obtaining and holding her employment,
27 Defendants required Plaintiff to electronically execute a written document titled "Confidentiality
28 Agreement." Section 4 of this agreement, explicitly titled "Post-Employment," mandates that for a

1 period of one (1) year after termination of employment with Rehab United, the worker shall not,
2 without prior written consent, directly or indirectly solicit or help anyone else solicit any company
3 employee or contractor to terminate his or her employment or contract to accept employment with any
4 other person or entity. By maintaining this onboarding profile, Defendants forced Plaintiff and the
5 putative class members to agree in writing to an unlawful post-employment restrictive covenant that
6 creates an illegal restraint on trade.

7 **FIRST CAUSE OF ACTION**

8 **FAILURE TO PAY ALL WAGES OWED**

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

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

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

12 43. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
13 §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours
14 and Days of Work” and “Minimum Wages” sections of the applicable orders), which require non-
15 exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of
16 work, and further provide a private right of action for an employer’s failure to pay all minimum wages
17 (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that “‘wages’
18 includes all amounts for labor performed by employees of every description, whether the amount is
19 fixed or ascertained by the standard of time, task, piece, commission basis, or other method of
20 calculation.”

21 44. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class
22 members at least the lawful minimum wage for each hour worked in violation of Labor Code sections
23 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours and Days of
24 Work” and “Minimum Wages” sections of the applicable orders), including payment at the lawful
25 local and county minimum wage ordinances in effect. As a result, Defendants are liable for all
26 associated damages, including liquidated damages for the minimum wage violations pursuant to Labor
27 Code § 1194.2.

28 45. Defendants’ unlawful acts and omissions deprived Plaintiff and class members of

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

6 **SECOND CAUSE OF ACTION**

7 **FAILURE TO PAY ALL OVERTIME WAGES**

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

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

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

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

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

24 **THIRD CAUSE OF ACTION**

25 **MEAL PERIOD VIOLATIONS**

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

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

28 51. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code

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

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

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

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

FOURTH CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

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

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

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

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

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

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

FIFTH CAUSE OF ACTION

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

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

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

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

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

6 **SIXTH CAUSE OF ACTION**

7 **WAGE STATEMENT VIOLATIONS**

8 **Violation of Labor Code § 226**

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

10 66. This cause of action is brought by a wage statement subclass pursuant to Labor Code
11 § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each
12 pay period, and which further provide a private right of action for an employer's failure to comply
13 with this obligation.

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

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

21 69. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
22 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
23 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in
24 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
25 Code section 226(e).

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1 **SEVENTH CAUSE OF ACTION**

2 **WAITING TIME PENALTIES**

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

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

5 71. This cause of action is brought by a waiting time subclass pursuant to Labor Code
6 §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of
7 employment, and which further provide a private right of action to recover statutory waiting time
8 penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days
9 wages.

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

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

17 **EIGHTH CAUSE OF ACTION**

18 **UNFAIR COMPETITION**

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

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

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

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

business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

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

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

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

NINTH CAUSE OF ACTION
UNLAWFUL WAGE DEDUCTIONS
Violation of Labor Code §§ 221 through 225

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

81. 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."

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

83. 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.

84. 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

1 to pay the wage designated by statute or by contract.”

2 85. As described above, Defendants maintained an unlawful policy and practice of
3 deducting wages and earnings from Plaintiff and other class members by deducting wages rightfully
4 owed to the class.

5 **TENTH CAUSE OF ACTION**

6 **UNLAWFUL EMPLOYMENT CONDITION**

7 **Violation of Labor Code § 432.5**

8 86. All outside paragraphs of this Complaint are incorporated into this section.

9 87. During the relevant liability period, Defendants violated California Labor Code section
10 432.5 by requiring Plaintiff and the Putative class members to agree, in writing, to terms and conditions
11 of employment that Defendants knew, or should have known, were prohibited by law.

12 88. Specifically, Defendants required Plaintiff and the putative class members to sign
13 documents containing terms that violate California law, including but not limited to non-solicitation
14 and noninterference clause that unlawfully restrains employees for a period of one year following the
15 termination of the employment relationship from soliciting, encouraging, or inducing any company
16 employees or contractors to work elsewhere. Such restrictive covenants are void as a matter of law
17 and expressly prohibited by California Business and Professions Code section 16600.

