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 County of Alameda
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Chad Firke, Executive Officer / Clerk of the Court

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF ALAMEDA**

HAROLD PHILIPPE, an individual, on behalf of
 himself, the State of California, as a private
 attorney general, and on behalf of all others
 similarly situated,

Plaintiff,

v.

D.P. NICOLI, INC., an Oregon Corporation; and
 DOES 1 TO 50,

Defendants.

Case Number: 24CV059733

**First Amended Class and Representative
 Action Complaint For:**

1. Failure to Pay All Minimum Wages,
2. Failure to Pay All Overtime Wages,
3. Failure to Provide Rest Periods and Pay Missed Rest Period Premiums,
4. Failure to Provide Meal Periods and Pay Missed Meal Period Premiums,
5. Failure to Maintain Accurate Employment Records,
6. Failure to Pay Wages Timely during Employment,
7. Failure to Pay All Wages Earned and Unpaid at Separation,
8. Failure to Indemnify All Necessary Business Expenditures,

9. Failure to Furnish Accurate Itemized Wage Statements,
10. Violations of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210), and
11. Penalties Pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA”) for Violations of California Labor Code Sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804, and Other Provisions of the Labor Code.

Demand for Jury Trial

Plaintiff Harold Philippe (“Plaintiff”), on behalf of himself, the State of California, as a private attorney general, and all other similarly situated employees within the State of California, complains and alleges of defendants D.P. Nicoli, Inc. and Does 1 to 50 (collectively, “Defendants”), and each of them, as follows:

I. INTRODUCTION

1. This is a class action complaint brought pursuant to California Code of Civil Procedure section 382.

2. The “Class Period” as used herein, is defined as the period from January 11, 2020, and continuing into the present and ongoing. Defendants’ violations of California’s laws as described more fully below have been ongoing throughout the Class Period and are still ongoing.

3. Plaintiff brings this class action on behalf of himself and the following class: *All individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period* (the “Class Members”). (Code Civ. Proc., § 382.)

4. Plaintiff brings this action on behalf of himself and the Class Members, as a class action, against Defendants for:

- A. Failure to pay all minimum wages,
- B. Failure to pay all overtime wages,
- C. Failure to provide rest periods and pay missed rest period premiums,
- D. Failure to provide meal periods and pay missed meal period premiums,
- E. Failure to maintain accurate employment records,
- F. Failure to pay wages timely during employment,
- G. Failure to pay all wages earned and unpaid at separation,
- H. Failure to indemnify all necessary business expenditures,
- I. Failure to furnish accurate itemized wage statements, and
- J. Violations of California’s Unfair Competition Law (“UCL”) (Bus. & Prof. Code, §§ 17200–17210).

5. This action is also a representative action brought pursuant to the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), codified at California Labor Code sections 2698 through 2699.6.

6. The “PAGA Period” as used herein, is defined as the period from January 11, 2023, and continuing into the present and ongoing.

7. This PAGA action is brought on behalf of Plaintiff, the State of California as private attorney general, and on behalf of the following aggrieved employees: *All individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period* (the “Aggrieved Employees”).

8. Plaintiff is informed and believes and thereon alleges that the California Industrial Welfare Commission (“IWC”) Wage Order applicable to the facts of this case is IWC Wage Order 4-2001 (the “Applicable Wage Order”) and possibly others that may be applicable. (Cal. Code of Regs., tit. 8, § 11040.) Plaintiff reserves the right to amend or modify the definition of “Applicable Wage Order” with greater specificity or add additional IWC Wage Orders if additional applicable wage orders are discovered in litigation.

1 **II. JURISDICTION & VENUE**

2 9. This Court has subject matter jurisdiction over all causes of action asserted herein
3 pursuant to Article VI, section 10, of the California Constitution and Code of Civil Procedure section
4 410.10 because this is a civil action in which the matter in controversy, exclusive of interest, exceeds
5 \$25,000, and because each cause of action asserted arises under the laws of the State of California or
6 is subject to adjudication in the courts of the State of California.

7 10. This Court has personal jurisdiction over Defendants because Defendants have caused
8 injuries in the County of Alameda and the State of California through their acts, and by their violation
9 of the California Labor Code and California state common law. Defendants transact millions of dollars
10 of business within the State of California. Defendants own, maintain offices, transact business, have an
11 agent or agents within the County of Alameda, and/or otherwise are found within the County of
12 Alameda, and Defendants are within the jurisdiction of this Court for purposes of service of process.

13 11. Venue as to Defendants is proper in this judicial district, pursuant to section 395 of the
14 Code of Civil Procedure. Defendants operate within California and do business within Alameda
15 County, California. The unlawful acts alleged herein have a direct effect on Plaintiff and all of
16 Defendants' employees identified above within Alameda County and surrounding counties where
17 Defendants may remotely operate.

18 12. This matter is not appropriate for removal under the Class Action Fairness Act (28
19 U.S.C. § 1332) as the amount in controversy for Plaintiff's and the Class Members' claims, in
20 aggregate, is less than \$5 million. Additionally, all the allegations herein occurred in the State of
21 California. As such, even if the amount in controversy did exceed \$5 million this matter would still not
22 be appropriate for removal under the "local controversy" exception to the Class Action Fairness Act.
23 (28 U.S.C. § 1332, subd. (d)(4)(A).)

24 **III. THE PARTIES**

25 **A. PLAINTIFF**

26 13. At all relevant times, Plaintiff, who is over the age of 18, was and currently is a citizen
27 of California residing in the State of California. Defendants employed Plaintiff as a non-exempt hourly
28 employee in the County of Alameda.

1 14. Plaintiff brings this action on behalf of himself and the following class pursuant to
2 section 382 of the Code of Civil Procedure as follows: *All individuals who are or were employed by*
3 *Defendants as non-exempt employees in California during the Class Period* (the “Class Members”).

4 15. Plaintiff also brings this action on behalf of himself and the State of California, as a
5 private attorney general, and on behalf of the following group of aggrieved employees: *All individuals*
6 *who are or were employed by Defendants as non-exempt employees in California during the PAGA*
7 *Period* (the “Aggrieved Employees”).

8 16. The Class Members and the Aggrieved Employees, at all times pertinent hereto, are or
9 were employees of Defendants during the relevant statutory period.

10 **B. DEFENDANTS**

11 17. Plaintiff is informed and believes and thereon alleges that Defendants were authorized
12 to and doing business in Alameda County and is and/or was the legal employer of Plaintiff, the other
13 Aggrieved Employees, and the other Class Members during the applicable statutory periods. Plaintiff,
14 the other Aggrieved Employees, and the other Class Members were, and are, subject to Defendants’
15 policies and/or practices complained of herein and have been deprived of the rights guaranteed to them
16 by: California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1185,
17 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804, and others that may be applicable;
18 California Business and Professions Code sections 17200 through 17210 (“UCL”); and the Applicable
19 Wage Order (Cal. Code of Regs., tit. 8, § 11040).

20 18. Plaintiff is informed and believes, and based thereon alleges, that during the Class
21 Period and PAGA Period, Defendants did (and continue to do) business in the State of California,
22 County of Alameda.

23 19. Plaintiff does not know the true names or capacities, whether individual, partner, or
24 corporate, of the defendants sued herein as Does 1 to 50, inclusive, and for that reason, said defendants
25 are sued under such fictitious names, and Plaintiff will seek leave from this Court to amend this
26 complaint when such true names and capacities are discovered. Plaintiff is informed, and believes, and
27 thereon alleges, that each of said fictitious defendants, whether individual, partners, or corporate, were
28 responsible in some manner for the acts and omissions alleged herein, and proximately caused Plaintiff,

1 the other Aggrieved Employees, and the other Class Members to be subject to the unlawful employment
2 practices, wrongs, injuries, and damages complained of herein.

3 20. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
4 herein, Defendants were and/or are the employers of Plaintiff, the other Aggrieved Employees, and the
5 other Class Members. At all times herein mentioned, each of said Defendants participated in the doing
6 of the acts hereinafter alleged to have been done by the named Defendants. Furthermore, the
7 Defendants, and each of them, were the agents, representatives, and employees of each and every one
8 of the other Defendants, and at all times herein mentioned were acting within the course and scope of
9 said agency, representation, and employment. Defendants, and each of them, approved of, condoned,
10 or otherwise ratified every one of the acts or omissions complained of herein.

