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Superior Court of California,
County of Imperial
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By: Marissa Moran, Deputy Clerk

Attorneys for Plaintiff EDGAR JARAMILLO 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 IMPERIAL

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

Plaintiff,

v.

LABORATORY CORPORATION OF AMERICA, a Delaware Corporation; and DOES 1-10, inclusive

Defendants

CASE NO. ECU003565

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 EDGAR JARAMILLO ("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 his 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 Imperial, State of California.
3. Plaintiff is informed and believes and thereon alleges that at all relevant times mentioned herein, Defendant LABORATORY CORPORATION OF AMERICA (Referred to herein as "Defendant" or "LABCORP"), was and is a Delaware Corporation doing business throughout the state, including the County of Imperial, state of California. Accordingly, Plaintiff will seek leave of court to amend this complaint to allege their true names and capacities after the same have been ascertained.
4. 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 authority as such agent, servant, partner, and employee with the permission and consent of the co-defendants. Plaintiff's injuries as herein alleged were proximately caused by said

1 defendants. Wherever it is alleged herein that any act or omission was done or committed by
2 any specially named Defendant or Defendants, Plaintiff intends thereby to allege and does
3 allege that the same act or omission was also done and committed by each and every defendant
4 named as a DOE, both separately and in concert with the named Defendant or Defendants.

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

10 **FACTUAL BACKGROUND**

- 11 6. Plaintiff was employed by Defendants from approximately 2009 through 2013 and again from
12 2018 through February 20, 2024. Throughout his employment with Defendants, Plaintiff
13 performed his job in a capable, and competent manner.
- 14 7. Throughout the term of their employment, Plaintiff and all other aggrieved employees were,
15 and currently are, denied the benefits and protections of the Labor Code due to Defendants'
16 institutionalized pay practices, standard as to all of Defendants' California-based employees.
- 17 8. On March 27, 2024, counsel for Plaintiff prepared and submitted via online filing a letter to
18 the California Labor & Workforce Development Agency ("LWDA"). A copy of the letter was
19 mailed to Defendants, via USPS Certified Mail. The letter contained the specific provisions
20 of the California Labor Code and Business and Professions Code violated by Defendants, as
21 well as the facts and theories in support of Plaintiff's claims. (Please see **Exhibit 1**, a true and
22 correct copy of this letter.)
- 23 9. The statutory time period for the LWDA to investigate and/or respond, and for the employer
24 to respond, has concluded.

25 **REPRESENTATIVE ALLEGATIONS**

- 26 10. As more specifically set forth below, Plaintiff brings this action in a representative capacity on
27 behalf of all current and former aggrieved employees of Defendants. Code Civ. Proc. § 2699;
28 *Arias v. Superior Court* (2009) 46 Cal. 4th 969, 980-981. Plaintiff is proceeding in a

representative capacity under PAGA only. Plaintiff is not seeking individual relief. 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.

11. Plaintiff brings this action on the grounds that he 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 Thousand (1000) members.
12. The approximately One Thousand (1000) aggrieved employees are comprised of Defendants' current or former California-based employees.
13. 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 termination of employment;
 - c. Whether Defendants failed to provide its employees with statutorily-compliant Meal and/or Rest Periods, in violation of, *inter alia*, California Labor Code section 512 and 226.7, in that Defendants' written policies are not compliant with California law, and

- 1 Defendants do not allow its employees duty-free Meal and/or Rest Periods on occasion;
- 2 d. Whether Defendants failed to properly provide Meal and Rest Period Premiums in
- 3 accordance with law;
- 4 e. Whether Defendants failed to properly calculate and pay its employees overtime
- 5 compensation or Meal and Rest Period Premiums in accordance with law by failing to
- 6 properly calculate, into the Regular Rate of Pay, the value of all employee benefits and
- 7 other non-discretionary compensation; and
- 8 f. Whether Defendants failed to properly reimburse its employees for necessary business
- 9 expenditures for, *inter alia*, cell phone costs and other work supplies, in violation of
- 10 Labor Code section 2802.