18 89. As a direct and proximate result of Defendants' unlawful conduct, Plaintiff and the
19 putative class members have been harmed and are entitled to damages, restitution, declaratory and
20 injunctive relief, and/or civil penalties according to proof at trial.

21 **ELEVENTH CAUSE OF ACTION**

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

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

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

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

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

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

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

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

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

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

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

22 97. On or about **July 06, 2026**, Plaintiff paid the requisite PAGA filing fee and provided
23 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
24 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
25 violations.

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

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

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

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

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

- 13 a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,
14 1197, 1198; IWC Wage Orders.
- 15 b. ***Unlawful Wage Deductions.*** Violation of Labor Code §§ 221 through 225.
- 16 c. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage
17 Orders.
- 18 d. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- 19 e. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
20 1198; IWC Wage Orders.
- 21 f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code
22 §§ 204, 204b, 210.
- 23 g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of
24 Labor Code §§ 201, 202, 203, 256.
- 25 h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- 26 i. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC
27 Wage Orders.
- 28 j. ***Unlawful Employment Condition.*** Violation of Labor Code § 432.5.

103. 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).

PRAAYER

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, and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;
- k. For this action to be maintained as a representative action under the PAGA;
- l. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and

///

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

Dated: September 11, 2026

Ferraro Vega Employment Lawyers, Inc.

July 9th

Troy Q. Strange
Attorney for Plaintiff Gloria Aguilar

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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July 06, 2026

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

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

**Rehab United Sports Medicine and
Physical Therapy Inc.**
3959 Ruffin Road, Suite J
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 **GLORIA AGUILAR** (“Plaintiff(s)”) and all other “aggrieved employees” of the following “Defendant(s)”:

REHAB UNITED SPORTS MEDICINE AND PHYSICAL THERAPY INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Medical Biller and Administrator from about October 2024 to May 2026. During their employment Plaintiff 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, 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 “aggrieved employees” and the “PAGA Period”).

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

- PAGA CLAIMS -

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. As a result of Defendants’ consistently glitchy and slow nature of the electronic timekeeping system (iSolved), Plaintiff and the aggrieved employees were required to complete work off the clock, without compensation. Specifically, Defendants required Plaintiff and the aggrieved employees to work off-the-clock during their unpaid meal periods. For example, Plaintiff was forced to perform uncompensated off-the-clock work by returning a few minutes earlier from her meal periods to contend with the system’s processing lag and to ensure she could successfully log into the system on time. As a further example, Plaintiff experienced this identical technical failure when attempting to clock out at the end of her shifts; she was regularly required to stay several minutes past her shift just to successfully work the malfunctioning system to clock out. However, to eliminate the recording of this additional labor, Defendants systematically manipulated Plaintiff’s electronic timecards by retroactively adjusting her actual clock-out entries back to her scheduled departure time each time this occurred, as opposed to actual clock-out time, rendering that post-shift work entirely uncompensated. Defendants’ unlawful practice of uncompensated off-the-clock work was common amongst the aggrieved employees.

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

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

Defendants violated Labor Code sections 221 through 225 with respect to the aggrieved 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 deducting wages and earnings from Plaintiff and the aggrieved employees. Throughout the final cycles of her employment, Defendants executed a systematic policy and practice of making unauthorized, unlawful deductions directly from Plaintiff’s gross earnings. Defendants unlawfully deducted wages from Plaintiff as shown below:

EARNINGS						TAXES			DEDUCTIONS		
Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars	Description	Current	YTD	Description	Current	YTD
Hourly Regular	26.0000	78.93	2,052.18	648.74	16,867.24	SOC SEC EE	97.05	1,257.11	Vision	3.16	31.60
Overtime @ 1.5	39.0000	0.27	10.53	2.33	90.87	MED EE	22.70	294.00	PHS Pretax	564.00	564.00
Commission			43.79	0.00	178.08	FEDERAL WH	103.99	1,594.64	PHS Services	96.46	96.46
MakeUp Time	26.0000	1.00	26.00	14.96	388.96	CALIFORNIA WH	24.14	489.71			
*PHS Reimb			564.00	0.00	564.00	CALIFORNIA SDI	20.35	263.59			
Vacation			0.00	78.71	2,046.46						
Holiday			0.00	50.00	1,300.00						

Extract from Plaintiff’s wage statement from 04/18/2026 to 05/01/2026 showing unlawful deductions from her pay.