11 21. Plaintiff is further informed, and believes, and thereon alleges, that at all times
12 mentioned herein, that Defendants, and each of them, are the alter egos of one another and that there
13 existed and now exists a unity of interest and ownership between them such that the individuality and
14 separateness of each of them has ceased. Plaintiff is further informed, and believes, and thereon alleges,
15 that at all times mentioned herein, that Defendants, and each of them, have been and now are mere
16 shells and naked frameworks that their principal uses for the conduct of that Defendant's own business,
17 property, and affairs, for which Defendants, and each of them, have concealed and misrepresented their
18 identities as the entities responsible for their ownership, management, and financial interests.

19 22. Plaintiff is further informed, and believes, and thereon alleges, that at all times
20 mentioned herein, Defendants, and each of them, were members of and engaged in a joint venture,
21 partnership, and common enterprise, and acting within the course and scope of and in pursuance of said
22 joint venture, partnership, and common enterprise. Further, Plaintiff is informed, and believes, and
23 thereon alleges, that all Defendants were joint employers for all purposes of Plaintiff, the other
24 Aggrieved Employees, and the other Class Members.

25 **IV. COMMON FACTS & ALLEGATIONS**

26 23. Plaintiff and the other Class Members (collectively, the "Class Members") are, and were
27 at all relevant times, employed by the Defendants within the State of California.
28

1 24. Likewise, Plaintiff and the other Aggrieved Employees (collectively, the “Aggrieved
2 Employees”) are, and were at all relevant times, employed by the Defendants within the State of
3 California.

4 25. The Class Members and the Aggrieved Employees are, and were, at all relevant times,
5 non-exempt employees for the purposes of minimum wages, overtime, rest breaks, meal periods, and
6 the other claims alleged in this complaint.

7 26. Specifically, Plaintiff was employed by Defendants within the statutory Class Period
8 and PAGA Period, working as an hourly, non-exempt employee for Defendants.

9 **A. MINIMUM WAGE VIOLATIONS**

10 27. Labor Code section 1197 requires employees to be paid at least the minimum wage fixed
11 by the IWC, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code
12 section 1194 entitles “any employee receiving less than the legal minimum wage . . . to recover in a
13 civil action the unpaid balance of the full amount of this minimum wage.” Likewise, the Applicable
14 Wage Order also obligates employers to pay each employee minimum wages for all hours worked.
15 (Cal. Code of Regs., tit. 8, § 11040.) Labor Code section 1198 makes unlawful the employment of an
16 employee under conditions that the IWC Wage Orders prohibit.

17 28. These minimum wage standards apply to each hour that employees work. Therefore, an
18 employer’s failure to pay for any particular time worked by an employee is unlawful, even if averaging
19 an employee’s total pay over all hours worked, paid or not, results in an average hourly wage above
20 minimum wage. (*Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324.)

21 29. Here, Defendants failed to fully conform their pay practices to the requirements of the
22 law during the relevant statutory periods. The Class Members and the Aggrieved Employees were not
23 compensated for all hours worked including, but not limited to, all hours they were subject to the control
24 of Defendants and/or suffered or permitted to work under the California Labor Code and the Applicable
25 Wage Order. Among other violations, the Class Members and the Aggrieved Employees were subject
26 to the control of Defendants while off-the-clock and did not receive minimum wage for each hour
27 worked.
28

1 30. Additionally, the Class Members and the Aggrieved Employees were not paid all wages
2 for all hours worked due to Defendants' uniform payroll policies and practices that unfairly rounded
3 employees' wages to the detriment of the Class Members and the Aggrieved Employees. This rounding
4 policy routinely failed to capture the entirety of the hours the Class Members and the Aggrieved
5 Employees worked and was structured in a way that in favored underpayment. (See *See's Candy Shops,*
6 *Inc. v. Superior Court* (2012) 210 Cal.App.4th 889, 907.) As a result, the Class Members and the
7 Aggrieved Employees suffered periodic shortages in the hours for which they were compensated. This
8 uncompensated time violated California's requirement that employees be compensated for all hours
9 worked. As a result of this practice, the Class Members and the Aggrieved Employees were not
10 compensated their minimum wages for all hours worked.

11 31. Labor Code sections 1194, subdivision (a), and 1194.2, subdivision (a), provide that an
12 employer who has failed to pay its employees the legal minimum wage is liable to pay those employees
13 the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages
14 due and interest thereon.

15 32. When employees, such as the Class Members, are not paid for all hours worked under
16 Labor Code section 1194, they are entitled to recover minimum wages for the time which they received
17 no compensation. (See *Sillah v. Command International Security Services* (N.D. Cal. 2015) 154
18 F.Supp.3d 891 [employees suing for failure to pay overtime could recover liquidated damages under
19 Labor Code section 1194.2 if they also showed they were paid less than minimum wage].)

20 33. Labor Code section 1197.1 authorizes employees who are paid less than the minimum
21 wage fixed by an applicable state or local law, or by an order of the IWC, a civil penalty, among other
22 damages, as follows:

23 (1) "For any initial violation that is intentionally committed, one hundred
24 dollars (\$100) for each underpaid employee for each pay period for
25 which the employee is underpaid."

26 (2) "For each subsequent violation for the same specific offense, two
27 hundred fifty dollars (\$250) for each underpaid employee for each pay
28 period for which the employee is underpaid regardless of whether the

1 initial violation is intentionally committed.” (Lab. Code, § 1197.1, subd.

2 (a).)

3 34. As set forth above, Defendants failed to fully compensate the Class Members and the
4 Aggrieved Employees for all minimum wages. Accordingly, the Class Members are entitled to recover
5 liquidated damages for violations of Labor Code section 1197.1.

6 35. Based upon these same factual allegations, the Class Members are likewise entitled to
7 penalties under Labor Code sections 1199.

8 **B. OVERTIME VIOLATIONS**

9 36. Labor Code section 510 requires employers to compensate employees who work more
10 than eight hours in one workday, forty hours in a workweek, and for the first eight hours worked on
11 the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee.
12 (Lab. Code, § 510, subd. (a).) Further, Labor Code section 510 obligates employers to compensate
13 employees at no less than twice the regular rate of pay when an employee works more than twelve
14 hours in a day or more than eight hours on the seventh consecutive day of work. (Lab. Code, § 510,
15 subd. (a).) These rules are also reflected in the Applicable Wage Order.

16 37. In accordance with Labor Code section 1194 and the Applicable Wage Order, the Class
17 Members and the Aggrieved Employees could not then agree and cannot now agree to work for a lesser
18 wage than the amount provided by Labor Code sections 510 or the Applicable Wage Order.

19 38. Here, Defendants violated their duty to accurately and completely compensate the Class
20 Members and the Aggrieved Employees for all overtime worked. The Class Members and the
21 Aggrieved Employees periodically worked hours that entitled them to overtime compensation under
22 the law but were not fully compensated for those hours.

23 39. Defendants also had a policy and practice of denying the Class Members and the
24 Aggrieved Employees meal breaks, but nevertheless deducting meal break time from the Class
25 Members’ and the Aggrieved Employees’ pay. As a result, the Class Members’ and the Aggrieved
26 Employees’ on-the-clock hours were unlawfully reduced below what was actually worked and, by
27 extension, overtime hours were also reduced below what was actually worked. The Class Members
28

1 and the Aggrieved Employees were thus periodically shorted the full amount of overtime pay lawfully
2 owed.

3 40. Moreover, during the relevant statutory periods, Defendants had a policy and practice
4 of failing to pay overtime wages at the proper rate when it actually paid overtime. Specifically, when
5 Defendants paid overtime wages to the Class Members and the Aggrieved Employees, Defendants
6 failed to include all compensation when calculating the regular rate of pay used in overtime calculations
7 and when paying overtime.