11 14. At all times mentioned herein, Defendants were subject to the Labor Codes and Industrial

12 Welfare Commission Wage Orders of the State of California, including, but not limited to,

13 California Labor Code section 2698 *et seq.*

14 15. At all times mentioned herein, Defendants are and were “employers” as that term is used

15 within the relevant sections of the California Labor Code.

16 16. Plaintiff has exhausted his administrative remedies and pre-filing requirements pursuant to

17 California Labor Code section 2699.3, and has also fulfilled all notice requirements under the

18 statute.

19 17. Throughout the operative limitations period, Plaintiff and all other aggrieved employees were

20 denied the protections and benefits of the Labor Code and IWC Wage Order(s) due to

21 Defendants’ standard practices. Said violations are set forth below.

22 **FIRST CAUSE OF ACTION**

23 **Meal and Rest Period Violations Pursuant to Labor Code § 2698 et seq.**

24 **Representative Action**

25 **(By Plaintiff against Defendants and DOES 1 through 10)**

26 18. Plaintiff hereby incorporates by reference paragraphs 1 through 17 as though fully set forth

27 herein.

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19. Labor Code section 1198 states:

1 The maximum hours of work and the standard conditions of labor fixed
2 by the commission shall be the maximum hours of work and the
3 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.

4 Defendants violated this section by establishing working conditions below the standard of the
5 applicable Wage Order.

6 20. Under applicable California law, “An employer may not employ an employee for a work period
7 of more than five hours per day without providing the employee with a Meal Period of not less
8 than 30 minutes [...] An employer may not employ an employee for a work period of more than
9 10 hours per day without providing the employee with a second Meal Period of not less than
10 30 minutes” Lab. Code § 512(a); see also 8 Cal. Code Regs. § 11040 (11)(A).

11 21. Unless the employee is relieved of all duty during a thirty (30) minute Meal Period, the Meal
12 Period shall be considered an “on duty” Meal Period and counted as time worked. 8 Cal. Code
13 Regs. § 11040 (11).

14 22. California law requires employers to provide nonexempt employees with a 10-minute Rest
15 Period for every four hours worked, or “major fraction thereof.” 8 Cal. Code Regs. § 11040
16 (11).

17 23. An employer who fails to provide Meal or Rest Periods as required by an applicable Wage
18 Order must pay the employee one additional hour of pay at the employee’s regular rate of pay
19 for each workday that the Meal or Rest Period was not provided. Lab. Code § 226.7(b); 8 Cal.
20 Code Regs. § 11040 (11), (12).

21 24. Within the operative time period, Defendants failed to possess compliant Meal and Rest Period
22 policies.

23 25. For example, Defendants do not possess a legal Meal Period policy or legal Rest Period policy,
24 and makes no attempt to ensure that its employees are either timely or wholly provided Meal
25 Periods or Rest Periods.

26 26. Defendants would also pressure employees to either skip, or cut short, Meal Periods and Rest
27 Periods, based on workload volume and coverage issues.

28 27. In addition, Defendants had notice of Plaintiff working outside of his scheduled and/or

1 reported hours, as well as within Meal and Rest Periods, but failed to provide any
2 compensation for this work-time.

3 28. Defendants willfully failed and refused to pay Plaintiff and all other aggrieved employees one
4 additional hour of pay at their regular rate of pay for all workdays that a Meal or Rest Period
5 was not provided, as required by Labor Code section 226.7 and IWC Wage Order 4 § (11),
6 (12).

7 29. Any payments made by Defendants for non-compliant Meal Periods were not paid at the
8 employee's regular rate in violation of Labor Code section 226.7 and the operative IWC Wage
9 Orders. Instead, these payments were made at an employee's base rate and did not include the
10 value of, *inter alia*, all actual compensation owed, and/or all employee benefits such as, for
11 example, non-discretionary compensation and other employee benefits.

