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Superior Court of California,
County of San Diego

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Clerk of the Superior Court
By Fernando Gonzalez, Deputy Clerk

Attorneys for Plaintiff ANA CORTEZ, in a Representative capacity only, and on behalf of other members of the general public similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

ANA CORTEZ, in a Representative capacity
only, and on behalf of other members of the
general public similarly situated,

Plaintiff,

v.

EASTER SEALS SOUTHERN
CALIFORNIA, INC., a Nonprofit
Corporation; and DOES 1-10, inclusive

Defendants

CASE NO. 37-2024-00018491-CU-DE-CTL

COMPLAINT FOR:

1. **MEAL AND REST PERIOD VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
2. **MINIMUM WAGE VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
3. **OVERTIME VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
4. **WAGE STATEMENT VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
5. **FAILURE TO REIMBURSE PURSUANT TO LABOR CODE § 2698 *et seq.***
6. **FAILURE TO PAY WAGES UPON SEPARATION PURSUANT TO LABOR CODE § 2698 *et seq.***

COMES NOW Plaintiff ANA CORTEZ ("Plaintiff"), in a Representative capacity only, on behalf of all aggrieved employees, and on behalf of other members of the general public similarly situated, and alleges for her complaint as follows:

PARTIES, JURISDICTION, AND VENUE

1. This Court has jurisdiction over this matter in that all parties are residents of, or do business within, the State of California and the amount in controversy exceeds the statutory minimum limit of this Court. The monetary damages and restitution sought by Plaintiff exceed the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial. Furthermore, there is no federal question at issue as Wage and Hour protections and remedies related thereto are based solely on California Law and Statutes, including the Labor Code, Civil Code, and IWC Wage Order(s). Also, the Ninth Circuit has recently held that, for purposes of establishing federal diversity jurisdiction, penalties pursuant to the Private Attorneys General Act of 2004 ("PAGA") may **not** be aggregated. *Urbino v. Orkin Servs. of California, Inc.*, 726 F.3d 1118, 1122 (9th Cir. 2013).
2. Venue before this Court is proper in that certain wrongful acts which gave rise to Plaintiff's injuries occurred in the County of San Diego, State of California.
3. Plaintiff is informed and believes and thereon alleges that at all relevant times mentioned herein, Defendant EASTER SEALS SOUTHERN CALIFORNIA, INC., (Referred to herein as "Defendants" or "EASTER SEALS"), was and is a Nonprofit Corporation doing business throughout the state, including the County of San Diego, State of California.
4. Plaintiff is presently unaware of the true names, capacities and liability of Defendants named herein as DOES 1 through 10, inclusive. Accordingly, Plaintiff will seek leave of court to amend this complaint to allege their true names and capacities after the same have been ascertained.
5. Plaintiff is informed and believes and thereon alleges that each of the fictitiously named Defendants is responsible in some manner for the wrongs and damages as herein alleged, and in so acting was functioning as the agent, servant, partner, and employee of the co-defendants, and in doing the actions mentioned below, was acting within the course and scope of his or her

1 authority as such agent, servant, partner, and employee with the permission and consent of the
2 co-defendants. Plaintiff's injuries as herein alleged were proximately caused by said
3 defendants. Wherever it is alleged herein that any act or omission was done or committed by
4 any specially named Defendant or Defendants, Plaintiff intends thereby to allege and does
5 allege that the same act or omission was also done and committed by each and every defendant
6 named as a DOE, both separately and in concert with the named Defendant or Defendants.

- 7 6. Plaintiff is informed and believes and thereon alleges that Defendants, and each of them,
8 including DOES 1 through 10, are and at all times herein mentioned were either individuals,
9 sole proprietorships, partnerships, registered professionals, corporations, alter egos or other
10 legal entities which were licensed to do and/or were doing business in the County of San
11 Diego, State of California at all times relevant to the subject matter of this action.

12 **FACTUAL BACKGROUND**

- 13 7. On or about August 2019, Plaintiff commenced working for Defendants. Plaintiff's
14 employment with Defendants lasted until March 24, 2023. Throughout her employment with
15 Defendants, Plaintiff performed her job in a capable and competent manner and was
16 commended for doing so.

- 17 8. Throughout the term of her employment, Plaintiff and all other aggrieved employees were, and
18 currently are, denied the benefits and protections of the Labor Code due to Defendants'
19 institutionalized pay practices, standard as to all of Defendants' California-based employees.

- 20 9. On February 5, 2024, counsel for Plaintiff prepared and submitted via online filing a letter to
21 the California Labor & Workforce Development Agency ("LWDA"). A copy of the letter was
22 mailed to Defendant, via USPS Certified Mail. The letter contained the specific provisions of
23 the California Labor Code and Business and Professions Code violated by Defendants, as well
24 as the facts and theories in support of Plaintiff's claims. (Please see **Exhibit 1**, a true and
25 correct copy of this letter.)