8 41. For instance, the Class Members and the Aggrieved Employees would often receive,
9 along with their hourly rates of pay for their working hours, additional remuneration and/or non-
10 discretionary bonus pay. Defendants, however, calculated the regular rate of pay for the Class Members
11 and the Aggrieved Employees without factoring into the regular rate of pay all other non-hourly pay
12 earnings received during the pay period. As a result, the Class Members and the Aggrieved Employees
13 were underpaid overtime wages when they worked in excess of eight hours in any workday and/or forty
14 hours in a workweek when such additional forms of remuneration were earned. By its practice of
15 periodically requiring the Class Members and the Aggrieved Employees to work in excess of eight
16 hours in a workday and/or forty hours in a workweek without compensating them at the rate of one and
17 one-half (1½) their regular rate of pay, Defendants willfully violated the provisions of Labor Code
18 sections 510, 1194, and 1199.

19 42. These actions were and are in clear violation of California's overtime laws as set forth
20 in Labor Code sections 510, 1194, 1199, and the Applicable Wage Order. (Cal. Code of Regs., tit. 8, §
21 11040.) As a result of Defendants' faulty policies and practices, the Class Members and the Aggrieved
22 Employees were not compensated for all hours worked or paid accurate overtime compensation.

23 **C. REST BREAK VIOLATIONS**

24 43. Pursuant to Labor Code section 226.7 and the Applicable Wage Order, Defendants were
25 and are required to provide the Class Members and the Aggrieved Employees with compensated, duty-
26 free rest periods of not less than ten minutes for every major fraction of four hours worked. Under the
27 Applicable Wage Order, an employer must authorize and permit all employees to take ten minute duty
28 free rest periods for every major fraction of four hours worked. (Cal. Code of Regs., tit. 8, § 11040.)

1 44. Likewise, Labor Code section 226.7 provides that “[a]n employer shall not require an
2 employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute,
3 or applicable regulation, standard, or order of the Industrial Welfare Commission” (Lab. Code, §
4 226.7, subd. (b).) Labor Code section 226.7 also provides that employers must pay their employees one
5 additional hour of pay at the employee’s regular rate for each workday that a “meal or rest or recovery
6 period is not provided.” (Lab. Code, § 226.7, subd. (c).) The “regular rate” for these purposes must
7 factor in all nondiscretionary payments for work performed by the employee, including non-
8 discretionary bonuses, commissions, and other forms of wage payments exceeding the employees’ base
9 hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 878.) Thus, the Wage
10 Orders set when and for how long the rest period must take place and the Labor Code establishes that
11 violations of the IWC Wage Orders are unlawful and sets forth the premium pay employer must pay
12 their employees when employers fail to provide rest periods.

13 45. The California Supreme Court has held that, during required rest periods, “employers
14 must relieve their employees of all duties and relinquish any control over how employees spend their
15 break time.” (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 260.) Relinquishing
16 control over employees during rest periods requires that employees be “free to leave the employer’s
17 premises” and be “permitted to attend to personal business.” (*Id.* at p. 275.) The *Brinker* Court
18 explained in the context of rest breaks that employer liability attaches from adopting an unlawful
19 policy:

20 “An employer is required to authorize and permit the amount of rest break time
21 called for under the wage order for its industry. If it does not—if, for example,
22 it adopts a uniform policy authorizing and permitting only one rest break for
23 employees working a seven-hour shift when two are required—it has violated
24 the wage order and is liable.” (*Brinker Rest. Corp. v. Superior Court* (2012) 53
25 Cal.4th 1004, 1033.)

26 46. Here, Defendants periodically did not permit the Class Members and the Aggrieved
27 Employees to take compliant duty-free rest breaks, free from Defendants’ control as required by Labor
28 Code section 226.7, the Applicable Wage Order, and applicable precedent. (See *Augustus v. ABM*

1 *Security Services, Inc.* (2016) 2 Cal.5th 257, 269 [concluding that “during rest periods employers must
2 relieve employees of all duties and relinquish control over how employees spend their time.”].) At all
3 relevant times, the Class Members and the Aggrieved Employees were periodically not provided with
4 legally-compliant and timely rest periods of at least ten minutes for each four hour work period, or
5 major fraction thereof due to Defendants’ unlawful rest period policies/practices. The Class Members
6 and the Aggrieved Employees were often expected and required to continue working through rest
7 periods to meet the expectations Defendants and finish the workday. In some cases when the Class
8 Members and the Aggrieved Employees worked more than ten hours in a shift, Defendants failed to
9 authorize and/or permit a third mandated rest period. As a result, the Class Members and the Aggrieved
10 Employees were periodically unable to take compliant rest periods.

11 47. In such cases where Defendants did not offer the Class Members and the Aggrieved
12 Employees the opportunity to receive a compliant off-duty rest period, “the court may not conclude
13 employees voluntarily chose to skip those breaks.” (*Alberts v. Aurora Behavioral Health Care* (2015)
14 241 Cal.App.4th 388, 410 (2015) [“If an employer fails to provide legally compliant meal or rest
15 breaks, the court may not conclude employees voluntarily chose to skip those breaks.”]; *Brinker Rest.*
16 *Corp. v. Superior Court, supra*, 53 Cal.4th at p. 1033 [“No issue of waiver ever arises for a rest break
17 that was required by law but never authorized; if a break is not authorized, an employee has no
18 opportunity to decline to take it.”].)

19 48. In addition to failing to authorize and permit compliant rest periods, the Class Members
20 and the Aggrieved Employees were not compensated with one hour’s worth of pay at their regular rate
21 of compensation when they were not provided with a compliant rest period in accordance with Labor
22 Code section 226.7, subdivision (c). Thus, Defendants have violated Labor Code section 226.7 and the
23 Applicable Wage Order.

24 49. Based on the foregoing, Plaintiff seeks to recover, on behalf of himself and other non-
25 exempt employees, rest period premiums and penalties.

26 **D. MEAL BREAK VIOLATIONS**

27 50. Labor Code section 512 and the Applicable Wage Order require employers to provide
28 employees with a thirty-minute uninterrupted and duty-free meal period within the first five hours of

1 work. (Lab. Code, § 512, subd. (a) [“An employer shall not employ an employee for a work period of
2 more than five hours per day without providing the employee with a meal period of not less than 30
3 minutes”]; Cal. Code of Regs., tit. 8, § 11040 [“No employer shall employ any person for a work
4 period of more than five (5) hours without a meal period of not less than 30 minutes”].)
5 Additionally, an employee who works more than ten hours per day is entitled to receive a second thirty-
6 minute uninterrupted and duty-free meal period. (Lab. Code, § 512, subd. (a) [“An employer shall not
7 employ an employee for a work period of more than 10 hours per day without providing the employee
8 with a second meal period of not less than 30 minutes”].)

9 51. “An on-duty meal period is permitted only when the nature of the work prevents an
10 employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal
11 break.” (*Lubin v. The Wackenhut Corp.* (2016) 5 Cal.App.5th 926, 932.) The written agreement must
12 include a provision allowing the employee to revoke it at any time. (*Ibid.*) Generally, the California
13 Department of Industrial Relations, Division of Labor Standards Enforcement (“DLSE”) and courts
14 have “found that the nature of the work exception applies: (1) where the work has some particular
15 external force that requires the employee to be on duty at all times, and (2) where the employee is the
16 sole employee of a particular employer.” (*Id.* at p. 945, internal quotation marks omitted; *Abdullah v.*
17 *U.S. Security Associates, Inc.* (9th Cir. 2013) 731 F.3d 952, 958–959.) “[I]t is the employer’s obligation
18 to determine whether the nature of the work prevents an employee from being relieved before requiring
19 an employee to take an on-duty meal period.” (*Lubin v. The Wackenhut Corp.*, *supra*, 5 Cal.App.5th at
20 p. 946.)

21 52. Here, the Class Members and the Aggrieved Employees were never asked to sign any
22 enforceable document agreeing to an on-duty meal period. Moreover, nothing in the nature of their
23 work involved the kind of “external force” that might justify on-duty meal breaks. (*Lubin v. The*
24 *Wackenhut Corp.*, *supra*, 5 Cal.App.5th at p. 945.) Nevertheless, Defendants periodically did not
25 provide compliant off-duty meal periods within the first five hours of work for the Class Members and
26 the Aggrieved Employees.

