

July 2, 2026

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

CORT BUSINESS SERVICES CORPORATION
c/o 1505 Corporation – CT Corporation System
330 N. Brand Blvd., Suite 700
Glendale, CA 91203
Certified Mail Tracking Number: 9414 8111 0549 5835 3700 59

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LWDA No.:

**Re: Labor Code § 2698, *et seq.* Penalties – PAGA Notice Letter to the LWDA
RIOS v. CORT BUSINESS SERVICES CORPORATION
Superior Court for the County of Los Angeles**

Gentlepersons:

This office represents Plaintiff JESUS ENRIQUE RAMOS RIOS (“Plaintiff”) and other similarly situated aggrieved non-exempt, hourly employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 351, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, 2926, 2927 and provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendant CORT BUSINESS SERVICES CORPORATION, a Delaware Corporation (“Defendant CORT”); and DOES 1 through 50 inclusive (collectively “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with a copy of Plaintiff’s Class Action Complaint, which is attached to this Notice letter. The



Complaint is being concurrently filed in Los Angeles County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The attached Class Action Complaint provides the details of Plaintiff's class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subjects Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt, hourly employee based out of Defendants' location in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present. Plaintiff and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees." Aggrieved Employees consistently worked at Defendants' behest and under their control and subject to their policies and practices without being paid all wages due. Plaintiff is also informed and believes that there are other Aggrieved Employees employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below.

Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiff also contends that Defendants failed to pay Aggrieved Employees all wages due and owing, including by requiring off the clock work, failing to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime pay, sick pay, and meal and rest break premiums, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, and failing to maintain accurate records, all in violation of various provisions of the California Labor Code and applicable Wage Orders.

During the course of Aggrieved Employees' employment with Defendants, Aggrieved Employees were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform pre-shift and post-shift off the clock work which they were not compensated for despite being subject to Defendants' control. For instance, Plaintiff was required to wait in line to clock in. Upon information and belief, Aggrieved Employees were also required to perform similar off the clock work. Moreover, Aggrieved Employees were required to work through portions of their meal periods while they were off the clock and were not paid for this time.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay.



Contrary to the requirements of the Labor Code and IWC Wage Orders under California law, Defendants did not incorporate these non-discretionary bonuses and/or commissions to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime compensation, sick pay, and meal and rest break premiums.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work and the failure to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay, Defendants' willful actions resulted in the systematic underpayment of wages and overtime pay to Aggrieved Employees. For example, the off the clock work addressed above caused Aggrieved Employees to begin receiving overtime pay later than they should have.

As a result of the above-described requirements to work off the clock, and the failure to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Additionally, Defendants failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Aggrieved Employees, as required by the applicable Wage Order and Labor Code. Aggrieved Employees were required to perform work as ordered by Defendants for more than five (5) hours during a shift but were often required to do so without receiving a lawful and timely meal break. In addition to untimely meal periods, Defendants also required Aggrieved Employees to respond to work demands. Aggrieved Employees were also required to keep their work cell phones on during their meal breaks and were interrupted with work demands. Defendants placed their needs over Aggrieved Employees' lawful meal and rest breaks, and this resulted in Aggrieved Employees often having to work through their scheduled meal and/or rest breaks, or otherwise taking shortened ones, because the demands of the job would not avail them the opportunity to take a lawfully uninterrupted and off duty meal and/or rest break.

On the occasions when Aggrieved Employees worked over 10 hours in a shift, Defendants also failed to provide them with a second, uninterrupted, timely and duty-free meal period. As a result, Defendants' failure to provide Aggrieved Employees with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective hourly rate of pay, for each meal period or rest break that Defendants failed to provide or deficiently provided.

Therefore, Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes, and shifts in excess of (10) hours without providing them with second meal periods of not less than thirty minutes; nor did Defendants pay Aggrieved Employees "premium pay," i.e.



one hour of wages at each Aggrieved Employee's effective hourly rate of pay, for each meal period that Defendants failed to provide or deficiently provided.

Aggrieved Employees were also not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks and were not provided with one (1) hour's wages in lieu thereof. Aggrieved Employees were restricted in their ability to take their full ten (10) minutes net rest time or were otherwise not provided with duty-free rest periods. Aggrieved Employees were also required to keep their work cell phones on during their rest breaks and were interrupted with work demands. Therefore, Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours; or major fraction thereof, nor did Defendant pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided.

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Aggrieved Employees failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay overtime compensation, sick pay, and meal and rest break premiums. Thus, the wage statements do not provide accurate hourly rates for overtime and the statements do not comply with Labor Code § 226(a)(9). Further, the wage statements given to Aggrieved Employees failed to include the "total hours worked" as required under Labor Code § 226(a)(2). Moreover, the wage statements given to Aggrieved Employees failed accurately account for unpaid wages and overtime because Defendants under-reported the actual hours worked by Aggrieved Employees due to off the clock work. Additionally, the wage statements given to Aggrieved Employees failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

Additionally, Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203. Specifically, Plaintiff and Aggrieved Employees were not paid all regular and overtime wages because Defendants failed to pay for all hours worked by requiring off the clock work and failing to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime compensation, sick pay, and meal and rest break premiums. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

Defendants also violated California Labor Code § 351 when Defendants and its agents collected, took, and received gratuity that was paid, given to, or left for an Aggrieved Employee by a patron. Examples of this conduct would include refusing to pay out any cash gratuities to the employees and keeping the cash gratuities for Defendants.



PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines “Hours Worked” as “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.” Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states: “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees and costs of suit.”

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants’ unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

During the course of Aggrieved Employees’ employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work, and failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime compensation, sick pay, and meal and rest break premiums.



Aggrieved Employees were required to perform pre-shift and post-shift off the clock work, which they were not compensated for despite being subject to Defendants' control. For instance, Plaintiff was required to wait in line to clock in. Upon information and belief, Aggrieved Employees were also required to perform similar off the clock work. Moreover, Aggrieved Employees were required to work through portions of their meal periods while they were off the clock and were not paid for this time.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay. Contrary to the requirements of the Labor Code and IWC Wage Orders under California law, Defendants did not incorporate these non-discretionary bonuses and/or commissions to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime compensation, sick pay, and meal and rest break premiums.

During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiff and the Aggrieved Employees, including by requiring systematic off the clock work. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

In light of the foregoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).



Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime and double time. Specifically, Defendants had a consistent policy of not paying Employees wages for all hours worked, including hours at their required regular, overtime, and double-time rates. Defendants, and each of them, have intentionally and improperly required Aggrieved Employees to work off the clock to avoid paying Aggrieved Employees all earned and owed straight time and overtime wages and other benefits.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).



Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks. Aggrieved Employees were also required to keep their work cell phones on during their meal breaks and were interrupted with work demands

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions. Defendants also miscalculated the rate at which they paid any meal period or rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Aggrieved Employees were also required to keep their work cell phones on during their rest breaks and were interrupted with work demands

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or



deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide accurate itemized wage statements in writing, as required by the Labor Code and paragraph 7 of the applicable IWC Wage Orders. Any wage statements given to Employees by Defendants necessarily failed to accurately account for wages, overtime, and premium pay, including by failing to pay for all hours worked, failure to pay for all overtime hours worked or at the correct rate of pay and for providing deficient meal periods and rest breaks, and failing to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime pay, sick pay, and meal and rest break premiums, all of which Defendants knew or reasonably should have known were owed to the Employees, as alleged above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order,



and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or



termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by employees and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the foregoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination or within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).