- 26 10. The statutory time period for the LWDA to investigate and/or respond, and for the employer
27 to respond, has concluded.

28 //

REPRESENTATIVE ALLEGATIONS

11. As more specifically set forth below, Plaintiff brings this action in a representative capacity on behalf of all current and former aggrieved employees of Defendants who performed work for Defendants in California only. Code Civ. Proc. § 2699; *Arias v. Superior Court* (2009) 46 Cal. 4th 969, 980-981. Throughout the operative limitations period, Plaintiff and all other aggrieved employees were denied the protections and benefits of the Labor Code due to Defendants' standard practices. Throughout their employment, Plaintiff and all other aggrieved employees were and are denied full and accurate compensation, including overtime compensation, in violation of, *inter alia*, Labor Code sections 510, 1194, and 1197. Plaintiff and the other aggrieved employees were and are denied Meal and Rest Periods and Meal and Rest Period payments, in violation of, *inter alia*, Labor Code sections 226.7 and 512. Defendants failed to furnish accurate itemized wage statements in violation of, *inter alia*, Labor Code section 226. Defendants failed to reimburse Plaintiff and other aggrieved employees for necessary business expenditures in violation of, *inter alia*, Labor Code section 2802. Defendants failed to provide all compensation due at termination of employment in violation of, *inter alia*, Labor Code sections 201 through 203.
12. Plaintiff brings this action on the grounds that she and other current and former aggrieved employees of Defendants were and are improperly denied the mandated wages resulting from the above-referenced violations. Code Civ. Proc. § 2699; *Arias*, 46 Cal. 4th at 980-981. The number of current and former aggrieved employees is believed to exceed One Hundred (100) members.
13. The approximately One Thousand (1,000) aggrieved employees are comprised of Defendants' current or former California-based employees.
14. The questions of law and fact common to all aggrieved employees arising from Defendants' actions include, among others, the following:
 - a. Whether Defendants failed to pay its employees the proper straight-time, overtime, and double time wages due and owing to them;
 - b. Whether Defendants failed to pay its employees all compensation due and owing at

- 1 termination of employment;
- 2 c. Whether Defendants failed to provide its employees with statutorily-compliant Meal
- 3 and/or Rest Periods, in violation of, *inter alia*, California Labor Code section 512 and
- 4 226.7, in that Defendants' written policies are not compliant with California law, and
- 5 Defendants do not allow its employees duty-free Meal and/or Rest Periods on occasion;
- 6 d. Whether Defendants failed to properly provide Meal and Rest Period Premiums in
- 7 accordance with law;
- 8 e. Whether Defendants failed to properly calculate and pay its employees overtime
- 9 compensation or Meal and Rest Period Premiums in accordance with law by failing to
- 10 properly calculate, into the Regular Rate of Pay, the value of all employee benefits and
- 11 other non-discretionary compensation; and
- 12 f. Whether Defendants failed to properly reimburse its employees for necessary business
- 13 expenditures for, *inter alia*, cell phone costs and other work supplies, in violation of
- 14 Labor Code section 2802.
- 15 15. At all times mentioned herein, Defendants were subject to the Labor Codes and Industrial
- 16 Welfare Commission Wage Orders of the State of California, including, but not limited to,
- 17 California Labor Code section 2698 *et seq.*
- 18 16. At all times mentioned herein, Defendants are and were "employers" as that term is used
- 19 within the relevant sections of the California Labor Code.
- 20 17. Plaintiff has exhausted her administrative remedies and pre-filing requirements pursuant to
- 21 California Labor Code section 2699.3, and has also fulfilled all notice requirements under the
- 22 statute.
- 23 18. Throughout the operative limitations period, Plaintiff and all other aggrieved employees were
- 24 denied the protections and benefits of the Labor Code and IWC Wage Order(s) due to
- 25 Defendants' standard practices. Said violations are set forth below.
- 26 ///
- 27 ///
- 28 ///

FIRST CAUSE OF ACTION
Meal and Rest Period Violations Pursuant to Labor Code § 2698 et seq.
Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)

19. Plaintiff hereby incorporates by reference paragraphs 1 through 18 as though fully set forth herein.
20. Labor Code section 1198 states:
- The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.
- Defendants violated this section by establishing working conditions below the standard of the applicable Wage Order.
21. Under applicable California law, “An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a Meal Period of not less than 30 minutes [...] An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second Meal Period of not less than 30 minutes” Lab. Code § 512(a); see also 8 Cal. Code Regs. § 11050 (11)(A).
22. Unless the employee is relieved of all duty during a thirty (30) minute Meal Period, the Meal Period shall be considered an “on duty” Meal Period and counted as time worked. 8 Cal. Code Regs. § 11050 (11).
23. California law requires employers to provide nonexempt employees with a 10-minute Rest Period for every four hours worked, or “major fraction thereof.” 8 Cal. Code Regs. § 11050 (11).
24. An employer who fails to provide Meal or Rest Periods as required by an applicable Wage Order must pay the employee one additional hour of pay at the employee’s regular rate of pay for each workday that the Meal or Rest Period was not provided. Lab. Code § 226.7(b); 8 Cal. Code Regs. § 11050 (11), (12).
25. Within the operative time period, Defendants failed to possess compliant Meal and Rest Period policies.