27 53. As with rest breaks, meal breaks must be duty-free. (*Brinker Restaurant Corp. v.*
28 *Superior Court* (2012) 53 Cal.4th 1004, 1035 [“The IWC’s wage orders have long made a meal period’s

1 duty-free nature its defining characteristic.”].) Relinquishing control over employees during meal
2 periods requires that employees be “free to leave the employer’s premises” and be “permitted to attend
3 to personal business.” (*Augustus v. ABM Security Services, Inc.*, *supra*, 2 Cal.5th at p. 275.) Under
4 Labor Code section 512, if an employer maintains a uniform policy that does not authorize and permit
5 the amount of meal time called for under the law (as specified in the Labor Code and/or applicable
6 IWC Wage Order), “it has violated the wage order and is liable.” (*Brinker Restaurant Corp. v. Superior*
7 *Court*, *supra*, 53 Cal.4th at p. 1033.)

8 54. During the applicable statutory periods here, the Class Members and the Aggrieved
9 Employees were periodically denied legally-compliant and timely off-duty meal periods of at least
10 thirty minutes due to Defendants’ unlawful meal period policy and practices. As a result of Defendants’
11 uniform meal period policies and practices, the Class Members and the Aggrieved Employees were
12 often not permitted to take compliant first meal periods before the end of the fifth hour of work. The
13 Class Members and the Aggrieved Employees were also periodically not permitted to take second meal
14 periods for shifts in excess of ten hours. Defendants thus violated Labor Code section 512 and the
15 Applicable Wage Order by failing to advise, authorize, or permit the Class Members and the Aggrieved
16 Employees to receive thirty-minute, off-duty meal periods within the first five hours of their shifts.

17 55. Labor Code section 226.7 provides that “[a]n employer shall not require an employee
18 to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or
19 applicable regulation, standard, or order of the Industrial Welfare Commission.” (Lab. Code, § 226.7,
20 subd. (b).) Labor Code section 226.7, subdivision (c), and the Applicable Wage Order further obligate
21 employers to pay employees one additional hour of pay at the employee’s regular rate of compensation
22 for each workday that the meal period is not provided. (Lab. Code, § 226.7, subd. (c); Cal. Code of
23 Regs., tit. 8, § 11040 [“If an employer fails to provide an employee a meal period in accordance with
24 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the
25 employee’s regular rate of compensation for each workday that the meal period is not provided.”].)
26 The “regular rate” for these purposes must factor in all nondiscretionary payments for work performed
27 by the employee, including non-discretionary bonuses, commissions, and other forms of wage
28

1 payments exceeding the employees' base hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021)
2 11 Cal.5th 858, 878.)

3 56. Accordingly, for each day that the Class Members and the Aggrieved Employees did
4 not receive compliant meal periods, they were and are entitled to receive meal period premiums
5 pursuant to Labor Code section 226.7 and the Applicable Wage Order. Defendants, however, failed to
6 pay the Class Members and the Aggrieved Employees applicable meal period premiums for many
7 workdays that the employees did not receive a compliant meal period. Thus, Defendants have violated
8 Labor Code section 226.7 and the Applicable Wage Order.

9 57. Based on the foregoing, Plaintiff seeks to recover, on behalf of himself and other non-
10 exempt employees, meal period premiums and penalties.

11 **E. UNTIMELY WAGES DURING EMPLOYMENT**

12 58. Labor Code section 204 expressly requires employers who pay employees on a weekly,
13 biweekly, or semimonthly basis to pay all wages "not more than seven calendar days following the
14 close of the payroll period." Labor Code section 210, subdivision (a), makes employers who violate
15 Labor Code section 204 subject to a penalty of:

16 "(1) For any initial violation, one hundred dollars (\$100) for each failure to
17 pay each employee.

18 "(2) For each subsequent violation, or any willful or intentional violation, two
19 hundred dollars (\$200) for each failure to pay each employee, plus 25
20 percent of the amount unlawfully withheld." (Lab. Code, § 210, subd.
21 (a).)

22 59. Notably, the penalty provided by Labor Code section 210 is "[i]n addition to, and
23 entirely independent and apart from, any other penalty provided in this article" (Lab. Code, § 210,
24 subd. (a).)

25 60. Due to Defendants' failure to pay the Class Members and the Aggrieved Employees the
26 wages described above, along with rest and meal break premiums, Defendants failed to timely pay the
27 Class Members and the Aggrieved Employees within seven calendar days following the close of payroll
28 in accordance with Labor Code section 204 on a regular and consistent basis. (See *Parson v. Golden*

1 *State FC, LLC* (N.D. Cal., May 2, 2016, No. 16-CV-00405-JST) 2016 WL 1734010, at p. *3–5, 2016
2 U.S. Dist. LEXIS 58299 [finding that a failure to pay rest period premiums can support claims under
3 Labor Code sections 203 and 204].)

4 **F. UNTIMELY WAGES AT SEPARATION**

5 61. Labor Code section 203 provides “if an employer willfully fails to pay . . . any wages
6 of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty”
7 for up to thirty days. (Lab. Code § 203; *Mamika v. Barca* (1998) 68 Cal.App.4th 487, 492.) As a result
8 of Defendants’ failure to pay the Class Members and the Aggrieved Employees for the wages described
9 above, along with rest and meal break premiums, Defendants violated and continue to violate Labor
10 Code section 203.

11 62. Due to Defendants’ faulty pay policies, those Class Members and Aggrieved Employees
12 whose employment with Defendants concluded were not compensated for each and every hour worked
13 at the appropriate rate. Defendants have failed to pay formerly-employed Class Members and
14 Aggrieved Employees whose sums were certain at the time of termination within at least seventy-two
15 hours of their resignation and have failed to pay those sums for thirty days thereafter.

16 **G. FAILURE TO REIMBURSE BUSINESS EXPENSES**

17 63. At all relevant times herein, Defendants were subject to Labor Code section 2802, which
18 states that “an employer shall indemnify his or her employees for all necessary expenditures or losses
19 incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her
20 obedience to the directions of the employer.” The purpose of this section is to “prevent employers from
21 passing along their operating expenses onto their employees.” (*Gattuso v. Harte-Hanks Shoppers, Inc.*
22 (2007) 42 Cal.4th 554, 562.)

23 64. At all relevant times herein, Defendants were subject to Labor Code section 2804, which
24 states that “any contract or agreement, express or implied, made by any employee to waive the benefits
25 of this article or any part thereof, is null and void, and this article shall not deprive any employee or his
26 personal representative of any right or remedy to which he is entitled under the laws of this State.”

27 65. Thus, the Class Members and the Aggrieved Employees were and are entitled to
28 reimbursement for the expenses they incurred during the course of their duties. The duty to reimburse

1 even extends to the use of equipment the employee may already own and would be required to pay for
2 anyway. (*Cochran v. Schwan's Home Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 [“The threshold
3 question in this case is this: Does an employer always have to reimburse an employee for the reasonable
4 expense of the mandatory use of a personal cell phone, or is the reimbursement obligation limited to
5 the situation in which the employee incurred an extra expense that he or she would not have otherwise
6 incurred absent the job? The answer is that reimbursement is always required. Otherwise, the employer
7 would receive a windfall because it would be passing its operating expenses on to the employee.”].)

8 66. Here, Defendants failed to fully reimburse the Class Members and the Aggrieved
9 Employees for necessary expenditures incurred as a direct consequence and requirement of performing
10 their job duties, including the costs associated with their personal cell phone and mileage they required
11 to perform their work. Consequently, Defendants failed to comply with Labor Code section 2802.

12 **H. WAGE STATEMENT VIOLATIONS**

13 67. Defendants also failed to provide accurate itemized wage statements in accordance with
14 Labor Code sections 226, subdivisions (a)(1), (2), (5), and (9). Labor Code section 226, subdivision
15 (a), obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage
16 statement in writing showing:

- 17 (1) The gross wages earned;
- 18 (2) The total hours worked by the employee;
- 19 (3) The number of piece-rate units earned and any applicable piece rate if
20 the employee is paid on a piece rate basis;
- 21 (4) All deductions, provided that all deductions made on written orders of
22 the employee may be aggregated and shown as one item;
- 23 (5) The net wages earned;
- 24 (6) The inclusive dates of the period for which the employee is paid;
- 25 (7) The name of the employee and only the last four digits of his or her social
26 security number or an employee identification number other than a social
27 security number;
- 28 (8) The name and address of the legal entity that is the employer; and

1 (9) All applicable hourly rates in effect during the pay period and the
2 corresponding number of hours worked at each hourly rate by the
3 employee.