Illegal Taking of Gratuity Under Labor Code § 351

Defendants, and their agents, have regularly taken money given to employees as tips and gratuity for themselves rather than properly pooling or disbursing the money to employees. Under Labor Code § 351, it is illegal for employers to take, receive, or otherwise possess any portion of tips that were paid, given to, or left for employees. Defendants systematically collected gratuities specifically meant for employees thereby depriving employees of earned tips. Defendants are liable for PAGA Penalties resulting from their failure to properly disburse all tips to employees. Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs.

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 *et seq.*

Plaintiff's PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the attached Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226(b), 226.3, 226.7, 227.3, 351, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq.*, 2926, and 2927 including as follows:

(a) **Wage Claims:** For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) **Meal and Rest Period Claims:** For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512,



558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ...";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Defendant CORT BUSINESS SERVICES CORPORATION and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved



Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

A handwritten signature in black ink, appearing to read 'Natalie Haritonian', with a horizontal line extending from the end of the signature.

Natalie Haritonian, Esq.
Andrea Amaya, Esq.

Cc: CORT BUSINESS SERVICES CORPORATION; by Certified Mail

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Attorneys for Plaintiff JESUS ENRIQUE RAMOS RIOS
on behalf of himself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

JESUS ENRIQUE RAMOS RIOS, an
individual on behalf of himself and all others
similarly situated,

Plaintiff,

vs.

CORT BUSINESS SERVICES
CORPORATION, a Delaware Stock
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.:

CLASS ACTION

CLASS ACTION COMPLAINT FOR:

1. Failure to Pay Minimum Wages;
2. Failure to Pay Wages and Overtime Under Labor Code § 510;
3. Meal Period Liability Under Labor Code § 226.7;
4. Rest-Break Liability Under Labor Code § 226.7;
5. Violation of Labor Code § 226(a);
6. Violation of Labor Code § 203;
7. Violation of Labor Code § 204;
8. Failure to Keep Required Payroll Records under Labor Code §§ 1174 and 1174.5;
9. Violation of Business & Professions Code § 17200 *et seq.*

DEMAND FOR JURY TRIAL

1 **INTRODUCTION**

2 1. Plaintiff JESUS ENRIQUE RAMOS RIOS (“Plaintiff”) brings this action on behalf
3 of himself and the Class Members who are defined as “all current and former employees within
4 the State of California who, at any time from four (4) years prior to the filing of this lawsuit, are or
5 were employed as non-exempt hourly employees by Defendant CORT BUSINESS SERVICES
6 CORPORATION, a Delaware Stock Corporation (“Defendant CORT”); and/or DOES 1 through
7 50, inclusive” (all Defendants being collectively referred to herein as “Defendants”).

8 2. Plaintiff alleges that Defendants, and each of them, violated various provisions of
9 the California Labor Code, relevant orders of the Industrial Welfare Commission (IWC), and the
10 California Business & Professions Code, and seeks redress for these violations.

11 3. Upon information and belief, Plaintiff was employed by Defendants and (1) shared
12 similar job duties and responsibilities; (2) was subjected to the same policies and practices; and (3)
13 endured similar violations at the hands of Defendants as the other Class Members who served in
14 similar and related positions.

15 **THE PARTIES**

16 **A. The Plaintiff**

17 4. Plaintiff JESUS ENRIQUE RAMOS RIOS resides in California, during the time
18 period relevant to this Complaint, and was employed by Defendants as a non-exempt hourly
19 employee within the State of California.

20 **B. The Defendants**

21 5. Defendant CORT BUSINESS SERVICES CORPORATION is a Delaware Stock
22 Corporation with its principal place of business in Chantilly, VA and is registered with the
23 California Secretary of State. Defendant CORT BUSINESS SERVICES CORPORATION has
24 been the employer listed on the wage statements and employment records issued to Plaintiff
25 during the relevant time period that Plaintiff was employed with Defendants. Defendant CORT
26 BUSINESS SERVICES CORPORATION employs Plaintiff and the Class Members in California,
27 including at Defendants’ offices and facilities in Paramount, California, and throughout California,
28 and conducts business throughout California.

6. The true names and capacities, whether individual, corporate, associate, or whatever else, of the Defendants sued herein as Does 1 through 50, inclusive, are currently unknown to Plaintiff, who therefore sues these Defendants by such fictitious names under Code of Civil Procedure § 474. Plaintiff is informed and believes and thereon alleges that Defendants designated herein as Does 1 through 50, inclusive, and each of them, are legally responsible in some manner for the unlawful acts referred to herein. Plaintiff will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated herein as Does 1 through 50 when their identities become known.

7. Plaintiff is informed and believes and thereon alleges that each Defendant acted in all respects pertinent to this action as the agent of the other Defendants, that Defendants carried out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of each Defendant are legally attributable to the other Defendants. Furthermore, Defendants acted in all respects as the employers or joint employers of Class Members. Defendants, and each of them, exercised control over the wages, hours or working conditions of Class Members, or suffered or permitted Class Members to work, or engaged, thereby creating a common law employment relationship, with Class Members. Therefore, Defendants, and each of them, employed or jointly employed Class Members.

8. Whenever and wherever reference is made in this Complaint to any act by a Defendant or Defendants, such allegations and references shall also be deemed to mean the acts and failures to act of each Defendant acting individually, jointly, and severally.

9. Whenever and wherever reference is made to individuals who are not named as a Defendant in this Complaint but were agents, servants, employees and/or supervisors of Defendants, such individuals at all relevant times acted on behalf of Defendants within the scope of their employment.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this Action pursuant to California Code of Civil Procedure § 410.10 and California Business & Professions Code § 17203. This Action is brought as a Class Action on behalf of similarly situated Class Members of Defendants pursuant to

1 California Code of Civil Procedure § 382. Venue as to Defendants is also proper in this judicial
2 district pursuant to California Code of Civil Procedure § 395 *et seq.* Upon information and belief,
3 the obligations and liabilities giving rise to this lawsuit occurred in part in Los Angeles County.
4 Defendants maintain and operate facilities in Los Angeles County and employs other Class
5 Members in Los Angeles County, while doing business throughout California.

6 **FACTUAL BACKGROUND**

7 11. Class Members consistently worked at Defendants behest without being paid all
8 wages due. Class Members were either not paid by Defendants for all hours worked or were not
9 paid at the appropriate minimum, regular and overtime rates. Plaintiff also contends that
10 Defendants failed to pay Class Members all wages due and owing, including by requiring off the
11 clock work, failing to incorporate non-discretionary bonuses and/or commissions into the regular
12 rate of pay used to calculate and pay for overtime pay, sick pay, and meal and rest break
13 premiums, failing to provide meal and rest breaks, failing to pay all gratuities earned, failing to
14 furnish accurate wage statements, failing to timely pay wages including final wages, and failing to
15 maintain accurate records, all in violation of various provisions of the California Labor Code and
16 applicable Wage Orders.

17 12. During the course of Class Members' employment with Defendants, Class
18 Members were not paid all wages they were owed. Class Members were required to perform pre-
19 shift and post-shift off the clock work which they were not compensated for despite being subject
20 to Defendants' control. Specifically, Plaintiff was required to wait in line to clock in. Upon
21 information and belief, Class Members were also required to perform similar off the clock work.
22 Moreover, Class Members were required to work through portions of their meal periods while
23 they were off the clock and were not paid for this time.