- 1 26. For example, Defendants do not possess a legal Meal Period policy or legal Rest Period policy,
2 and makes no attempt to ensure that its employees are either timely or wholly provided Meal
3 Periods or Rest Periods.
- 4 27. Defendants would also pressure employees to either skip, or cut short, Meal Periods and Rest
5 Periods, based on order volume and coverage issues.
- 6 28. In addition, Defendants had notice of Plaintiff working outside of her scheduled and/or
7 reported hours, as well as within her Meal and Rest Periods, but failed to provide any
8 compensation for this work-time. As an example, Easter Seals Time Records (produced by
9 Easter Seals) show that on February 24, 2023, Ms. Cortez started a shift at 8:04 a.m. and then
10 ended this shift at 3:30 p.m. On this date, she worked a shift lasting 7 hours and 26 minutes
11 without receiving a Meal Period. (**Exhibit B**). Further, the Wage Statement indicates **no**
12 California Meal Period Penalty was paid for this date. (**Exhibit C**).
- 13 29. Defendants willfully failed and refused to pay Plaintiff and all other aggrieved employees one
14 additional hour of pay at their regular rate of pay for all workdays that a Meal or Rest Period
15 was not provided, as required by Labor Code section 226.7 and IWC Wage Order 5 § (11),
16 (12).
- 17 30. Any payments made by Defendants for non-compliant Meal Periods were not paid at the
18 employee's regular rate in violation of Labor Code section 226.7 and the operative IWC Wage
19 Orders. Instead, these payments were made at an employee's base rate and did not include the
20 value of, *inter alia*, all actual compensation owed, and/or all employee benefits such as, for
21 example, non-discretionary compensation and other employee benefits.
- 22 31. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor
23 Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be
24 proven at trial.
- 25 32. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
26 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
27 and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these
28 penalties pursuant to Labor Code section 2699, as more specifically set forth in the below

1 Prayer For Relief.

2 33. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
3 pursuant to Labor Code sections 2699(a) for each of these employees.

4 34. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
5 section 2699(g)(1).

6 **SECOND CAUSE OF ACTION**
7 **Minimum Wage Violations Pursuant to Labor Code § 2698 et seq.**
8 **Representative Action**
9 **(By Plaintiff against Defendants and DOES 1 through 10)**

10 35. Plaintiff hereby incorporates by reference paragraphs 1 through 34 as though fully set forth
11 herein.

12 36. Defendants failed to pay its employees all compensation due in violation of, among other
13 statutes, Labor Code section 1197. California law holds that the failure to pay for any work
14 time constitutes a violation of minimum wage laws. *Armenta v. Osmose, Inc.*, (2005) 135 Cal.
15 App.4th 314, 323. These violations were caused by and through Defendants' failure to
16 maintain accurate Time Records (as required by California law), to the detriment of the
17 employees. Specifically, although Defendants would receive "to-the-minute" start and end
18 times (from their employees' mandated timekeeping practices), Defendants would thereafter
19 alter - and deduct time from - the Time Records, prior to payment of compensation to the
20 employees. Additionally, the right to receive the proper minimum wage compensation was
21 impacted by Defendants knowingly failing to consider other work performed by the employees,
22 including all time employees were under Defendants' control. These actions, and instructions,
23 caused the employees to lose compensation, including proper minimum wage compensation
24 and overtime compensation.

25 37. As a result of Defendants' failure to comply with the provisions of the Labor Code, Plaintiff
26 and all other aggrieved employees have been damaged in an amount to be proven at trial.

27 38. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
28 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these

penalties pursuant to Labor Code section 2699, as more specifically set forth in the below Prayer For Relief.

39. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants pursuant to Labor Code sections 2699(a) for each of these employees.

40. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code section 2699(g)(1).

THIRD CAUSE OF ACTION
Overtime Violations Pursuant to Labor Code § 2698 et seq.
Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)

41. Plaintiff hereby incorporates by reference paragraphs 1 through 40 as though fully set forth herein.

42. Defendants failed to pay Plaintiff and all other aggrieved employees all compensation, including overtime compensation, due in violation of, among other statutes, Labor Code section 510. These violations occurred due to Defendants' illegal policies, referenced above, whereby employees experienced monetary under-compensation. The systematic failure to provide proper overtime compensation is a violation of California law.

43. Additionally, Defendants also failed to provide the actual Overtime Rate of Pay by ignoring certain compensation when calculating the Regular Rate of Pay including, but not limited to, shift differentials, various forms of bonus and/or incentive pay, and the value of employee benefits and employee discounts, in violation of Labor Code section 510.

44. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be proved at trial.

45. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3, and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these penalties pursuant to Labor Code section 2699, as more specifically set forth in the below Prayer For Relief.

1 46. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
2 pursuant to Labor Code sections 2699(a) for each of these employees.

3 47. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
4 section 2699(g)(1).

5 **FOURTH CAUSE OF ACTION**
6 **Wage Statement Violations Pursuant to Labor Code § 2698 et seq.**
7 **Representative Action**
8 **(By Plaintiff against Defendants and DOES 1 through 10)**

9 48. Plaintiff hereby incorporates by reference paragraphs 1 through 47 as though fully set forth
10 herein.

11 49. Defendants failed to provide Plaintiff and all other aggrieved employees with accurate itemized
12 wage statements in violation of, among other statutes, Labor Code section 226. These
13 violations include, but are not limited to, Defendants' failure to accurately identify all
14 applicable regular and overtime (including double-time) rates of pay in violation of section
15 226(a)(9), and providing inaccurate representations of both "gross" and "net wages."
16 Defendants also failed to accurately list "all applicable hourly rates in effect during the pay
17 period and the corresponding number of hours worked at each hourly rate," in violation of
18 226(a)(9). Defendants also failed to provide an accurate showing of the "total hours worked,"
19 in violation of Labor Code section 226(a)(2).

20 50. Further, the Defendants' wage statement listings are confusing and employees cannot readily
21 ascertain their total hours worked, applicable rates, and all gross and net wages. As one
22 example, Defendants are apparently using a time calculating system other than "minutes", but
23 without explanation to the employees within the wage statement.

24 51. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor
25 Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be
26 proven at trial.

27 52. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
28 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these

1 penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
2 Prayer For Relief.

3 53. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
4 pursuant to Labor Code sections 2699(a) for each of these employees.

5 54. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
6 section 2699(g)(1).

7 **FIFTH CAUSE OF ACTION**
8 **Failure to Reimburse Pursuant to Labor Code § 2698 et seq.**
9 **Representative Action**
10 **(By Plaintiff against Defendants and DOES 1 through 10)**

11 55. Plaintiff hereby incorporates by reference paragraphs 1 through 54 as though fully set forth
12 herein.

13 56. Defendants failed to reimburse their employees for all necessary business expenditures
14 incurred in direct consequence of the discharge of their duties in violation of, among other
15 statutes, Labor Code section 2802. These expenditures are the result of, *inter alia*, Defendants'
16 standard policies which require its employees to incur mileage, purchase work supplies, and
17 to use their own cell phones for work-related purposes, without reimbursement.

18 57. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor
19 Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be
20 proven at trial.

21 58. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
22 behalf of herself and all other aggrieved employees by and through Labor Code section
23 2699.3, and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover
24 these penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
25 Prayer For Relief.

26 59. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
27 pursuant to Labor Code sections 2699(a) for each of these employees.

28 60. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
section 2699(g)(1).

SIXTH CAUSE OF ACTION
Failure to Pay Wages Upon Separation Pursuant to Labor Code § 2698 et seq.
Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)

61. Plaintiff hereby incorporates by reference paragraphs 1 through 60 as though fully set forth herein.

62. Defendants failed to provide Plaintiff and other aggrieved employees with all wages earned and unpaid at termination in violation of, among other statutes, Labor Code sections 201 through 203. These violations resulted from, among other unlawful actions, Defendants' willful failure to provide accurate and complete compensation to aggrieved employees under Labor Code sections 226.7, 510, 512, 1197, and 2802, as set forth above.

63. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be proven at trial.

64. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3, and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these penalties pursuant to Labor Code section 2699, as more specifically set forth in the below Prayer For Relief.

65. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants pursuant to Labor Code sections 2699(a) for each of these employees.

66. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code section 2699(g)(1), and interest, pursuant to Labor Code section 218.6.

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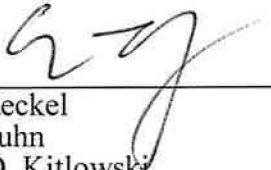
PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of all aggrieved employees, prays for judgment as follows:

1. For an award of attorneys' fees and costs of suit herein pursuant to Labor Code section 2699(g)(1);
2. For an award of statutory civil penalties pursuant to Labor Code section 2699(f)(2); and
3. For such other relief as the Court deems just and proper.

Dated: April 19, 2024

SULLIVAN & YAECKEL LAW GROUP, APC


Eric K. Yaeckel

Ryan T. Kuhn

Karoline D. Kitlowski

Attorneys for Plaintiff ANA CORTEZ, in a
Representative capacity only, and on behalf of other
members of the general public similarly situated

Exhibit 1

SULLIVAN & YAECKEL

LAW GROUP

A PROFESSIONAL CORPORATION

2330 THIRD AVENUE
SAN DIEGO, CALIFORNIA 92101

PHONE 619-702-6760
FACSIMILE 619-702-6761

February 5, 2024

Labor and Workforce Development Agency
Attn. PAGA Administrator

Submitted Via Online Filing

Re: Ana Cortez v. Easter Seals Southern California, Inc., a nonprofit corporation
Our File No.: 7369

Dear Administrator:

Please allow this correspondence to serve as “written notice,” as required by California Labor Code section 2699.3(a)(1), of the specific provisions of the California Labor Code believed to have been violated by Easter Seals Southern California, Inc., a nonprofit corporation (hereinafter referred to as “Easter Seals”), in the above referenced matter. This “written notice” is filed on behalf of Ana Cortez (“Ms. Cortez”) and all current and former non-exempt employees employed by Easter Seals. Thank you for your assistance and instruction on this issue.