4 68. Due to Defendants' failure to pay the Class Members and the Aggrieved Employees
5 properly as described above, the wage statements issued do not indicate the correct amount of gross
6 wages earned, total hours worked, or the net wages earned, or the applicable hourly rates in effect
7 during the pay period and the corresponding number of hours worked at each hourly rate. Thus,
8 Defendants have violated Labor Code section 226, subdivisions (a)(1), (2), (5), and (9).

9 69. In addition to Labor Code section 226, subdivision (a), Defendants also knowingly and
10 intentionally failed to provide the Class Members and the Aggrieved Employees with accurate itemized
11 wage statements in violation of Labor Code section 226, subdivision (e). Defendants knew that they
12 were not providing the Class Members and the Aggrieved Employees with wage statements required
13 by California law but nevertheless failed to correct their unlawful practices and policies. (See *Garnett*
14 *v. ADT LLC* (E.D. Cal. 2015) 139 F.Supp.3d 1121, 1134 [finding the defendant knowingly and
15 intentionally violated Labor Code section 226 because the "[d]efendant knew that it was not providing
16 total hours worked to plaintiff or other employees paid on commission" even though it believed that
17 employees paid solely on commission or commission and salary "are exempt and therefore we do not
18 record hours on a wage statement."].)

19 I. RECORDKEEPING VIOLATIONS

20 70. Labor Code section 226, subdivision (a), requires employers to keep an accurate record
21 of, among other things, all hours worked by employees. Labor Code section 226.3 provides, in pertinent
22 part, as follows:

23 "Any employer who violates subdivision (a) of Section 226 shall be subject to a
24 civil penalty in the amount of two hundred fifty dollars (\$250) per employee per
25 violation in an initial citation and one thousand dollars (\$1,000) per employee
26 for each violation in a subsequent citation, for which the employer fails to
27 provide the employee a wage deduction statement or fails to keep the records
28 required in subdivision (a) of Section 226. The civil penalties provided for in

1 this section are in addition to any other penalty provided by law.” (Lab. Code, §
2 226.3, emphasis added.)

3 71. Likewise, Labor Code section 1174, subdivision (d), requires every employer, including
4 Defendants, to:

5 “Keep, at a central location in the state or at the plants or establishments at which
6 employees are employed, payroll records showing the hours worked daily by
7 and the wages paid to, and the number of piece-rate units earned by and any
8 applicable piece rate paid to, employees employed at the respective plants or
9 establishments. These records shall be kept in accordance with rules established
10 for this purpose by the commission, but in any case shall be kept on file for not
11 less than three years. An employer shall not prohibit an employee from
12 maintaining a personal record of hours worked, or, if paid on a piece-rate basis,
13 piece-rate units earned.” (Lab. Code, § 1174, subd. (d), emphasis added.)

14 72. As explained in detail above, Defendants failed to provide the Class Members and the
15 Aggrieved Employees with accurate itemized wage statements. Defendants did so, in part, because they
16 failed to accurately track hours worked by the Class Members and the Aggrieved Employees.
17 Defendants have thus failed to keep accurate records of the “total hours worked by the employee[s]”
18 in violation of Labor Code section 226, subdivision (a), and are therefore subject to the penalties
19 provided by Labor Code section 226.3. These penalties are “in addition to any other penalty provided
20 by law.” (Lab. Code, § 226.3.)

21 73. The failure to accurately track hours worked also resulted in a failure of Defendants to
22 keep a record of all “payroll records showing the hours worked daily by” Defendants’ employees,
23 including Plaintiff and the other Class Members, in violation of Labor Code section 1174, subdivision
24 (d).

25 **V. CLASS ACTION ALLEGATIONS**

26 74. As mentioned above, Plaintiff brings this action on behalf of himself and the Class
27 Members pursuant to section 382 of the Code of Civil Procedure.
28

1 75. **Numerosity/Ascertainability:** The Class Members are so numerous that joinder of all
2 members would be unfeasible and not practicable. The membership of the class is unknown to Plaintiff
3 at this time; however, it is estimated that the number of Class Members is greater than 100 individuals.
4 The identity of such membership is readily ascertainable via inspection of Defendants' employment
5 records.

6 76. **Common Questions of Law and Fact Predominate/Well Defined Community of**
7 **Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated
8 non-exempt employees, which predominate over questions affecting only individual members
9 including, without limitation to:

10 A. Whether Defendants' pay policies/practices resulted in a failure to pay the Class
11 Members for all hours worked, including all minimum wages;

12 B. Whether Defendants' pay policies/practices resulted in a failure to pay the Class
13 Members for all required overtime wages at the Class Members' regular rate of pay;

14 C. Whether Defendants' rest period policies and practices afforded legally
15 compliant rest periods or compensation in lieu thereof;

16 D. Whether Defendants' meal period policies and practices afforded legally
17 compliant meal periods or compensation in lieu thereof;

18 E. Whether Defendants maintained accurate employment records;

19 F. Whether Defendants timely paid all wages during employment;

20 G. Whether Defendants timely paid all wages earned and unpaid at separation;

21 H. Whether Defendants indemnified their employees for all necessary business
22 expenditures;

23 I. Whether Defendants furnished legally-compliant wage statements to the Class
24 Members pursuant to Labor Code section 226; and

25 J. Whether Defendants' violations of the Labor Code and the Applicable Wage
26 Order amounted to a violation of California's UCL.

27 77. **Predominance of Common Questions:** Common questions of law and fact
28 predominate over questions that affect only individual Class Members. The common questions of law

1 set forth above are numerous and substantial and stem from Defendants' uniform policies and practices
2 applicable to each individual class member, such as Defendants' uniform policy and practice of failing
3 to pay for all hours worked, Defendants' uniform policies and practices which failed to provide
4 compliant rest periods, Defendants' uniform policies and practices which failed to provide compliant
5 meal periods, Defendants' failure to provide accurate itemized wage statements, and others. As such,
6 the common questions predominate over individual questions concerning each individual class
7 member's showing as to his or her eligibility for recovery or as to the amount of his or her damages.

8 78. **Typicality:** The claims of Plaintiff are typical of the claims of the Class Members
9 because Plaintiff was employed by Defendants as a non-exempt employee in California during the
10 statute(s) of limitation applicable to each cause of action pleaded in this complaint. As alleged herein,
11 Plaintiff, like the other Class Members, was deprived of minimum, regular, and overtime wages
12 because of Defendants' unlawful timekeeping policies and practices, was deprived of rest periods and
13 premium wages in lieu thereof, was deprived of meal periods and premium wages in lieu thereof, was
14 subject to Defendants' uniform rest period policies and practices, was subject to Defendants' uniform
15 meal period policies and practices, was not provided accurate itemized wage statements, was not paid
16 all wages in full and on time, , and was subject to other similar policies and practices to which the Class
17 Members were subject.

18 79. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
19 represent fairly and adequately the interests of the Class Members. Moreover, Plaintiff's attorneys are
20 ready, willing, and able to fully and adequately represent the Class Members and Plaintiff. Plaintiff's
21 attorneys have prosecuted numerous wage-and-hour class actions in state and federal court in the past
22 and are committed to vigorously prosecuting this action on behalf of the Class Members.

23 80. **Superiority:** The California Labor Code is broadly remedial in nature and serves an
24 important public interest in establishing minimum working conditions and standards in California.
25 These laws and labor standards protect the average working employee from exploitation by employers
26 who have the responsibility to follow the laws and who may seek to take advantage of superior
27 economic and bargaining power in setting onerous terms and conditions of employment. The nature of
28 this action and the format of laws available to Plaintiff and the Class Members make the class action

1 format a particularly efficient and appropriate procedure to redress the violations alleged herein. If each
2 employee were required to file an individual lawsuit, Defendants would necessarily gain an
3 unconscionable advantage since they would be able to exploit and overwhelm the limited resources of
4 each individual plaintiff with their vastly superior financial and legal resources.