24 13. Defendants also failed to pay Class Members all wages due and owing because
25 Defendants failed to incorporate non-discretionary bonuses and/or commissions into the regular
26 rate of pay. Contrary to the requirements of the Labor Code and IWC Wage Orders under
27 California law, Defendants did not incorporate these non-discretionary bonuses and/or
28 commissions to the Class Members into the regular rate of pay Defendants used to calculate and

1 pay for overtime compensation, sick pay, and meal and rest break premiums.

2 14. By implementing policies, programs, practices, procedures and protocols which
3 resulted in off the clock work, the failure to incorporate non-discretionary bonuses and/or
4 commissions into the regular rate of pay used to calculate and pay overtime compensation, sick
5 pay, and meal and rest break premiums, Defendants' willful actions resulted in the systematic
6 underpayment of wages to Class Members, including underpayment of overtime pay to Class
7 Members over the relevant time period. For example, the above described off the clock work
8 caused Plaintiff and Class Members to begin receiving overtime pay later than they should have.

9 15. As a result of the above-described requirements to work off the clock, the failure to
10 incorporate non-discretionary bonuses and/or commissions into the regular rate of pay, and the
11 other wage violations they endured at Defendants' hands, Class Members were not properly paid
12 all wages earned and all wages owed to them by Defendants, including when working more than
13 eight (8) hours in any given day and/or more than forty (40) hours in any given week.

14 16. As a result of Defendants' unlawful policies and practices, Class Members incurred
15 overtime hours worked for which they were not adequately and completely compensated, in
16 addition to the hours they were required to work off the clock. To the extent applicable,
17 Defendants also failed to pay Class Members at an overtime rate of 1.5 times the regular rate for
18 the first eight hours of the seventh consecutive work day in a week and overtime payments at the
19 rate of 2 times the regular rate for hours worked over eight (8) on the seventh consecutive work
20 day, as required under the Labor Code and applicable IWC Wage Orders.

21 17. Therefore, from at least four (4) years prior to the filing of this lawsuit and
22 continuing to the present, Defendants had a consistent policy or practice of failing to pay Class
23 Members for all hours worked, and failing to pay minimum wages for all time worked, as required
24 by California law. Defendants thus failed to pay Class Members at least minimum wages for all
25 the time they worked for Defendants in violation of the Labor Code and applicable IWC Wage
26 Orders as the actual times when Class Members were under the control and direction of
27 Defendants was under reported in the hours reflected on the timekeeping records. Furthermore,
28 Defendants' willful actions resulted in the systematic underpayment of wages to Class Members,

1 including underpayment of overtime pay to Class Members over a period of time.

2 18. Therefore, from at least four (4) years prior to the filing of this lawsuit and
3 continuing to the present, Defendants had a consistent policy or practice of failing to pay Class
4 Members for all hours worked. Also, from at least four (4) years prior to the filing of this lawsuit
5 and continuing to the present, Defendants also had a consistent policy or practice of failing to pay
6 Class Members their true and correct overtime compensation at premium overtime rates for all
7 hours worked in excess of eight (8) hours a day and/or forty (40) hours a week, and double-time
8 rates for all hours worked in excess of twelve (12) hours a day, in violation of Labor Code § 510
9 and the corresponding sections of IWC Wage Orders.

10 19. Additionally, Defendants failed to provide all the legally required unpaid, off-duty
11 meal periods and all the legally required paid, off-duty rest periods to Class Members, as required
12 by the applicable Wage Order and Labor Code. Class Members were required to perform work as
13 ordered by Defendants for more than five (5) hours during a shift but were often required to do so
14 without receiving a lawful and timely meal break. In addition to untimely meal periods,
15 Defendants also required Class Members to respond to work demands. Class members were also
16 required to keep their work cell phones on during their meal breaks and were interrupted with
17 work demands. Defendants placed their needs over Class Members lawful meal and rest breaks,
18 and this resulted in Class Members often having to work through their scheduled meal and/or rest
19 breaks, or otherwise taking shortened ones, because the demands of the job would not avail them
20 the opportunity to take a lawfully uninterrupted and off duty meal and/or rest break.

21 20. On the occasions when Class Members worked over 10 hours in a shift, Defendants
22 also failed to provide them with a second, uninterrupted, timely and duty-free meal period. As a
23 result, Defendants' failure to provide Class Members with all legally required off-duty, unpaid
24 meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by
25 Defendants' business records, or lack thereof. Defendants also failed to pay Class Members
26 "premium pay," i.e. one hour of wages at each Class Member's effective hourly rate of pay, for
27 each meal period or rest break that Defendants failed to provide or deficiently provided.

28 ///

21. Therefore, for at least four years prior to the filing of this action and through to the present, Defendants have regularly required Class Members to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes, and shifts in excess of (10) hours without providing them with second meal periods of not less than thirty minutes; nor did Defendants pay Class Members “premium pay,” i.e. one hour of wages at each Class Member’s effective hourly rate of pay, for each meal period that Defendants failed to provide or deficiently provided.

22. Meal period violations thus occurred in one or more of the following manners:

- (a) Class Members were not provided full thirty-minute duty free meal periods for work days in excess of five (5) hours and were not compensated one (1) hour’s wages in lieu thereof, all in violation of, among others, Labor Code §§ 226.7, 512, and the applicable Industrial Welfare Commission Wage Order(s);
- (b) Class Members were not provided second full thirty-minute duty free meal periods for work days in excess of ten (10) hours;
- (c) Class Members were required to work through at least part of their daily meal period(s);
- (d) Meal periods were provided after five (5) hours of continuous work during a shift;
- (e) Class Members were restricted in their ability to take a full thirty-minute meal period; and
- (f) Class Members were required to keep their work cell phones on during meal breaks.

23. Class Members were also not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks and were not provided with one (1) hour’s wages in lieu thereof. Class Members were restricted in their ability to take their full ten (10) minutes net rest time or were otherwise not provided with duty-free rest periods. Class members were also required to keep their work cell phones on during their rest

breaks and were interrupted with work demands. Therefore, from at least four years prior to the filing of this lawsuit and continuing to the present, Defendants have consistently failed to provide Class Members with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours; or major fraction thereof, nor did Defendant pay Class Members premium pay for each day on which requisite rest breaks were not provided or were deficiently provided.

24. Rest period violations therefore arose in one or more of the following manners:

- (a) Class Members were required to work without being provided a minimum ten (10) minute rest period for every four (4) hours or major fraction thereof worked and were not compensated one (1) hour of pay at their regular rate of compensation for each workday that a rest period was not provided;
- (b) Class Members were not authorized and permitted to take timely rest periods for every four hours worked, or major fraction thereof;
- (c) Class Members had their rest periods interrupted by work demands; and
- (d) Class Members were required to keep their work cell phone on during rest breaks.

25. Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Class Members failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay overtime compensation, sick pay, and meal and rest break premiums. Thus, the wage statements do not provide accurate hourly rates for overtime and the statements do not comply with Labor Code § 226(a)(9). Further, the wage statements given to Class Members failed to include the “total hours worked” as required under Labor Code § 226(a)(2). Moreover, the wage statements given to Class Members failed to accurately account for unpaid wages and overtime because Defendants under-reported Class Members’ actual hours worked due to the off the clock work and failed to accurately report all gratuities earned. Additionally, the wage statements given to Class Members failed to accurately account for premium pay for deficiently provided meal

1 periods and rest breaks.