The specific provisions alleged to have been violated by Easter Seals are as follows:

CALIFORNIA LABOR CODE SECTIONS 201-203, 204, 226, 226(a), 226.7, 510, 512, 1194, 1197.1, 1198.5 and 2802, as well as IWC Wage Order 5, and any other applicable wage orders, codified as Title 8, California Code of Regulations, section 11050 *et seq.*

Facts and theories supporting the allegations: Ms. Cortez was employed as a non-exempt employee for Easter Seals from approximately August 2019 through March 24, 2023.

Throughout the term of Ms. Cortez’ employment, Easter Seals required Ms. Cortez and all other non-exempt employees to experience actions illegal under the California Labor Code, including the following:

Minimum Wage and Overtime Violations

- Easter Seals failed to provide all compensation, including minimum wage and overtime compensation, as well as compensation for work performed inside of Meal and Rest Periods, to its employees in violation of, *inter alia*, Labor Code sections 1194, 204, 510, IWC Wage Order 5, and any other applicable wage orders. This illegal action is due, in part, to Easter Seals's policies of (1) failing to properly retain accurate Time Records, in violation of California law, and (2) failing to provide compensation (including both minimum and overtime compensation) for all time worked by the employees, or in control of the employer. For instance, Easter Seals would instruct Ms. Cortez to report scheduled (as opposed to *actual*) work hours, resulting in a loss of compensation. Additionally, Easter Seals would often require Ms. Cortez to work extended hours (beyond scheduled hours), without compensation. Further, Easter Seals would regularly contact Ms. Cortez outside of normal work hours (*i.e.*, "after hours" or during lunch) without compensation.
- Additionally, among other issues, Easter Seals has notice of Ms. Cortez, and others, working outside of their scheduled and/or reported hours, as well as *within* Meal and Rest Periods, but fails to provide any compensation for this work-time. Ms. Cortez was frequently scheduled to be "On Call" outside of when her work shifts ended, but were never compensated for this time. Further, Easter Seals failed to properly calculate and pay overtime at the actual overtime rate of pay, as Easter Seals ignores certain compensation when calculating the Regular Rate of Pay.

Failure to Provide Compliant Meal Periods

- Easter Seals failed to provide compliant Meal Periods or requisite Meal Period penalty payments, in violation of, *inter alia*, Labor Code sections 226.7, 512, and IWC Wage Order 5, or any other applicable wage orders. For example, Easter Seals does not possess a legal Meal Period policy and makes no attempt to ensure that its employees are either timely or wholly provided Meal Periods. The employees would often either miss a Meal Period entirely, or be provided a short or untimely Meal Period. Whether or not an employee was provided a Meal Period was often contingent upon the how busy the employees were on a given day.
- Easter Seals would pressure its employees to either skip, or cut short, a Meal Period as employees were expected to respond to supervisors and/or patients at all times. As an example, Easter Seals Time Records (produced by Easter Seals) show that on February 24, 2023, Ms. Cortez started a shift at 8:04 a.m. and then ended this shift at 3:30 p.m. On this date, she **worked a shift lasting 7 hours and 26 minutes** without receiving a Meal Period. Further, the Wage Statement indicates **no** California

Meal Period Penalty was paid for this date. (**Exhibit A**). Easter Seals has never provided a compliant Meal Period penalty payment to any employee as to the above referenced issues. Finally, on the rare occasions when employees *were* paid Meal Period penalties (*i.e.* California Meal Period Premiums), such payments do not “cure” the stated Labor Code violation under section 226.7. The California Supreme Court held that “An employer’s failure to provide an additional hour of pay does not form part of a section 226.7 violation, and an employer’s provision of an additional hour of pay does not excuse a section 226.7 violation. The failure to provide required meal and rest breaks is what triggers a violation of section 226.7.” *Kirby v. Immoos Fire Protection, Inc.* (2012) 53 Cal.4th 1244, 1256, italics added. Even more recently, a 2020 California Supreme Court ruling stated that, “The remedy for a Labor Code violation, through settlement or other means, is distinct from the fact of the violation itself. For example, employers can pay an additional hour of wages as a remedy for failing to provide meal and rest breaks. (§ 226.7, subd. (c).) But we have held that payment of this statutory remedy ‘does not excuse a section 226.7 violation.’” *Kim v. Reins International California, Inc.*, (2020) 9 Cal.5th 73. To be clear, payment of a Meal Period penalty to employees does not rectify the violation, it is in fact an admission of a Labor Code violation. Finally, Easter Seals failed to pay Meal Period Premiums at the proper rate, as Easter Seals fails to either **(1)** pay a full hours worth of pay, or **(2)** properly calculate the regular rate of pay for purposes of determining the premium rate owed. *Ferra v. Loews Hollywood Hotel, LLC*, (2021) 11 Cal.5th 858.