5 81. Moreover, requiring each Class Member to pursue an individual remedy would also
6 discourage the assertion of lawful claims by employees who would be disinclined to file an action
7 against their former or current employer for real and justifiable fear of retaliation and permanent
8 damages to their careers at subsequent employment. Further, the prosecution of separate actions by the
9 individual Class Members, even if possible, would create a substantial risk of inconsistent or varying
10 verdicts or adjudications with respect to the individual Class Members against Defendants herein, and
11 which would establish potentially incompatible standards of conduct for Defendants or legal
12 determinations with respect to individual Class Members which would, as a practical matter, be
13 dispositive of the interest of the other Class Members not parties to adjudications or which would
14 substantially impair or impede the ability of the Class Members to protect their interests.

15 82. Further, the claims of the individual Class Members are not sufficiently large to warrant
16 vigorous individual prosecution considering the concomitant costs and expenses attending thereto. As
17 such, the Class Members identified above are maintainable as a class under section 382 of the Code of
18 Civil Procedure.

19 **VI. EXHAUSTION OF REMEDIES**

20 83. Plaintiff has fully and completely exhausted administrative remedies under PAGA prior
21 to proceeding with the PAGA claims stated in this complaint. Plaintiff filed a PAGA notice online with
22 the Labor Workforce Development Agency (“LWDA”) and sent a letter by certified mail to Defendants
23 setting forth the facts and theories of the violations alleged against Defendants, as prescribed by PAGA.
24 (Lab. Code, §§ 2698–2699.6.)

25 84. As required by PAGA, Plaintiff submitted the \$75.00 filing fee with the LWDA by
26 regular mail. Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), no notice was received by
27 Plaintiff from the LWDA evidencing its intention to investigate within sixty-five calendar days of the
28

1 postmark date of the PAGA notice. Plaintiff is therefore entitled to commence and proceed with a civil
2 action pursuant to Labor Code section 2699.

3 **VII. CAUSES OF ACTION**

4 **First Cause of Action**

5 *Failure to Pay All Minimum Wages*

6 *(Against All Defendants)*

7 85. Plaintiff realleges and incorporates by reference all previous paragraphs.

8 86. Section 4 of the Applicable Wage Order and Labor Code section 1197 establish the right
9 of employees to be paid minimum wages for all hours worked, in amounts set by state law. (Lab. Code,
10 § 1197; Cal. Code of Regs., tit. 8, § 11040.) Labor Code sections 1194, subdivision (a), and 1194.2,
11 subdivision (a), provide that an employee who has not been paid the legal minimum wage as required
12 by Labor Code section 1197 may recover the unpaid balance, together with attorneys' fees and costs
13 of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued
14 thereon.

15 87. Here, Defendants failed to fully conform their pay practices to the requirements of the
16 law during the relevant statutory periods. Plaintiff and the other Class Members were not compensated
17 for all hours worked including, but not limited to, all hours they were subject to the control of
18 Defendants and/or suffered or permitted to work under the Labor Code and the Applicable Wage Order.

19 88. Labor Code section 1198 makes unlawful the employment of an employee under
20 conditions that the IWC Wage Orders prohibit. Labor Code sections 1194, subdivision (a), and 1194.2,
21 subdivision (a), provide that an employer who has failed to pay its employees the legal minimum wage
22 is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages
23 in an amount equal to the wages due and interest thereon.

24 89. As a direct and proximate result of Defendants' unlawful conduct as alleged herein,
25 Plaintiff and the other Class Members have sustained economic damages, including but not limited to
26 unpaid wages and lost interest, in an amount to be established at trial, and they are entitled to recover
27 economic and statutory damages and penalties and other appropriate relief because of Defendants'
28 violations of the Labor Code and Applicable Wage Order.

90. Defendants' practices and policies regarding illegal employee compensation are unlawful and create an entitlement to recovery by Plaintiff and the other Class Members in a civil action for the unpaid amount of minimum wages, liquidated damages, including interest thereon, statutory penalties, attorneys' fees, and costs of suit according to Labor Code sections 204, 218.5, 1194, 1194.2, 1197, and 1198, and Code of Civil Procedure section 1021.5.

Second Cause of Action

Failure to Pay All Overtime Wages

(Against All Defendants)

91. Plaintiff realleges and incorporates by reference all previous paragraphs.

92. This cause of action is brought pursuant to Labor Code sections 204, 510, 1194, and 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime hours worked and provide a private right of action for the failure to pay all overtime compensation for overtime work performed. At all times relevant herein, Defendants were required to properly pay Plaintiff and the other Class Members for all overtime wages earned pursuant to Labor Code section 1194 and the Applicable Wage Order. Defendants caused Plaintiff and the other Class Members to work overtime hours but did not compensate them at one and one-half times their regular rate of pay for such hours in accordance with California law. Likewise, Defendants caused Plaintiff and the other Class Members to work double-time hours but did not compensate them at twice their regular rate of pay for such hours in accordance with California law.

93. Defendants failed to fully conform their pay practices to the requirements of California law. This unlawful conduct includes but is not limited to Defendants' uniform and unlawful pay policies and practices of failing to accurately record all the time that non-exempt employees were under the supervision and control of Defendants. The foregoing policies and practices are unlawful and allow Plaintiff and the other Class Members to recover in a civil action the unpaid amount of overtime premiums owing, including interest thereon, statutory penalties, attorneys' fees, and costs of suit according to Labor Code section 204, 510, 1194, and 1198, the Applicable Wage Order, and Code of Civil Procedure section 1021.5.

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100. As a result, Defendants are responsible for paying premium compensation for meal period violations, including interest thereon, statutory penalties, and costs of suit pursuant to the Applicable Wage Order and Labor Code sections 226.7 and 512, and Civil Code sections 3287, subdivision (b), and 3289. (See Cal. Code of Regs., tit. 8, § 11040.)

Fifth Cause of Action

Failure to Maintain Accurate Employment Records

(Against All Defendants)

101. Plaintiff realleges and incorporates by reference all previous paragraphs.

102. Pursuant to California Labor Code section 1174, subdivision (d), an employer shall keep at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and wages paid to employees employed at the respective plants or establishments. These records must be kept in accordance with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years.

103. Labor Code section 1174.5 imposes a civil penalty of \$500 for an employer's failure to maintain accurate and complete records.

104. Defendant has intentionally and willfully failed to keep accurate and complete records showing the hours worked daily and wages paid to Plaintiff and the other Class Members. Thus, Plaintiff and the other Class Members have been denied their legal right and protected interest in having available at a central location at the plant or establishment where they are employed, accurate and complete payroll records showing the hours worked daily by, and the wages paid to, employees at those respective locations pursuant to Labor Code 1174.

Sixth Cause of Action

Failure to Pay Wages Timely during Employment

(Against All Defendants)

105. Plaintiff realleges and incorporates by reference all previous paragraphs.

106. Labor Code section 200 provides that “wages” include all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, pieces, commission basis, or other method of calculation. Labor Code section 204 states that all

1 wages earned by any person in any employment are payable twice during the calendar month and must
2 be paid not more than seven days following the close of the period when the wages were earned. Labor
3 Code section 210, subdivision (a), makes employers who violate Labor Code section 204 subject to a
4 penalty of \$100 for any initial failure to timely pay each employee's full wages and \$200 for each
5 subsequent violation, plus 25% of the amount unlawfully withheld.

6 107. Labor Code section 216 establishes that it is a misdemeanor for any person, with regards
7 to wages due, to "falsely deny the amount or validity thereof, or that the same is due, with intent to
8 secure himself, his employer or other person, any discount upon such indebtedness, or with intent to
9 annoy, harass, oppress, hinder, delay, or defraud, the person to whom such indebtedness is due."

10 108. Defendants as a matter of established company policy and procedure in the State of
11 California, scheduled, required, suffered, and/or permitted Plaintiff and the other Class Members, to
12 work without full compensation, to work without legally-compliant off-duty meal periods, to work
13 without legally-compliant off-duty rest periods, and thereby failed to fully pay Plaintiff and the other
14 Class Members within seven days of the close of payroll, as required by law.