2 26. From at least four (4) years prior to filing this lawsuit and continuing to the present,
3 Defendants have thus also had a consistent policy of failing to pay all wages owed to Class
4 Members at the time of their termination or within seventy-two (72) hours of their resignation, as
5 required by California wage-and-hour laws. Specifically, Class Members were not paid all regular
6 and overtime wages because Defendants failed to pay for all hours worked by requiring off the
7 clock work and failed to incorporate non-discretionary bonuses and/or commissions into the
8 regular rate of pay used to calculate and pay for overtime compensation, sick pay, and meal and
9 rest break premiums. Additionally, Defendants failed to pay premium wages owed for unprovided
10 meal periods and rest periods, as further detailed in this Complaint. Defendants' failure to pay said
11 wages within the required time was willful within the meaning of Labor Code § 203.

12 27. Additionally, Defendants would routinely withhold Class Members' gratuities in
13 violation of Labor Code § 351. Examples of this conduct would include refusing to pay out any
14 cash gratuities to the employees and keeping the cash gratuities for Defendants.

15 28. In light of the foregoing, Plaintiff and Class Members bring this action pursuant to,
16 *inter alia*, Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 351, 510, 512, 558,
17 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2926, 2927 and California
18 Code of Regulations, Title 8, section 11000 *et seq.*

19 29. Furthermore, pursuant to Business and Professions Code §§ 17200-17208, Plaintiff
20 and the Class Members seek injunctive relief, restitution, and disgorgement of all benefits
21 Defendants have enjoyed from their violations of Labor Code and the other unfair, unlawful, or
22 fraudulent practices alleged in this Complaint.

23 **CLASS ALLEGATIONS**

24 30. Plaintiff seeks to represent the Subclasses composed of and defined as follows:

25 a. Subclass 1. Minimum Wages Subclass. All Class Members who were not
26 compensated for all hours worked for Defendants at the applicable minimum wage.

27 b. Subclass 2. Wages and Overtime Subclass. All Class Members who were not
28 compensated for all hours worked for Defendants at the required rates of pay, including for all hours

worked in excess of eight in a day and/or forty in a week.

c. Subclass 3. Meal Period Subclass. All Class Members who were subject to Defendants' policy and/or practice of failing to provide unpaid 30-minute uninterrupted and duty-free meal periods or one hour of pay at the Class Member's regular rate of pay in lieu thereof.

d. Subclass 4. Rest Break Subclass. All Class Members who were subject to Defendants' policy and/or practice of failing to authorize and permit Class Members to take uninterrupted, duty-free, 10-minute rest periods for every four hours worked, or major fraction thereof, and failing to pay one hour of pay at the Class Member's regular rate of pay in lieu thereof.

e. Subclass 5. Unlawful Withholding of Gratuities Subclass. All Class members who, within the applicable limitations period, were deprived of gratuities.

f. Subclass 6. Wage Statement Subclass. All Class Members who, within the applicable limitations period, were not provided with accurate itemized wage statements.

g. Subclass 7. Termination Pay Subclass. All Class Members who, within the applicable limitations period, either voluntarily or involuntarily separated from their employment and were subject to Defendants' policy and/or practice of failing to timely pay wages upon termination.

h. Subclass 8: Failure to Timely Pay Wages Twice Monthly Subclass. All Class Members who were subject to Defendants' policy and practice of not timely paying all wages earned when they were due and payable at least twice monthly.

i. Subclass 9. Payroll Records Subclass. All Class Members who were subject to Defendants' policy and/or practice of failing to keep accurate time and wage records as required by California wage-and-hour laws.

j. Subclass 10. UCL Subclass. All Class Members who are owed restitution as a result of Defendants' business acts and practices, to the extent such acts and practices are found to be unlawful, deceptive, and/or unfair.

31. Plaintiff reserves the right under California Rule of Court 3.765 to amend or modify the class description with greater particularity or further division into subclasses or limitation to particular issues. To the extent equitable tolling operates to toll claims by the Class

1 against Defendants, the Class Period should be adjusted accordingly.

2 32. Defendants, as a matter of company policy, practice and procedure, and in violation
3 of the applicable Labor Code, Industrial Welfare Commission (“IWC”) Wage Order requirements,
4 and the applicable provisions of California law, intentionally, knowingly, and willfully, engaged
5 in a practice whereby Defendants failed to correctly calculate compensation for the time worked
6 by Class Members, even though Defendants enjoyed the benefit of this work, required Class
7 Members to perform this work and permitted or suffered to permit this work. Defendants have
8 uniformly denied these Class Members wages to which these employees are entitled and failed to
9 provide meal periods or authorize and permit rest periods, in order to unfairly cheat the
10 competition and unlawfully profit.

11 33. This action has been brought and may properly be maintained as a class action
12 under the provisions of Code of Civil Procedure § 382 because there is a well-defined community
13 of interest in litigation and proposed class is easily ascertainable.

14 **A. Numerosity**

15 34. The potential members of the class as defined are so numerous that joinder of all
16 the member of the class is impracticable. While the precise number of class members has not been
17 determined at this time, Plaintiff is informed and believes that Defendants employ or, during the
18 time period relevant to this lawsuit, employed hundreds of employees who satisfy the Class
19 definition within the State of California.

20 35. Accounting for employee turnover during the relevant time period increases this
21 number substantially. Plaintiff alleges that Defendants’ employment records will provide
22 information as to the number and location of all Class Members.

23 **B. Commonality**

24 36. There are questions of law and fact common to the Class that predominates over
25 any questions affecting only individual Class Members. These common questions of law and fact
26 include:

- 27 a. Whether Defendants failed to pay Class Members minimum wages;
- 28 b. Whether Defendants failed to pay Class Members wages for all hours worked;

- 1 c. Whether Defendants failed to pay Class Members overtime as required under Labor
2 Code § 510;
- 3 d. Whether Defendants violated Labor Code §§ 226.7 and 512, and the applicable
4 IWC Wage Orders, by failing to provide Class Members with requisite meal
5 periods or premium pay in lieu thereof;
- 6 e. Whether Defendants violated Labor Code §§ 226.7, and the applicable IWC Wage
7 Orders, by failing to authorize and permit Class Members to take requisite rest
8 breaks or provide premium pay in lieu thereof;
- 9 f. Whether Defendants violated Labor Code § 351 by withholding gratuities from
10 Class Members;
- 11 g. Whether Defendants violated Labor Code § 226(a) by providing Class Members
12 with inaccurate wage statements;
- 13 h. Whether Defendants violated Labor Code §§ 201, 202, and 203 by failing to pay
14 wages and compensation due and owing at the time of termination of employment;
- 15 i. Whether Defendants' conduct was willful;
- 16 j. Whether Defendants violated Labor Code § 226 and § 1174 and the IWC Wage
17 Orders by failing to maintain accurate records of Class Members' earned wages and
18 work periods;
- 19 k. Whether Defendants violated Labor Code § 1194 by failing to compensate all Class
20 Members during the relevant time period for all hours worked, whether regular or
21 overtime;
- 22 l. Whether Defendants violated Labor Code § 204 by failing to timely pay wages;
- 23 m. Whether Defendants violated Business and Professions Code § 17200 *et seq.*; and
- 24 n. Whether Class Members are entitled to equitable relief pursuant to Business and
25 Professions Code § 17200 *et seq.*

26 **C. Typicality**

27 37. The claims of the named Plaintiff are typical of those of Class Members. The Class
28 Members all sustained injuries and damages arising out of and caused by Defendants' common

1 course of conduct in violation of statutes, as well as regulations that have the force and effect of
2 law, as alleged herein.

3 **D. Adequacy of Representation**

4 38. Plaintiff will fairly and adequately represent and protect the interest of the Class
5 Members. Counsel who represents Class Members are experienced and competent in litigating
6 employment class actions.