- Easter Seals required its employees to constantly monitor their cell phones and be “on-call” at all times, specifically during Meal Periods. On occasion, Easter Seals would interrupt, or cut short, its employees’ Meal Periods and require them to return to work.
- Easter Seals illegally retained control over its employees during Meal Periods. For example, Easter Seals required its employees to “remain on the premises,” and to remain “On Call” (*i.e.* monitor their phones) at all times, including during Meal Periods.

Failure to Provide Compliant Rest Periods

- Easter Seals failed to provide compliant Rest Periods or requisite Rest Period penalty payments, in violation of, *inter alia*, Labor Code sections 226.7, 512, and IWC Wage Order 5, and any other applicable wage orders. For example, Easter Seals does not possess a legal Rest Period policy, as its Rest Period policy lacks required language under California law. Easter Seals makes no attempt to ensure that its employees are either timely or wholly provided Rest Periods. The employees would often either miss a Rest Period entirely, be provided a short or untimely Rest Period, or be provided only one Rest Period, even when they were working in excess of 6.5 hours

a day. Easter Seals would pressure its employees to either skip, or cut short, a Rest Period as employees were expected to respond to patients at all times. Easter Seals has never provided a compliant Rest Period penalty payment to any employee as to the above referenced issues. Finally, on the rare occasions in which Easter Seals would provide a Rest Period penalty, it would pay said penalty at an improper (and *lesser*) rate, due to the failure to properly calculate the Regular Rate of Pay.

- Easter Seals required its employees to constantly monitor their cell phones and be “on-call” at all times, specifically during Rest Periods. On occasion, Easter Seals would interrupt, or cut short, its employees’ Rest Periods and require them to return to work. Ms. Cortez was required to respond to supervisors and patients during her Rest Periods.
- Finally, Easter Seals illegally retained control over its employees during Rest Periods. For example, Easter Seals required its employees to “remain on the premises,” and to remain “On Call” (*i.e.* monitor their telephones) at all times, including during Rest Periods.

Wage Statement Violations

- Easter Seals violated Labor Code section 226(a)(2) by failing to furnish an accurate showing of all hours worked at each hourly rate by the employee. Ms. Cortez and other employees were not compensated for all hours worked (due in part to Easter Seals’s requirement that employees list only *scheduled* work-times, not actual work-times.)
- Easter Seals violated Labor Code section 226(a)(5) by failing to furnish an accurate showing of the net wages earned by its employees. For example, Easter Seals (a) would not provide compensation for all hours and minutes worked, (b) would use an improper (and lesser) Overtime Rate of Pay, and (c) would fail to pay Meal and/or Rest Period penalties when due. Further, on the rare occasions in which Easter Seals would provide a Meal or Rest Period penalty, it would pay said penalty at an improper (and lesser) rate, due to the failure to properly calculate the Regular Rate of Pay.
- Easter Seals violated Labor Code section 226(a)(9) by failing to furnish an accurate showing of all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Additionally, and as an example, for the pay period ending July 24, 2021, Easter Seals states that it paid Ms. Cortez for “74.93” total hours of “Regular Pay”. (Please see **Exhibit B**). However, Ms. Cortez cannot “readily ascertain” what 74.93 means without “reference to other documents or information.” Easter Seals does not explain

how its system describes “time worked” on the Wage Statement itself. As such, Ms. Cortez cannot “readily ascertain” what these figures mean. This is because Easter Seals is apparently using a time-calculating system other than “minutes,” but without explanation to the employees within the wage statement. As minutes are measured on a scale of 1 through 60, it is not apparent what these figures (*i.e.* “.93”) are meant to represent. Without an explanation for how these figures were arrived at, employees cannot “readily ascertain” their total hours worked. Therefore, Easter Seals failed to provide an accurate showing of the “total hours worked” by its employees pursuant to section 226(a)(2), due to all the aforesaid reasons.

Failure to Provide Compliant Expense Reimbursement Payments

- Easter Seals failed to provide compliant expense reimbursement payments in violation of, *inter alia*, Labor Code section 2802, by failing to provide payments for expenses incurred by Ms. Cortez, and other non-exempt employees, including expenses for cell-phone costs, necessary work supplies, and mileage.

Willful Failure to Provide All Compensation to Ex-Employees

- Easter Seals failed to provide all compensation upon termination of employment in violation of Labor Code sections 201-203, due, in part, to the fact that Easter Seals failed to provide proper compensation for all hours worked, and failed to pay full Meal or Rest Period penalties, as discussed above.