15 109. Defendants, as a matter of established company policy and procedure in the State of
16 California, falsely deny they owe Plaintiff and the other Class Members these wages, with the intent of
17 securing for itself a discount upon its indebtedness and/or to annoy, harass, oppress, hinder, delay,
18 and/or defraud Plaintiff and the other Class Members.

19 110. Defendants' pattern, practice, and uniform administration of its corporate policy of
20 illegally denying employees compensation, as described herein, is unlawful and entitles Plaintiff and
21 the other Class Members to recover, pursuant to Labor Code section 218, the unpaid balance of the
22 compensation owed to them in a civil action and any applicable penalties, attorney fees, and interest
23 owed to them pursuant to Labor Code sections 210 and 218.5.

24 **Seventh Cause of Action**

25 *Failure to Pay All Wages Earned and Unpaid at Separation*

26 *(Against All Defendants)*

27 111. Plaintiff realleges and incorporates by reference all previous paragraphs.
28

112. The actionable period for this cause of action is three years prior to the filing of this complaint through the present, and ongoing until the violations are corrected or the class is certified. (*Pineda v. Bank of America, N.A.* (2010) 50 Cal.4th 1389, 1395; *Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1109; Code Civ. Proc., § 338, subd. (a).) Labor Code sections 201 and 202 of the California Labor Code require Defendants to pay all compensation due and owing to its former employees (including the formerly-employed Class Members) during the actionable period for this cause of action at or around the time that their employment is or was terminated, or ended.

113. Section 203 of the Labor Code provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation, as required by Sections 201 and 202, then the employer is liable for penalties in the form of continued compensation up to thirty workdays.

114. Due to Defendants' faulty pay policies, those Class Members whose employment with Defendants has concluded were not compensated for each and every hour worked at the appropriate rate. Defendants have willfully failed to pay those formerly-employed Class Members whose sums were certain at the time of termination within seventy-two hours of their resignation and have failed to pay those sums for thirty days thereafter as required by Labor Code sections 201 through 203.

115. As a result, Defendants are liable to the formerly-employed Class Members for waiting time penalties amounting to thirty days wages for the formerly-employed Class Members pursuant to Labor Code section 203. (See, e.g., DLSE Manual, § 4.3.4 [failure to pay any sort of wages due upon termination entitles an employee to recover waiting time penalties].)

Eighth Cause of Action

Failure to Indemnify All Necessary Business Expenditures

(Against All Defendants)

116. Plaintiff realleges and incorporates by reference all previous paragraphs.

117. California Labor Code Section 2802 states that employers must “indemnify” an employee for “all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.” Likewise, Labor Code section 2804 states that “any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall

1 not deprive any employee or his personal representative of any right or remedy to which he is entitled
2 under the laws of this State.”

3 118. Here, Plaintiff and the other Class Members paid out of pocket for necessary business
4 expenditures incurred as a direct consequence and requirement of performing their job duties, including
5 the costs associated with their personal cell phone and mileage they required to perform their work.
6 Despite knowing that Plaintiff and the other Class Members incurred these necessary business
7 expenses, and requiring Plaintiff and the other Class Members to use such items, Defendants did not
8 reimburse them.

9 119. Thus, Plaintiff and the other Class Members are entitled to recover the cost of such
10 necessary business expenses, plus interest from the date each incurred such business expenses, plus
11 fees and costs. (Lab. Code, § 2802, subds. (b), (c).)

12 **Ninth Cause of Action**

13 *Failure to Furnish Accurate Itemized Wage Statements*

14 *(Against All Defendants)*

15 120. Plaintiff realleges and incorporates by reference all previous paragraphs.

16 121. Labor Code section 226, subdivision (a), obligates employers, semi-monthly or at the
17 time of each payment to furnish an itemized wage statement in writing showing:

- 18 (1) The gross wages earned;
- 19 (2) The total hours worked by the employee;
- 20 (3) The number of piece-rate units earned and any applicable piece rate if
21 the employee is paid on a piece rate basis;
- 22 (4) All deductions, provided that all deductions made on written orders of
23 the employee may be aggregated and shown as one item;
- 24 (5) The net wages earned;
- 25 (6) The inclusive dates of the period for which the employee is paid;
- 26 (7) The name of the employee and only the last four digits of his or her social
27 security number or an employee identification number other than a social
28 security number;

1 (8) The name and address of the legal entity that is the employer; and

2 (9) All applicable hourly rates in effect during the pay period and the
3 corresponding number of hours worked at each hourly rate by the
4 employee.

5 122. As set forth above, Defendants issued and continues to issue wage statements to its non-
6 exempt employees including Plaintiff and the other Class Members that are inadequate under Labor
7 Code section 226, subdivision (a). By failing to pay Plaintiff and the other Class Members properly as
8 described above, Defendants failed to include required information on their wage statements, including,
9 but not limited to, the gross wages earned, the net wages earned in violation of Labor Code section
10 226, subdivision (a).

11 123. Defendants' failure to comply with Labor Code section 226, subdivision (a), of the
12 Labor Code was knowing and intentional. (Lab. Code, § 226, subd. (e)).

13 124. As a result of Defendants' issuance of inaccurate itemized wage statements to Plaintiff
14 and the other Class Members in violation of Labor Code section 226, subdivision (a), Plaintiff and the
15 other Class Members are each entitled to recover an initial penalty of \$50, and subsequent penalties of
16 \$100, up to an amount not exceeding an aggregate penalty of \$4,000 per Plaintiff and per each Class
17 Member from Defendants pursuant to Labor Code section 226, subdivision (e), along with costs and
18 reasonable attorneys' fees.

19 **Tenth Cause of Action**

20 *Violations of California's Unfair Competition Law*

21 *(Against All Defendants)*

22 125. Plaintiff realleges and incorporates by reference all previous paragraphs.

23 126. Defendants have engaged and continue to engage in unfair and/or unlawful business
24 practices in California in violation of California Business and Professions Code section 17200 through
25 17210, by committing the unlawful acts described above. Defendants' utilization of these unfair and
26 unlawful business practices deprived and continue to deprive Plaintiff and the other Class Members of
27 compensation to which they are legally entitled. These practices constitute unfair and unlawful
28 competition and provide an unfair advantage over Defendants' competitors who have been and/or are

1 currently employing workers and attempting to do so in honest compliance with applicable wage and
2 hour laws.

3 127. Because Plaintiff is a victim of Defendants' unfair and unlawful conduct alleged herein,
4 Plaintiff for himself and on behalf of the Class Members, seeks full restitution of monies, as necessary
5 and according to proof, to restore any and all monies withheld, acquired and/or converted by
6 Defendants pursuant to Business and Professions Code sections 17203 and 17208.

7 128. The acts complained of herein occurred within the four years prior to the initiation of
8 this action and are continuing into the present and ongoing.

9 129. Plaintiff was compelled to retain the services of counsel to file this Court action to
10 protect his interests and those of the Class Members, to obtain restitution and injunctive relief on behalf
11 of Defendants' current non-exempt employees and to enforce important rights affecting the public
12 interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs, which Plaintiff
13 is entitled to recover under Code of Civil Procedure section 1021.5.

14 **Eleventh Cause of Action**

15 *Penalties Pursuant to PAGA for Violations of California Labor Code Sections 201,*
16 *202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1185, 1194, 1194.2, 1197,*
17 *1197.1, 1198, 1198.5, 1199, 2802, 2804, and Other Provisions of the Labor Code*
18 *(Against All Defendants)*

19 130. Plaintiff realleges and incorporates by reference all previous paragraphs.

20 131. Based on the above allegations incorporated by reference, Defendants violated Labor
21 Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1185, 1194, 1194.2, 1197,
22 1197.1, 1198, 1198.5, 1199, 2802, 2804, and others that may be applicable; and the Applicable Wage
23 Order (Cal. Code of Regs., tit. 8, § 11040), and others that may be applicable.