7 **E. Superiority of Class Action**

8 39. A class action is superior to other available means for the fair and efficient
9 adjudication of this controversy. Individual joinder of all Class Members is not practicable, and
10 questions of law and fact common to all Class Members predominate over any questions affecting
11 only individual Class Members. Each Class Member has been damaged and is entitled to recovery
12 by reason of Defendants' illegal policies or practices of failing to compensate Class Members
13 properly.

14 40. As to the issues raised in this case, a class action is superior to all other methods for
15 the fair and efficient adjudication of this controversy, as joinder of all Class Members is
16 impracticable and many legal and factual questions to be adjudicated apply uniformly to all Class
17 Members. Further, as the economic or other loss suffered by vast numbers of Class Members may
18 be relatively small, the expense and burden of individual actions makes it difficult for the Class
19 Members to individually redress the wrongs they have suffered. Moreover, in the event
20 disgorgement is ordered, a class action is the only mechanism that will permit the employment of
21 a fluid fund recovery to ensure that equity is achieved. There will be relatively little difficulty in
22 managing this case as a class action, and proceeding on a class-wide basis will permit Class
23 Members to vindicate their rights for violations they endured which they would otherwise be
24 foreclosed from receiving in a multiplicity of individual lawsuits that would be cost prohibitive to
25 them.

26 41. Class action treatment will allow those persons similarly situated to litigate their
27 claims in the manner that is most efficient and economical for the parties and the judicial system.
28 Plaintiff is unaware of any difficulties in managing this case that should preclude class treatment.

1 Plaintiff contemplates the eventual issuance of notice to the proposed Class Members that would
2 set forth the subject and nature of the instant action. The Defendants' own business records can be
3 utilized for assistance in the preparation and issuance of the contemplated notices. To the extent
4 that any further notice is required, additional media and/or mailings can be used.

5 42. Defendants, as prospective and actual employers of the Class Members, had a
6 special fiduciary duty to disclose to prospective Class Members the true facts surrounding
7 Defendants' pay practices, policies and working conditions imposed upon Class Members as well
8 as the effect of any alleged arbitration agreements that may have been forced upon them. In
9 addition, Defendants knew they possessed special knowledge about pay practices and policies,
10 most notably intentionally refusing to pay for all hours actually worked which should have been
11 recorded in Defendants' pay records and the consequence of the alleged arbitration agreements
12 and policies and practices on Class Members.

13 43. Class Members did not discover the fact that they were entitled to all pay under the
14 Labor Code until shortly before the filing of this lawsuit nor was there ever any discussion about
15 Plaintiff's and the Class' waiver of their Constitutional rights of trial by jury, right to collectively
16 organize and oppose unlawful pay practices under California law as well as obtain injunctive relief
17 preventing such practices from continuing. As a result, the applicable statutes of limitation were
18 tolled until such time as Plaintiff and the Class Members discovered their claims.

19 **FIRST CAUSE OF ACTION**

20 **FAILURE TO PAY MINIMUM WAGES**

21 **(Against All Defendants)**

22 44. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
23 full herein.

24 45. Defendants failed to pay Class Members minimum wages for all hours worked.
25 Defendants had a consistent policy of misstating Class Members' time records and failing to pay
26 Class Members for all hours worked. Class Members would work hours and not receive wages,
27 including as alleged above in connection with off the clock work. Additionally, Defendants failed
28 to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to

1 calculate and pay overtime compensation, sick pay and meal and rest break premiums, and failed
2 to pay all gratuities earned. Defendants, and each of them, have intentionally and improperly
3 changed, adjusted and/or modified the hours of Class Members, which resulted in off the clock
4 work and underpayment of all wages owed to Class Members over a period of time, while
5 benefiting Defendants. During the relevant time period, Defendants thus regularly failed to pay
6 minimum wages to Class Members, to their detriment. Additionally, Defendants had a consistent
7 policy of failing to pay Class Members for hours worked during alleged meal and rest periods for
8 which Class Members were consistently denied, as also addressed herein. Defendants' uniform
9 pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Class
10 as a whole, as a result of implementing a uniform policy and practice that denied accurate
11 compensation to Class Members as to minimum wage pay.

12 46. In California, employees must be paid at least the then applicable state minimum
13 wage for all hours worked. (IWC Wage Order MW-2014). Additionally, pursuant to California
14 Labor Code § 204, other applicable laws and regulations, and public policy, an employer must
15 timely pay its employees for all hours worked. Defendants failed to do so.

16 47. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states:
17 "The minimum wage for employees fixed by the commission is the minimum wage to be paid to
18 employees, and the payment of a less wage than the minimum so fixed is unlawful."

19 48. The applicable minimum wages fixed by the commission for work during the
20 relevant period is found in Paragraph 4(A)-4(D) of the IWC Wage Orders.

21 49. The minimum wage provisions of California Labor Code are enforceable by private
22 civil action pursuant to Labor Code § 1194(a) which states: "Notwithstanding any agreement to
23 work for a lesser wage, any employee receiving less than the legal minimum wage or the legal
24 overtime compensation applicable to the employee is entitled to recover in a civil action the
25 unpaid balance of the full amount of this minimum wage or overtime compensation, including
26 interest thereon, reasonable attorney's fees and costs of suit."

27 50. As described in California Labor Code §§ 1185 and 1194.2, any action for wages
28 incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also,

1 California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage
2 Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for
3 all hours worked. All hours must be paid at the statutory or agreed rate and no part of this rate may
4 be used as a credit against a minimum wage obligation.

5 51. In committing these violations of the California Labor Code, Defendants
6 inaccurately recorded, or required Class Members to input times that did not reflect their actual
7 hours worked, or calculated the correct time worked and consequently underpaid the actual time
8 worked by Class Members. Defendants acted in an illegal attempt to avoid the payment of all
9 earned wages, and other benefits in violation of the California Labor Code, the Industrial Welfare
10 Commission requirements and other applicable laws and regulations. As a result of these
11 violations, Defendant also failed to timely pay all wages earned in accordance with California
12 Labor Code § 1194.

13 52. California Labor Code § 1194.2 also provides for the following remedies: “In any
14 action under Section 1194 . . . to recover wages because of the payment of a wage less than the
15 minimum wages fixed by an order of the commission, an employee shall be entitled to recover
16 liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.”

17 53. In addition to restitution for all unpaid wages, pursuant to California Labor Code §
18 1197.1, Class Members are entitled to recover a penalty of \$100.00 for the initial failure to timely
19 pay each employee minimum wages, and \$250.00 for each subsequent failure to pay each
20 employee minimum wages.

21 54. Pursuant to California Labor Code § 1194.2, Class Members are further entitled to
22 recover liquidated damages in an amount equal to wages unlawfully unpaid and interest thereon.

23 55. Defendants have the ability to pay minimum wages for all time worked and have
24 willfully refused to pay such wages with the intent to secure for Defendants a discount upon this
25 indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Class Members.

26 56. Wherefore, Class Members are entitled to recover the unpaid minimum wages
27 (including double minimum wages), liquidated damages in an amount equal to the minimum
28 wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant

1 to California Labor Code § 1194(a). Plaintiff and the other members of the Class further request
2 recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the
3 assessment of any statutory penalties against Defendants, in a sum as provided by the California
4 Labor Code, including § 558, and/or other applicable statutes.

5 **SECOND CAUSE OF ACTION**

6 **FAILURE TO PAY WAGES AND OVERTIME UNDER LABOR CODE § 510**

7 **(Against All Defendants)**

8 57. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
9 full herein.