EARNINGS						TAXES			DEDUCTIONS		
Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars	Description	Current	YTD	Description	Current	YTD
Hourly Regular	26.0000	62.62	1,628.12	711.36	18,495.36	SOC SEC EE	72.23	1,329.34	Vision	3.16	34.76
MakeUp Time	26.0000	4.00	104.00	18.96	492.96	MED EE	16.89	310.89	PHS Pretax	564.00	1,128.00
*PHS Reimb			564.00	0.00	1,128.00	FEDERAL WH	55.95	1,650.59	PHS Services	96.46	192.92
Overtime @ 1.5			0.00	2.33	90.87	CALIFORNIA WH	8.79	498.50			
Vacation			0.00	78.71	2,046.46	CALIFORNIA SDI	15.14	278.73			
Commission			0.00	0.00	178.08						
Holiday			0.00	50.00	1,300.00						

Extract from Plaintiff’s wage statement from 05/02/2026 to 05/14/2026 showing unlawful deductions from her pay.

Specifically, as documented on Plaintiff’s itemized wage statements for the pay periods from **04/18/2026 to 05/01/2026** and **05/02/2026 to 05/14/2026**, Defendants deducted **\$96.46** per pay period under the description "PHS Services." Defendants implemented these line-item deductions under the pretext of a mandatory "automatic enrollment" corporate benefit program. Prior to these transactions being run through payroll, Plaintiff explicitly communicated her selection to opt out of the program. Despite her affirmative rejection of the program, Defendants overrode her opt-out decision and unilaterally deducted her earnings.

The recurring "PHS Services" deduction of **\$96.46** remained completely unreimbursed, culminating in an unauthorized, cumulative withholding of **\$192.92** year to date.

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

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Firstly, as outlined in the unpaid hours worked section, not all of Plaintiff's working hours were accounted for, particularly work performed during unpaid meal periods and after their scheduled shift. To the extent that these unaccounted-for hours resulted in Plaintiff and the aggrieved employees working more than eight hours a day or forty hours a week, this resulted in unpaid overtime.

Secondly, Defendants failed to pay Plaintiff and the aggrieved employees overtime at the correct "regular rate of pay." Under California law, non-discretionary productivity incentives, such as Plaintiff's earned "Commissions for Collections," must be factored into the regular rate of pay when computing overtime compensation. Defendants explicitly bypassed this statutory requirement by paying all overtime hours at a flat, static baseline multiplier of exactly \$39.00 per hour (representing only her base hourly rate of \$26.00 multiplied by 1.5), completely failing to expand the regular rate to account for parallel commission earnings.

This systematic underpayment is demonstrated by, but not limited to, Plaintiff's itemized wage statements for the following pay periods:

Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars
Hourly Regular	26.0000	70.30	1,827.80	1,150.95	29,924.70
Overtime @ 1.5	39.0000	0.40	15.60	3.41	132.99
Commission			174.13	0.00	174.13
Sick	26.0000	8.00	208.00	61.73	1,604.98
Vacation			0.00	72.00	1,872.00
Holiday			0.00	24.00	624.00
MakeUp Time			0.00	12.49	324.74

Extract from Plaintiff's Wage Statement from the Pay Period 08/09/2025-08/22/2025

EARNINGS		*Not included in Totals		^Hrs/Units = Units (Units not included in Totals)	
Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars
Hourly Regular	26.0000	80.00	2,080.00	1,502.32	39,060.32
Overtime @ 1.5	39.0000	0.13	5.07	3.82	148.98
Commission			123.32	0.00	297.45
Vacation			0.00	80.00	2,080.00
Holiday			0.00	32.00	832.00
Sick			0.00	80.00	2,080.00
MakeUp Time			0.00	18.19	472.94

Extract from Plaintiff's Wage Statement from the Pay Period 10/18/2025-10/31/2025