24 132. As a result of the acts alleged above, Plaintiff seeks penalties under Labor Code sections
25 2698 through 2699.6 because of Defendants' violation of Labor Code sections 201, 202, 203, 204, 210,
26 226, 226.3, 226.7, 510, 512, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804,
27 and others that may be applicable; and the Applicable Wage Order (Cal. Code of Regs., tit. 8, § 11040),
28 and others that may be applicable.

1 133. Under Labor Code section 2699, subdivision (f)(2), and 2699.5, for each such violation,
2 Plaintiff and the Aggrieved Employees are entitled to penalties in an amount to be shown at the time
3 of trial subject to the following formula:

4 A. \$100 for the initial violation per employee per pay period; and

5 B. \$200 for each subsequent violation per employee per pay period.

6 134. These penalties must be allocated seventy-five percent to the Labor and Workforce
7 Development Agency (“LWDA”) and twenty-five percent to the affected employees. These penalties
8 may be stacked separately for each of Defendants violations of the California Labor Code. (*Lopez v.*
9 *Friant & Associates, LLC* (2017) 15 Cal.App.5th 773, 780–781 [citing with approval *Stoddart v.*
10 *Express Services, Inc.* (E.D. Cal., Sept. 16, 2015, No. 2:12-CV-01054-KJM) 2015 WL 5522142, at *9,
11 for the proposition that plaintiff could pursue separate claims for penalties under Labor Code section
12 226, subdivision (e), and penalties for Labor Code section 226, subdivision (a), violations]; see also
13 *Hernandez v. Towne Park, Ltd.* (C.D. Cal., June 22, 2012, No. CV 12-02972 MMM JCGX) 2012 WL
14 2373372, at *17 fn. 70 [noting that federal courts applying California law have found that “PAGA
15 penalties can be stacked, i.e., multiple PAGA penalties can be assessed for the same pay period for
16 different Labor Code violations.”], internal quotation marks omitted).

17 135. In addition, to the extent permitted by law, Defendants failed to provide Plaintiff and all
18 Aggrieved Employees with accurate itemized wage statements in compliance with Labor Code section
19 226, subdivision (a). Plaintiff seeks separate PAGA penalties for Defendants’ violations of Labor Code
20 section 226, subdivisions (a) and (e). (*Lopez v. Friant & Associates, LLC, supra*, 15 Cal.App.5th at pp.
21 780, 788.)

22 136. For violations of Labor Code section 226, subdivision (a), Plaintiff seeks the default
23 penalty provided by Labor Code section 226.3. Labor Code section 226.3 provides that “[a]ny
24 employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount
25 of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand
26 dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails
27 to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of
28 Section 226.” Accordingly, through PAGA and to the extent permitted by law Plaintiff and the

1 Aggrieved Employees are entitled to recover penalties for violations of Labor Code section 226.3 and
2 seeks default PAGA penalties for each of Defendants' numerous violations of Labor Code section 226,
3 subdivision (e).

4 137. Labor Code section 210 provides that "in addition to, an entirely independent and apart
5 from, any other penalty provided in this article, every person who fails to pay the wages of each
6 employee as provided in Sections . . . 204 . . . shall be subject to a civil penalty as follows: (1) For any
7 initial violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each
8 subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure
9 to pay each employee, plus 25% of the amount unlawfully withheld." As a result of the faulty
10 compensation policies and practices, Plaintiff and the Aggrieved Employees are also entitled to recover
11 penalties under Labor Code section 210 through PAGA.

12 138. Labor Code section 1197.1 authorizes a civil penalty, restitution of wages, and
13 liquidated damages, in the amount of: (1) one hundred dollars (\$100) for any initial violation that is
14 intentionally committed for each underpaid employee for each pay period for which the employee is
15 underpaid, and (2) two hundred fifty dollars (\$250) for each subsequent violation for the same specific
16 offense for each underpaid employee for each pay period for which the employee is underpaid
17 regardless of whether the initial violation is intentionally committed. Accordingly, through PAGA and
18 to the extent permitted by law, Plaintiff and the Aggrieved Employees are entitled to recover pursuant
19 to Labor Code section 1197.1.

20 139. Plaintiff was compelled to retain the services of counsel to file this action to protect his
21 interests and those of the Aggrieved Employees, and to assess and collect the wages and penalties owed
22 by Defendants. Plaintiff has thereby incurred attorneys' fees and costs, which Plaintiff is also entitled
23 to recover under Labor Code section 2699, subdivision (g)(1).

24 **VIII. DEMAND FOR JURY TRIAL**

25 140. Plaintiff hereby demands trial by jury of Plaintiff's and the Class Members' claims
26 against Defendants.
27
28

1 **IX. PRAYER FOR RELIEF**

2 Plaintiff prays for judgment for himself and for all others on whose behalf this suit is brought
3 against Defendants, as follows:

- 4 **1.** For an order certifying the proposed class;
- 5 **2.** For an order appointing Plaintiff as representative of the class;
- 6 **3.** For an order appointing Plaintiff's counsel as counsel for the class;
- 7 **4.** For the failure to pay all minimum wages, compensatory, consequential, general, and
8 special damages according to proof pursuant to Labor Code sections 1194, 1194.2,
9 1197, and others as may be applicable;
- 10 **5.** For the failure to pay all overtime wages, compensatory, consequential, general, and
11 special damages according to proof pursuant to Labor Code sections 204, 510, 1194,
12 1198, and others as may be applicable;
- 13 **6.** For the failure to provide rest periods and pay missed rest period premiums,
14 compensatory, consequential, general, and special damages according to proof pursuant
15 to Labor Code section 226.7;
- 16 **7.** For the failure to provide meal periods and pay missed meal period premiums,
17 compensatory, consequential, general, and special damages according to proof pursuant
18 to Labor Code sections 226.7 and 512;
- 19 **8.** For the failure to maintain accurate employment records, penalties pursuant to Labor
20 Code sections 226.3, 1174.5, and others that may be applicable;
- 21 **9.** For the failure to pay wages timely during employment, the unpaid balance of the
22 compensation owed to Plaintiff and the other Class Members and any applicable
23 penalties owed to them pursuant to Labor Code section 210;
- 24 **10.** For the failure to pay all wages earned and unpaid at separation, statutory waiting time
25 penalties pursuant to Labor Code sections 201 through 203, for the Class Members who
26 quit or were fired in an amount equal to their daily wage multiplied by thirty days, as
27 may be proven;
- 28

- 1 **11.** For the failure to indemnify all necessary business expenditures, all unreimbursed
2 business expenses, and interest thereon, that are owed, pursuant to Labor Code section
3 2802, and attorney fees, pursuant to Labor Code section 2802, subdivision (c);
- 4 **12.** For the violations of California’s Unfair Competition Law, restitution to Plaintiff and
5 the other Class Members of all money and/or property unlawfully acquired by
6 Defendants by means of any acts or practices declared by this Court to be in violation
7 of Business and Professions Code sections 17200 through 17210;
- 8 **13.** For the claim of penalties pursuant to PAGA and other provisions of the California
9 Labor Code, a civil penalty in the amount of \$100 for the initial violation and \$200 for
10 each subsequent violation as specified in Labor Code section 2699, subdivision (f)(2),
11 in the representative action brought on behalf of Plaintiff and the Aggrieved Employees
12 pursuant the Labor Code Private Attorneys General Act of 2004, and for civil penalties
13 available under Labor Code section 210;
- 14 **14.** Prejudgment interest on all due and unpaid wages pursuant to Labor Code section 218.6
15 and Civil Code sections 3287 and 3289;
- 16 **15.** On all causes of action for which attorneys’ fees may be available, for attorneys’ fees
17 and costs as provided by Labor Code sections 218.5, 226, Code of Civil Procedure
18 section 1021.5, and others as may be applicable;
- 19 **16.** For an order enjoining Defendants, and each of them, and their agents, servants, and
20 employees, and all persons acting under, in concert with, or for them, from acting in
21 derogation of any rights or duties adumbrated in this complaint; and
- 22 **17.** For such other and further relief, this Court may deem just and proper.

23 Dated: January 22, 2025

MELMED LAW GROUP P.C.



KYLE D. SMITH

Attorneys for Plaintiff, the Putative Class, and the
Aggrieved Employees