To confirm, Easter Seals is a “person” as defined within California Labor Code section 18.

Again, thank you for your assistance and instruction throughout this matter. Should you have any questions or comments, please do not hesitate to contact the undersigned.

Very Truly Yours,



Ryan T. Kuhn, Esq.

CT CORPORATION

Agent for Service of Process for

EASTER SEALS SOUTHERN CALIFORNIA, INC.

330 N Brand Blvd

Glendale, CA 91203

ROSIE KALIKA-DHANANTWARI
Agent for Service of Process for
EASTER SEALS SOUTHERN CALIFORNIA, INC.
1036 McGaw Avenue, Suite 100
Irvine, CA 92614

Exhibit A

Timecard View for Cortez, Ana (018306)

Tuesday, August 08, 2023 11:09 AM

Timecard Date Range: User-Defined Date Range (02/19/2023 - 03/04/2023)

Supervisor: Assad, Shady

Payroll ID: 018306

Company Code: 2PU

Hours Summary

Earnings Code	Hours
PTO	10.50
Holiday - Full Time	7.50
REG	53.43
Total:	71.43

Timecard Details

Date	Time	Hours	Daily Totals	Out Type	Earnings Code	Department
02/20/2023	08:00 AM - 03:30 PM	7.50	7.50		HOLF	HOME
02/21/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
02/22/2023	08:00 AM - 12:00 PM	4.00				HOME
02/22/2023	12:00 PM - 03:30 PM	3.50	7.50		PTO	HOME
02/23/2023	08:00 AM - 12:00 PM	4.00	4.00			HOME
02/24/2023	08:04 AM - 03:30 PM	7.43	7.43			HOME
02/27/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
02/28/2023	08:00 AM - 12:00 PM	4.00				HOME
02/28/2023	12:00 PM - 03:30 PM	3.50	7.50		PTO	HOME
03/01/2023	08:00 AM - 12:00 PM	4.00				HOME
03/01/2023	12:00 PM - 03:30 PM	3.50	7.50		PTO	HOME
03/02/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
03/03/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
Total:		71.43				

Supplemental Earnings Summary

Supplemental Earnings considered part of Gross Payroll	Dollars
MIL10: Mileage when NOT with client	15.00
Total:	15.00

Supplemental Earnings Details

Date	Entered Amount	Factor	Final Amount	Earnings Code	Department
02/24/2023	15.0000	1.0000	15.0000	MIL10	HOME
Total:	15.0000		15.0000		

Signatures

Easton Seals
Easton Seals Southern
 1063 McSaw Avenue
 Suite 100
 Irvine, CA 92614
 714-334-1111

Pay Statement
 Printed Start Date: 02/15/2023
 Period End Date: 03/04/2023
 Pay Date: 03/10/2023
 Document: 664484
Net Pay: \$938.46

Pay Details

Ana Cortez 561 Oxford St Apt 7A Chula Vista, CA 91911 USA	Employee Number: 018306 SSN: XXX-XX-XXXX Job Title: Life Skills Coach 2 Pay Rate: \$18.0275 Pay Frequency: Biweekly	Pay Group: Non-Exempt - Bi-Weekly Location: National City 33th Service Line: 001002 - Adult Day Services South Cost Center: 0849 - Behavior Mgmt/NC Check Date: 000841 - National City
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Earnings

Pay Type	Hours	Pay Rate	Current	YTD
Group Term Life			\$4.17	\$20.85
Holiday FT	7.5000	\$18.0275	\$135.21	\$676.04
Mileage Employee	15.0000	\$0.6550	\$9.82	\$38.63
PTO	9.4536	\$18.0275	\$170.42	\$1,369.25
Regular Pay	59.4300	\$18.0275	\$963.21	\$4,631.81
Rest Prem	0.0000	\$0.0000	\$0.00	\$252.39
Total Hours: 70.3836				

Deductions

Deduction	Based On	Per-Tax	Employee Current	Employee YTD	Employer Current	Employer YTD
401K	\$1,268.84	Yes	\$76.13	\$415.77	\$44.41	\$242.53
Group Term Life	\$4.17	No	\$4.17	\$20.85	\$0.00	\$0.00
Med-UHC HMO	\$0.00	Yes	\$99.03	\$495.15	\$374.54	\$1,872.70
Vis-VSP	\$0.00	Yes	\$2.32	\$11.10	\$0.70	\$3.50
Basic AD&D	\$71,000.00	No	\$0.00	\$0.00	\$0.49	\$2.45
Basic Life	\$71,000.00	No	\$0.00	\$0.00	\$2.58	\$14.90
LTD	\$1,953.00	No	\$0.00	\$0.00	\$3.41	\$17.05