10 58. California Labor Code § 1194 provides that “any employee receiving less than the
11 legal minimum wage or the legal overtime compensation applicable to the employee is entitled to
12 recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime
13 compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” The action
14 may be maintained directly against the employer in an employee’s name without first filing a
15 claim with the Division of Labor Standards and Enforcement.

16 59. By their conduct, as set forth herein, Defendants violated California Labor Code §
17 510 (and the relevant orders of the Industrial Welfare Commission) by failing to pay Class
18 Members: (a) time and one-half their regular hourly rates for hours worked in excess of eight (8)
19 hours in a workday or in excess of forty (40) hours in any workweek or for the first eight (8) hours
20 worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for
21 hours worked in excess of twelve (12) hours in any one (1) day or for hours worked in excess of
22 eight (8) hours on any seventh day of work in a workweek.

23 60. Defendants had a consistent policy of not paying Class Members wages for all
24 hours worked, including by requiring off the clock work, as addressed above. Additionally,
25 Defendants failed to incorporate non-discretionary bonuses and/or commissions into the regular
26 rate of pay used to calculate and pay overtime compensation, sick pay and meal and rest break
27 premiums. Defendants, and each of them, have intentionally and improperly rounded, changed,
28 adjusted, and/or modified certain employees’ hours, including Plaintiff’s, in order to avoid paying

1 Class Members all earned and owed straight time and overtime wages and other benefits, in
2 violation of the California Labor Code, the California Code of Regulations and the IWC Wage
3 Orders and guidelines set forth by the Division of Labor Standards and Enforcement. Defendants
4 have also violated these provisions by requiring Class Members to work through portions of their
5 meal period. Therefore, Class Members were not properly compensated, nor were they paid
6 overtime rates for hours worked in excess of eight hours in a given day, and/or forty hours in a
7 given week. Based on information and belief, Defendants did not make available to Class
8 Members a reasonable protocol for correcting time records when Class Members worked overtime
9 hours or to fix incorrect time entries.

10 61. Defendants' failure to pay Class Members the unpaid balance of regular wages
11 owed and overtime compensation, as required by California law, violates the provisions of Labor
12 Code §§ 510 and 1198, and is therefore unlawful.

13 62. Additionally, Labor Code § 558(a) provides "any employer or other person acting
14 on behalf of an employer who violates, or causes to be violated, a section of this chapter or any
15 provisions regulating hours and days of work in any order of the IWC shall be subject to a civil
16 penalty as follows: (1) For any violation, fifty dollars (\$50) for each underpaid employee for each
17 pay period for which the employee was underpaid in addition to an amount sufficient to recover
18 underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each
19 underpaid employee for each pay period for which the employee was underpaid in addition to an
20 amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall
21 be paid to the affected employee." Labor Code § 558(c) states, "the civil penalties provided for in
22 this section are in addition to any other civil or criminal penalty provided by law." Defendants
23 have violated provisions of the Labor Code regulating hours and days of work as well as the IWC
24 Wage Orders. Accordingly, Plaintiff and the Class Members seek the remedies set forth in Labor
25 Code § 558.

26 63. Defendants' failure to pay compensation in a timely fashion also constituted a
27 violation of California Labor Code § 204, which requires that all wages shall be paid
28 semimonthly. From four (4) years prior to the filing of this lawsuit to the present, in direct

1 violation of that provision of the California Labor Code, Defendants have failed to pay all wages
2 and overtime compensation earned by Class Members. Each such failure to make a timely
3 payment of compensation to Class Members constitutes a separate violation of California Labor
4 Code § 204.

5 64. Class Members have been damaged by these violations of California Labor Code
6 §§ 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

7 65. Consequently, pursuant to the California Labor Code, including Labor Code §§
8 204, 510, 558, and 1194, and the applicable IWC Wage Order, paragraph 3(A) and 4(B),
9 Defendants are liable to Class Members for the full amount of all their unpaid wages and overtime
10 compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the
11 assessment of any statutory penalties against Defendants, and each of them, and any additional
12 sums as provided by the Labor Code and/or other statutes.

13 **THIRD CAUSE OF ACTION**

14 **MEAL-PERIOD LIABILITY UNDER LABOR CODE § 226.7**

15 **(Against All Defendants)**

16 66. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
17 full herein.

18 67. Class Members regularly worked shifts greater than five (5) hours and in some
19 instances, greater than ten (10) hours. Pursuant to Labor Code § 512 an employer may not employ
20 someone for a shift of more than five (5) hours without providing him or her with a meal period of
21 not less than thirty (30) minutes or for a shift of more than ten (10) hours without providing him or
22 her with a second meal period of not less than thirty (30) minutes.

23 68. Defendants failed to provide Class Members with meal periods as required under
24 the Labor Code. Defendants placed their needs over Class Members lawful meal breaks and this
25 resulted in Class Members consistently having to work through their scheduled meal breaks
26 because the demands of the job would not avail them the opportunity to take a lawfully
27 uninterrupted and off-duty meal break. Class members were also required to keep their work cell
28 phones on during their meal breaks and were interrupted with work demands. Furthermore, upon

1 information and belief, on the occasions when Class Members worked more than ten (10) hours in
2 a given shift, they did so without receiving a second uninterrupted thirty (30) minute meal period
3 as required by law.

4 69. Defendants thus failed to provide Class Members with meal periods as required by
5 the Labor Code, including by not providing them with the opportunity to take meal breaks, by
6 providing them late or for less than thirty (30) minutes, or by requiring them to perform work
7 during breaks.

8 70. Moreover, Defendants failed to compensate Class Members for each meal period
9 not provided or inadequately provided, as required under Labor Code § 226.7 and paragraph 11 of
10 the applicable IWC Wage Orders, which provide that, if an employer fails to provide an employee
11 a meal period in accordance with this section, the employer shall pay the employee one (1) hour of
12 pay at the employee's regular rate of compensation for each workday that the meal period is not
13 provided. Defendants failed to compensate Class Members for each meal period not provided or
14 inadequately provided, as required under Labor Code § 226.7.

15 71. Therefore, pursuant to Labor Code § 226.7 and the applicable IWC Wage Order,
16 paragraph 11, Class Members are entitled to damages in an amount equal to one (1) hour of wages
17 at their effective hourly rates of pay for each meal period not provided or deficiently provided, a
18 sum to be proven at trial, as well as the assessment of any statutory penalties against the
19 Defendants, and each of them, in a sum as provided by the Labor Code and other statutes.

20 **FOURTH CAUSE OF ACTION**

21 **REST-BREAK LIABILITY UNDER LABOR CODE § 226.7**

22 **(Against All Defendants)**

23 72. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
24 full herein.

25 73. Labor Code §§ 226.7 and paragraph 12 of the applicable IWC Wage Orders
26 provide that employers must authorize and permit all employees to take rest periods at the rate of
27 ten (10) minutes net rest time per four (4) work hours.

28 ///

1 74. Class Members consistently worked consecutive four (4) hour shifts and were
2 generally scheduled for shifts of greater than 3.5 hours total, thus requiring Defendants to
3 authorize and permit them to take rest periods. Pursuant to the Labor Code and the applicable IWC
4 Wage Order, Class Members were entitled to paid rest breaks of not less than ten (10) minutes for
5 each consecutive four (4) hour shift, and Defendants failed to provide Class Members with timely
6 rest breaks of not less than ten (10) minutes for each consecutive four (4) hour shift. Class
7 members were also required to keep their work cell phones on during their rest breaks and were
8 interrupted with work demands. Defendants placed their needs over Class Members lawful rest
9 breaks, and this resulted in Class Members consistently having to work through their scheduled
10 rest breaks because the demands of the job would not avail them the opportunity to take a lawfully
11 uninterrupted and off-duty rest break. Thus, Class Members were consistently denied of their rest
12 breaks.