EARNINGS		*Not included in Totals		^Hrs/Units = Units (Units not included in Totals)	
Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars
Hourly Regular	26.0000	79.97	2,079.22	258.40	6,718.40
Overtime @ 1.5	39.0000	0.43	16.77	0.77	30.03
Commission			134.29	0.00	134.29
Vacation			0.00	15.29	397.54
Holiday			0.00	40.00	1,040.00

Extract from Plaintiff's Wage Statement from the Pay Period 01/24/2026-02/06/2026

Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars
Hourly Regular	26.0000	78.93	2,052.18	648.74	16,867.24
Overtime @ 1.5	39.0000	0.27	10.53	2.33	90.87
Commission			43.79	0.00	178.08
MakeUp Time	26.0000	1.00	26.00	14.96	388.96
*PHS Reimb			564.00	0.00	564.00
Vacation			0.00	78.71	2,046.46
Holiday			0.00	50.00	1,300.00

Extract from Plaintiff's Wage Statement from the Pay Period 04/18/2026-05/01/2026

Defendants' total exclusion of non-discretionary incentive pay from regular rate computations resulted in widespread, cumulative underpayments of legally mandated daily and weekly overtime premiums to Plaintiff and the aggrieved employees.

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

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

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

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

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees. Defendants failed to provide Plaintiff and the aggrieved employees with all sick leave accrued. As stated above, Plaintiff and the aggrieved employees worked off-the-clock hours that were not accounted for when calculating an employee’s paid sick leave. Therefore, Plaintiff and the aggrieved employees were not awarded the total accrued sick leave time they earned.

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

Unpaid 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.

Defendants failed to provide compliant, uninterrupted 30-minute meal periods to Plaintiff and the aggrieved employees. When Plaintiff attempted to clock in after her meal periods using the iSolved timekeeping application, the platform regularly experienced extreme technical lag and "spun" for approximately 10 minutes after recording the punch. To ensure Plaintiff could successfully bypass the application's severe processing delays and clock back in on time from her meal periods, Plaintiff was systematically forced to cut her meal periods short and return to her workstation a few minutes early simply to battle the faulty timekeeping system to attempt to clock back in on time. This operational defect and requirement to cut her meal periods short to accommodate the malfunctioning platform was a widespread, shared experience that happened regularly to the aggrieved employees across the office. Defendants completely failed to compensate Plaintiff and the aggrieved employees with the mandatory

one additional hour of premium pay at their regular rates of pay for each workday that a complete, uninterrupted 30-minute meal window was denied.

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

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

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

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

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

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

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

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

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours’ notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours’ notice, the final wages

are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

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

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

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

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

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

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other aggrieved employees with respect to what amounts were

owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and 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 aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

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

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

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

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

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

Unlawful Employment Condition
Violation of Labor Code § 432.5

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

Labor Code section 432.5 states that “[n]o employer, or agent, manager, superintendent, or officer thereof, shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law.”

Non-competition agreements are illegal under California law. Business and Professions Code 16600 provides that “every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void.” Defendants required that Plaintiff and the aggrieved employees sign non-competition agreements restricting their ability

to accept certain work on behalf of themselves or other employers. As such, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees sign non-competition agreements prohibited by California law.

For example, as a mandatory condition of obtaining and holding her employment, Defendants required Plaintiff to electronically execute a written document titled "Confidentiality Agreement." Section 4 of this agreement, explicitly titled "Post-Employment," mandates that for a period of one (1) year after termination of employment with Rehab United, the worker shall not, without prior written consent, directly or indirectly solicit or help anyone else solicit any company employee or contractor to terminate his or her employment or contract to accept employment with any other person or entity. By maintaining this onboarding profile, Defendants forced Plaintiff and the aggrieved employees to agree in writing to an unlawful post-employment restrictive covenant that creates an illegal restraint on trade under Business and Professions Code section 16600, thereby establishing a clear violation of Labor Code section 432.5.

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

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

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

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying 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 aggrieved employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

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

Sincerely,

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

Troy Strange

MT

Cc Plaintiff Gloria Aguilar
HR Representative, Lisa Frique - lfrisque@rehabunited.com
jblankenship@rehabunited.com