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

15 31. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
16 behalf of himself and all other aggrieved employees by and through Labor Code section
17 2699.3, and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover
18 these penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
19 Prayer For Relief.

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

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

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28 **SECOND CAUSE OF ACTION**
Minimum Wage Violations Pursuant to Labor Code § 2698 et seq.

**Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)**

34. Plaintiff hereby incorporates by reference paragraphs 1 through 33 as though fully set forth herein.
35. Defendants failed to pay its employees all compensation due in violation of, among other statutes, Labor Code section 1197. California law holds that the failure to pay for any work time constitutes a violation of minimum wage laws. *Armenta v. Osmose, Inc.*, (2005) 135 Cal. App.4th 314, 323. These violations were caused by and through Defendants' failure to maintain accurate Time Records (as required by California law), to the detriment of the employees. Specifically, although Defendants would receive "to-the-minute" start and end times (from their employees' mandated timekeeping practices), Defendants would thereafter alter - and deduct time from - the Time Records, prior to payment of compensation to the employees. Additionally, the right to receive the proper minimum wage compensation was impacted by Defendants knowingly failing to consider other work performed by the employees, including all time employees were under Defendants' control. These actions, and instructions, caused the employees to lose compensation, including proper minimum wage compensation and overtime compensation.
36. As a result of Defendants' failure to comply with the provisions of the Labor Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be proven at trial.
37. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of himself 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.
38. 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.
39. 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)

40. Plaintiff hereby incorporates by reference paragraphs 1 through 39 as though fully set forth herein.
41. 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.
42. 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, various forms of bonus and/or incentive pay, and the value of employee benefits and employee discounts, in violation of Labor Code section 510.
43. 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.
44. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of himself 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.
45. 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.
46. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code section 2699(g)(1).

FOURTH CAUSE OF ACTION
Wage Statement Violations Pursuant to Labor Code § 2698 et seq.

**Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)**

47. Plaintiff hereby incorporates by reference paragraphs 1 through 46 as though fully set forth herein.
48. Defendants failed to provide Plaintiff and all other aggrieved employees with accurate itemized wage statements in violation of, among other statutes, Labor Code section 226. These violations include, but are not limited to, Defendants' failure to accurately identify all applicable regular and overtime (including double-time) rates of pay in violation of section 226(a)(9), and providing inaccurate representations of both "gross" and "net wages." Defendants also failed to accurately list "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate," in violation of 226(a)(9). Defendants also failed to provide an accurate showing of the "total hours worked," in violation of Labor Code section 226(a)(2). For example, Defendants had notice of employees working outside of their scheduled and/or reported hours, as well as within Meal and Rest Periods, but did not provide compensation.
49. Further, the Defendants' wage statement listings are confusing and employees cannot readily ascertain their total hours worked, applicable rates, and all gross and net wages. As one example, Defendants are apparently using a time calculating system other than "minutes", but without explanation to the employees within the wage statement. As an example, for the pay period ending May 14, 2022, Labcorp states that it paid Plaintiff for "81.63" total hours of Regular Pay. (Please see **Exhibit 2**). However, Plaintiff cannot "readily ascertain" what 81.63 means without "reference to other documents or information.
50. 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.
51. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of himself 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

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

3 52. 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 53. 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 54. Plaintiff hereby incorporates by reference paragraphs 1 through 53 as though fully set forth
12 herein.

13 55. 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 and to use their own cell phones
17 for work-related purposes, without reimbursement.

18 56. 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 57. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
22 behalf of himself 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 58. 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 59. 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)

60. Plaintiff hereby incorporates by reference paragraphs 1 through 59 as though fully set forth herein.
61. 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.
62. 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.
63. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of himself 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.
64. 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.
65. 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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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.

SULLIVAN & YAECKEL LAW GROUP, APC

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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.