13 75. Labor Code §§ 226.7 and paragraph 12 of the applicable IWC Wage Orders
14 provide that if an employer fails to provide an employee rest period in accordance with this
15 section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of
16 compensation for each workday that the rest period is not provided.

17 76. Defendants, and each of them, have therefore intentionally and improperly denied
18 rest periods to Class Members in violation of Labor Code §§ 226.7 and 512 and paragraph 12 of
19 the applicable IWC Wage Orders.

20 77. Defendants failed to authorize and permit Class Members to take rest periods, as
21 required by the Labor Code. Moreover, Defendants did not compensate Class Members with an
22 additional hour of pay at each Class Member's effective hourly rate for each day that Defendants
23 failed to provide them with adequate rest breaks, as required under Labor Code § 226.7.

24 78. Therefore, pursuant to Labor Code § 226.7 and paragraph 12 of the applicable IWC
25 Wage Orders, Class Members are entitled to damages in an amount equal to one (1) hour of wages
26 at their effective hourly rates of pay for each day worked without the required rest breaks, a sum to
27 be proven at trial, as well as the assessment of any statutory penalties against Defendants, and each
28 of them, in a sum as provided by the Labor Code and/or other statutes.

FIFTH CAUSE OF ACTION
VIOLATION OF LABOR CODE § 226(a)
(Against All Defendants)

79. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

80. California Labor Code § 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized statement in writing showing the gross and net earnings, , , and the corresponding number of hours worked at each hourly rate; these statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid.

81. Defendants failed to provide Class Members with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Class Members failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay overtime compensation, sick pay, and meal and rest break premiums. Thus, the wage statements do not provide accurate hourly rates for overtime and the statements do not comply with Labor Code § 226(a)(9). Further, the wage statements given to Class Members failed to include the "total hours worked" as required under Labor Code § 226(a)(2). Moreover, the wage statements given to Class Members failed to accurately account for unpaid wages and overtime because Defendants under-reported Class Members' actual hours worked due to the off the clock work and failed to accurately report all gratuities earned. Additionally, the wage statements given to Class Members failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

82. Throughout the liability period, Defendants intentionally failed to furnish to Class Members, upon each payment of wages, itemized statements accurately showing: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the

1 inclusive dates of the period for which the employee is paid, (7) the name of the employee and
2 only the last four digits of his or her social security number or an employee identification number
3 other than a social security number, (8) the name and address of the legal entity that is the
4 employer and (9) all applicable hourly rates in effect during the pay period and the corresponding
5 number of hours worked at each hourly rate by the employee pursuant to Labor Code § 226,
6 amongst other statutory requirements. Defendants knowingly and intentionally failed to provide
7 Class Members with such timely and accurate wage and hour statements.

8 83. Class Members suffered injury as a result of Defendants' knowing and intentional
9 failure to provide them with the accurate wage and hour statements as required by law and are
10 presumed to have suffered injury and be entitled to penalties under Labor Code § 226(e), as the
11 Defendants have failed to provide wage statements with accurate and complete information as
12 required by any one or more of items Labor Code § 226 (a)(1) to (9), inclusive, and Class
13 Members cannot promptly and easily determine from the wage statement alone one or more of the
14 following: (i) The amount of the gross wages or net wages paid to the employee during the pay
15 period or any of the other information required to be provided on the itemized wage statement
16 pursuant to items (2) to (4), inclusive, (6), and (9) of subdivision (a), (ii) Which deductions the
17 employer made from gross wages to determine the net wages paid to the employee during the pay
18 period, (iii) The name and address of the employer and, (iv) The name of the employee and only
19 the last four digits of his or her social security number or an employee identification number other
20 than a social security number. For purposes of Labor Code § 226(e) "promptly and easily
21 determine" means a reasonable person [i.e. an objective standard] would be able to readily
22 ascertain the information without reference to other documents or information.

23 84. Therefore, as a direct and proximate cause of Defendants' violation of Labor Code
24 § 226(a), Class Members suffered injuries, including among other things confusion over whether
25 they received all wages owed to them, the difficulty and expense involved in reconstructing pay
26 records, and forcing them to make mathematical computations to analyze whether the wages paid
27 in fact compensated them correctly for all hours worked.

28 ///

85. Pursuant to Labor Code §§ 226(a) and 226(e) and 1174, and the applicable IWC Wage Order, paragraph 7(B), Class Members are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

SIXTH CAUSE OF ACTION
VIOLATION OF LABOR CODE § 203
(Against All Defendants)

86. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

87. Numerous Class Members are no longer employed by Defendants; they either quit Defendants' employ or were fired therefrom.

88. Defendants failed to pay these Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation.

89. The wages withheld from these Class Members by Defendants remained due and owing for more than thirty (30) days from the date of separation from employment.

90. Defendants failed to pay Class Members without abatement, all wages as defined by applicable California law. Class Members were not paid all regular and overtime wages because Defendants failed to pay for all hours worked and required off the clock work and failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime, sick pay, and meal and rest break premiums. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods, as further detailed in this Complaint. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

91. Defendants' failure to pay wages, as alleged entitles these Class Members to penalties under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

SEVENTH CAUSE OF ACTION
VIOLATION OF LABOR CODE § 204
(Against All Defendants)

92. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

93. Labor Code § 204 instructs that: “All wages, ...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month.” Additionally, the requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.” As detailed above, Defendants maintained a consistently applied policy and practice of not paying all wages earned between the 1st and 15th days of a month between the 16th and 26th day and failed to pay all wages earned between the 16th and the last day of the month between the 1st and 10th day of the following month. Defendants similarly failed to pay all wages earned by not more than seven calendar days following the close of the payroll period. These failures all arose from Defendants’ failure to pay for all hours worked, and failing to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime pay, sick pay, and meal and rest break premiums, as detailed above.

94. All wages due and owing to Plaintiff and the Class Members, including as required under Labor Code § 510, were therefore not timely paid by Defendants, as addressed in detail above. Additionally, wages required by Labor Code § 1194 and other sections became due and payable to each Class Member in each pay period that he or she was not provided with a meal period or rest period or paid straight or overtime wages or commissions to which he or she was entitled.

95. Defendants thus violated Labor Code § 204 by systematically refusing to pay wages due under the Labor Code, as addressed above. Additionally, under paragraph 4(B) of the applicable IWC Wage Orders, employers are required “to pay 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, ...” Under Labor Code § 1198, “[t]he employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Plaintiff and the Class Members may therefore pursue damages and penalties for violations of Labor Code § 204 and paragraph 4(B) of the applicable IWC Wage Orders, including penalties under paragraph 20 of the applicable IWC Wage Orders.

96. As a result of the unlawful acts of Defendants, Plaintiff and Class Members seek to represent they have been deprived of wages in amounts to be determined at trial, and they are entitled to recovery of such amounts, plus interest and penalties thereon, attorneys' fees, and costs, pursuant to Labor Code § 210, 218.5, 1194 and 1198, and paragraphs 4(B) and 20 of the applicable IWC Wage Orders.

EIGHTH CAUSE OF ACTION

FAILURE TO KEEP REQUIRED PAYROLL RECORDS UNDER LABOR CODE § 1174

AND 1174.5

(Against All Defendants)

97. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

98. California Labor Code § 1174 requires that all employers shall keep accurate time and wage records for all employees. California Labor Code § 1174.5 further requires that any employee suffering injury due to a willful violation of the aforementioned obligations may seek damages, including civil penalties, from the employer.