Taxes

Tax	Based On	Current	YTD
Federal Income Tax	\$1,095.63	\$59.09	\$361.47
Employee Medicare	\$1,171.76	\$16.99	\$93.44
Social Security Employee Tax	\$1,171.76	\$72.65	\$399.53
CA State Income Tax	\$1,095.63	\$3.58	\$39.89
CA Disability Employee	\$1,167.59	\$10.51	\$57.81

Paid Time Off

Net Pay Distribution

Plan	Current	Balance	Account Number	Account Type	Amount
PTO	5.1920	5.1920	XXXXXXXX7931	Checking	\$938.46
Sick	0.0000	-0.0024	Total		\$938.46

Pay Summary

	Gross	FIT Taxable Wages	Taxes	Deductions	Net Pay
Current	\$1,282.63	\$1,095.63	\$162.82	\$181.55	\$938.46
YTD	\$4,989.97	\$4,026.32	\$952.14	\$942.87	\$5,093.96

Exhibit B

Timecard View for Cortez, Ana (018306)

Tuesday, August 08, 2023 11:09 AM

Timecard Date Range: User-Defined Date Range (02/19/2023 - 03/04/2023)

Supervisor: Assad, Shady

Payroll ID: 018306

Company Code: 2PU

Hours Summary

Earnings Code	Hours
PTO	10.50
Holiday - Full Time	7.50
REG	53.43
Total:	71.43

Timecard Details

Date	Time	Hours	Daily Totals	Out Type	Earnings Code	Department
02/20/2023	08:00 AM - 03:30 PM	7.50	7.50		HOLF	HOME
02/21/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
02/22/2023	08:00 AM - 12:00 PM	4.00				HOME
02/22/2023	12:00 PM - 03:30 PM	3.50	7.50		PTO	HOME
02/23/2023	08:00 AM - 12:00 PM	4.00	4.00			HOME
02/24/2023	08:04 AM - 03:30 PM	7.43	7.43			HOME
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03/02/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
03/03/2023	08:00 AM - 03:30 PM	7.50	7.50			HOME
Total:		71.43				

Supplemental Earnings Summary

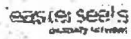
Supplemental Earnings considered part of Gross Payroll	Dollars
MIL10: Mileage when NOT with client	15.00
Total:	15.00

Supplemental Earnings Details

Date	Entered Amount	Factor	Final Amount	Earnings Code	Department
02/24/2023	15.0000	1.0000	15.0000	MIL10	HOME
Total:	15.0000		15.0000		

Signatures

Exhibit C



Easter Seals Southern
1063 McSwain Avenue
Suite 100
Irvine, CA 92614
714-234-1111

Pay Statement
Period Start Date 02/15/2023
Period End Date 03/04/2023
Pay Date 03/10/2023
Document 664484
Net Pay \$938.46

Pay Details

Ana Cortez	Employee Number 018306	Pay Group Non-Exempt - Bi-Weekly
561 Oxford St	SSN XXX-XX-XXXX	Location National City 35th
Apt 7A	Job Title Life Skills Coach 2	Service Line 001002 - Adult Day Services South
Chula Vista, CA 91911	Pay Rate \$18.0275	Cost Center 0349 - Behavior Mgmt/INC
USA	Pay Frequency Biweekly	Check Distrib 000841 - National City

Earnings

Pay Type	Hours	Pay Rate	Current	YTD
Group Term Life			\$4.17	\$20.85
Holiday FT	7.5000	\$18.0275	\$135.21	\$676.04
Mileage Employee	15.0000	\$0.6530	\$9.82	\$38.63
PTO	9.4536	\$18.0275	\$170.42	\$1,369.25
Regular Pay	53.4300	\$18.0275	\$963.21	\$4,631.01
Real Prem	0.0000	\$0.0000	\$0.00	\$252.39
Total Hours 70.3836				

Deductions

Deduction	Based On	Pre-Tax	Employee Current	Employee YTD	Employer Current	Employer YTD
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Basic AD&D	\$71,000.00	No	\$0.00	\$0.00	\$0.49	\$2.45
Basic Life	\$71,000.00	No	\$0.00	\$0.00	\$2.98	\$14.90
LTD	\$1,953.00	No	\$0.00	\$0.00	\$3.41	\$17.05

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Tax	Based On	Current	YTD
Federal Income Tax	\$1,095.63	\$59.09	\$361.47
Employee Medicare	\$1,171.76	\$16.99	\$93.44
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CA State Income Tax	\$1,095.63	\$3.58	\$99.89
CA Disability Employee	\$1,167.59	\$10.51	\$57.81

Paid Time Off

Plan	Current	Balance
PTO	5.1920	5.1920
Sick	0.0000	-0.0024

Net Pay Distribution

Account Number	Account Type	Amount
xxxxxxxx7831	Checking	\$938.46
Total		\$938.46

Pay Summary

	Gross	FIT Taxable Wages	Taxes	Deductions	Net Pay
Current	\$1,202.89	\$1,095.63	\$162.82	\$181.55	\$938.46
YTD	\$5,988.97	\$5,026.32	\$952.14	\$942.87	\$5,093.96