SULLIVAN & YAECKEL LAW GROUP, APC

Eric K. Yaeckel
Ryan T. Kuhn
Karoline D. Kitlowski
Attorneys for Plaintiffs EDGAR JARAMILLO in a
Representative capacity only, and on behalf of other
members of the general public similarly situated

Exhibit 1

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March 27, 2024

Submitted Via Online Filing

Labor and Workforce Development Agency
Attn. PAGA Administrator

Re: **Edgar Jaramillo. v. Laboratory Corporation of America; and
Laboratory Corporation of America Holdings**

Our File No.: 7409

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 Laboratory Corporation of America; and Laboratory Corporation of America Holdings (hereinafter collectively referred to as “Labcorp”), in the above referenced matter. This “written notice” is filed on behalf of Mr. Jaramillo, and all current and former non-exempt employees employed by Labcorp. Thank you for your assistance and instruction on this issue.

The specific provisions alleged to have been violated by Labcorp 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 4, and any other applicable wage orders, codified as Title 8, California Code of Regulations, section 11050 *et seq.*

Facts and theories supporting the allegations: Mr. Jaramillo was employed as a non-exempt employee for Labcorp from 2018 through February 20, 2024.

Throughout the term of Mr. Jaramillo's employment, Labcorp required Mr. Jaramillo and all other non-exempt employees to experience actions illegal under the California Labor Code, including the following:

Minimum Wage and Overtime Violations

- Labcorp 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 204, 1194, 510, IWC Wage Order 4, and any other applicable wage orders. This illegal action is due, in part, to Labcorp'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, Labcorp would instruct Mr. Jaramillo to report scheduled (as opposed to *actual*) work hours, resulting in a loss of compensation. Additionally, Labcorp would often require Mr. Jaramillo to work extended hours (beyond scheduled hours), without compensation. Further, Labcorp would regularly contact Mr. Jaramillo outside of normal work hours (*i.e.*, "after hours" or during lunch) without compensation.
- Additionally, among other issues, Labcorp has notice of Mr. Jaramillo, 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. Mr. Jaramillo was frequently scheduled to be "On Call" outside of when his work shifts ended, but was never compensated for this time. Further, Labcorp failed to properly calculate and pay overtime at the actual overtime rate of pay, as Labcorp ignores certain compensation when calculating the Regular Rate of Pay.

Failure to Provide Compliant Meal Periods

- Labcorp 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 4, or any other applicable wage orders. For example, Labcorp 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 or understaffed the employees were on a given day.
- Labcorp would pressure its employees to either skip, or cut short, a Meal Period as employees were expected to respond to supervisors and/or customers at all times.

Labcorp 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, Labcorp failed to pay Meal Period Premiums at the proper rate, as Labcorp 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*, S259172 (Slip Op. at p.1).

- Labcorp required its employees to constantly monitor their cell phones and be “on-call” at all times, specifically during Meal Periods. On occasion, Labcorp would interrupt, or cut short, its employees’ Meal Periods and require them to return to work.
- Labcorp illegally retained control over its employees during Meal Periods. For example, Labcorp 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

- Labcorp 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, Labcorp does not possess a legal Rest Period policy, as its Rest Period policy lacks required language under California law. Labcorp 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. Labcorp would pressure its employees to either skip, or cut short, a Rest Period as employees were expected to respond to supervisors and/or customers at all times. Mr. Jaramillo often was required to work during

Rest Periods in order to complete his daily duties before he ended his shift for the day. Labcorp 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 Labcorp 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.

- Labcorp required its employees to constantly monitor their cell phones and be “on-call” at all times, specifically during Rest Periods. On occasion, Labcorp would interrupt, or cut short, its employees’ Rest Periods and require them to return to work.
- Finally, Labcorp illegally retained control over its employees during Rest Periods. For example, Labcorp 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. Labcorp’s Rest Period Policy does not allow employees to leave the premises. (Please see **Exhibit A**).