99. During the course of Plaintiff's and Class Members' employment, Defendants consistently failed to maintain accurate time and wage records for Plaintiff and Class Members as required by California Labor Code § 1174 by failing to pay Plaintiff and Class Members proper wages, overtime, and premium pay as discussed above.

100. Accordingly, Defendants are liable for civil penalties pursuant to the California Labor Code § 1174.5 for the three (3) years prior to the filing of this Complaint.

NINTH CAUSE OF ACTION

VIOLATION OF BUSINESS & PROFESSIONS CODE § 17200 *ET SEQ.*

(Against All Defendants)

101. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

102. Plaintiff, on behalf of himself, Class Members, and the general public, brings this claim pursuant to Business & Professions Code § 17200 *et seq.* The conduct of Defendants as alleged in this Complaint has been and continues to be unfair, unlawful, and harmful to Class Members and the general public. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure § 1021.5.

103. Plaintiff is a “person” within the meaning of Business & Professions Code § 17204, has suffered an injury, and therefore has standing to bring this cause of action for injunctive relief, restitution, and other appropriate equitable relief.

104. Business & Professions Code § 17200 *et seq.* prohibits unlawful and unfair business practices. By the conduct alleged herein, Defendants’ practices were deceptive and fraudulent in that Defendants’ policy and practice failed to provide the required amount of compensation for missed meal and rest breaks, and failed to adequately compensate Class Members for all hours worked, due to systematic business practices as alleged herein that cannot be justified, pursuant to the applicable California Labor Code and Industrial Welfare Commission requirements in violation of California Business and Professions Code §§ 17200, *et seq.*, and for which this Court should issue injunctive and equitable relief, pursuant to California Business & Professions Code § 17203, including restitution of wages wrongfully withheld.

105. Wage-and-hour laws express fundamental public policies. Paying employees their wages and overtime, providing them with meal periods and rest breaks, etc., are fundamental public policies of California. Labor Code § 90.5(a) articulates the public policies of this State vigorously to enforce minimum labor standards, to ensure that employees are not required or

1 permitted to work under substandard and unlawful conditions, and to protect law-abiding
2 employers and their employees from competitors who lower costs to themselves by failing to
3 comply with minimum labor standards.

4 106. Defendants have violated statutes and public policies. Through the conduct alleged
5 in this Complaint Defendants have acted contrary to these public policies, have violated specific
6 provisions of the Labor Code, and have engaged in other unlawful and unfair business practices in
7 violation of Business & Professions Code § 17200 *et seq.*; which conduct has deprived Plaintiff,
8 and all persons similarly situated, and all interested persons, of the rights, benefits, and privileges
9 guaranteed to all employees under the law.

10 107. Defendants' conduct, as alleged above, constitutes unfair competition in violation
11 of the Business & Professions Code § 17200 *et seq.*

12 108. Defendants, by engaging in the conduct herein alleged, by failing to pay wages and
13 overtime, failing to provide meal periods and rest breaks, etc., either knew or in the exercise of
14 reasonable care should have known that their conduct was unlawful; therefore their conduct
15 violates the Business & Professions Code § 17200 *et seq.*

16 109. By the conduct alleged herein, Defendants have engaged and continue to engage in
17 a business practice which violates California and federal law, including but not limited to, the
18 applicable Industrial Wage Order(s), the California Code of Regulations, and the California Labor
19 Code including Sections 203, 204, 226, 226.7, 512, 1194, 1197, and 1198, for which this Court
20 should issue declaratory and other equitable relief pursuant to California Business & Professions
21 Code § 17203 as may be necessary to prevent and remedy the conduct held to constitute unfair
22 competition, including restitution of wages wrongfully withheld.

23 110. As a proximate result of the above-mentioned acts of Defendants, Class Members
24 have been damaged, in a sum to be proven at trial.

25 111. Unless restrained by this Court Defendants will continue to engage in such
26 unlawful conduct as alleged above. Pursuant to the Business & Professions Code, this Court
27 should make such orders or judgments, including the appointment of a receiver, as may be
28 necessary to prevent the use by Defendants or their agents or employees of any unlawful or

1 deceptive practice prohibited by the Business & Professions Code, including but not limited to the
2 disgorgement of such profits as may be necessary to restore Class Members to the money
3 Defendants have unlawfully failed to pay.

4 **RELIEF REQUESTED**

5 WHEREFORE, Plaintiff prays for the following relief:

- 6 1. For an order certifying this action as a class action;
- 7 2. For compensatory damages in the amount of the unpaid minimum wages for work
8 performed by Class Members and unpaid overtime compensation from at least four (4) years prior
9 to the filing of this action, as may be proven;
- 10 3. For liquidated damages in the amount equal to the unpaid minimum wage and
11 interest thereon, from at least four (4) years prior to the filing of this action, according to proof;
- 12 4. For compensatory damages in the amount of all unpaid wages, including overtime
13 and double-time pay, as may be proven;
- 14 5. For compensatory damages in the amount of the hourly wage made by Class
15 Members for each missed or deficient meal period where no premium pay was paid therefor from
16 four (4) years prior to the filing of this action, as may be proven;
- 17 6. For compensatory damages in the amount of the hourly wage made by Class
18 Members for each day requisite rest breaks were not provided or were deficiently provided where
19 no premium pay was paid therefor from at least four (4) years prior to the filing of this action, as
20 may be proven;
- 21 7. For penalties pursuant to Labor Code § 226(e) for Class Members, as may be
22 proven;
- 23 8. For penalties pursuant to Labor Code § 203 for all Class Members who quit or were
24 fired in an amount equal to their daily wage times thirty (30) days, as may be proven;
- 25 9. For restitution and/or damages for all amounts unlawfully withheld from the wages
26 for all class members in violation of Labor Code § 204, as may be proven;
- 27 10. For penalties pursuant to Labor Code §§ 226 and 1198.5, as may be proven;

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11. For restitution for unfair competition pursuant to Business & Professions Code
§ 17200 *et seq.*, including disgorgement or profits, as may be proven;

12. For an order enjoining Defendants and their agents, servants, and employees, and
all persons acting under, in concert with, or for them, from acting in derogation of any rights or
duties adumbrated in this Complaint;

13. For other wages and penalties under the Labor Code as may be proven;

14. For all general, special, and incidental damages as may be proven;

15. For an award of pre-judgment and post-judgment interest;

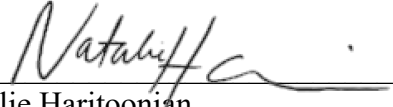
16. For an award providing for the payment of the costs of this suit;

17. For an award of attorneys' fees; and

18. For such other and further relief as this Court may deem proper and just.

DATED: July 2, 2026

D.LAW, INC.

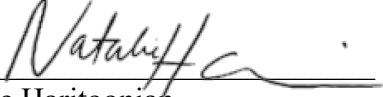
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Andrea A. Amaya Silva
Attorneys for Plaintiff JESUS ENRIQUE
RAMOS RIOS, and all others similarly
situated

1 **DEMAND FOR JURY TRIAL**

2 Plaintiff hereby demands a trial of his claims by jury to the extent authorized by law.

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5 DATED: July 2, 2026

D.LAW, INC.

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7 By: 
8 Natalie Haritonian
9 Andrea A. Amaya Silva
10 Attorneys for Plaintiff JESUS ENRIQUE
11 RAMOS RIOS, and all others similarly
12 situated
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