Wage Statement Violations

- Labcorp 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. Mr. Jaramillo, and other employees were not compensated for all hours worked (due in part to Labcorp’s requirement that employees list only *scheduled* work-times, not actual work-times.)
- Labcorp violated Labor Code section 226(a)(5) by failing to furnish an accurate showing of the net wages earned by its employees. For example, Labcorp (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 Labcorp 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.
- Labcorp 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. Mr. Jaramillo, and the other employees were not compensated for all hours worked (due in part to Labcorp requiring employees to list only *scheduled* work-times, not actual work-times to include “on-call” hours). As an example, for the pay period ending February 17, 2024, Labcorp states that it paid Mr. Jaramillo for “79.93” total hours of Regular Pay. (Please see **Exhibit B**). However, Mr. Jaramillo cannot “readily ascertain” what 79.93 means without “reference to other documents or information.” Additionally, Labcorp does not use “minutes,” to describe the amount of time worked, on the “Earnings Statement.” As an example, .93

is not an accurate representation of minutes worked, but an altered representation of those minutes. (i.e., 25 minutes of work could be represented as .25, and 50 minutes of work could be represented as .50, however .93 minutes of work cannot be represented as .93 as there are not 93 minutes within one hour.) This is because Labcorp 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 are meant to represent. Without an explanation for how these figures were arrived at, employees cannot “readily ascertain” their total hours worked. Therefore, Labcorp 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

- Labcorp 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 Mr. Jaramillo, 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

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

To confirm, Labcorp 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,



Karoline D. Kitlowski, Esq.

cc: *Via Certified U.S. Mail*

CSC-LAWYERS INCORPORATING SERVICE

Agent for service of process for

LABORATORY CORPORATION OF AMERICA

2710 Gateway Oaks Drive #150

Sacramento, CA 95833

CSC-LAWYERS INCORPORATING SERVICE

Agent for service of process for

LABORATORY CORPORATION OF AMERICA HOLDINGS

2710 Gateway Oaks Drive #150

Sacramento, CA 95833

Exhibit A



**Authorization to Take Rest Breaks and Meal Breaks And
Duty to Report Inconsistent Activity**

Updated January 1, 2017

I hereby acknowledge that I am in receipt of the attached **Waiver Of Need To Authorize Certain Unpaid Meal Breaks – Preference To Work And Receive Payment**

Rest Breaks:

If you work 3 ½ hours or more in a workday you are hereby authorized to take one paid 10-minute paid rest break for each four hour period of work or major fraction thereof (i.e. more than 2 hours). If you work more than 6 hours (for example, 6 hours and 1 minute) but less than 10 hours in a workday, you are hereby authorized to take two paid 10-minute rest breaks. If you work more than 10 hours (for example, 10 hours and 1 minute) but less than 16 hours in a workday, you are hereby authorized to take three paid 10-minute rest breaks. The Company may require you to remain on the premises during your rest break.

Your supervisor or manager may (or may not) designate the precise timing of rest breaks. If a supervisor designates the timing of a rest break, it should be designated, insofar as practicable, to be in the middle of each 4-hour period of the workday (for example, in the middle of the first 4 hours worked, and in the middle of the second 3 ½ or 4 hours worked). In short, rest breaks should be spaced evenly over the entire work day to the extent practicable. If your manager or supervisor fails to designate the specific timing of a rest break authorization, you should take the rest period, insofar as practicable, to be in the middle of each 4-hour period of the workday.

You may voluntarily elect not to take any authorized rest break, and you have no obligation to report that choice. However, no Company employee is permitted to prevent you, or discourage you, from taking any authorized rest break. In other words, no one can pressure you or provide you an incentive not to take a rest break.

As further explained below, you must report to the Company if you believe you have been prevented or discouraged from taking any authorized rest break. If you voluntarily work through a rest break, you have no reporting obligation.

Meal Breaks:

You are hereby authorized to take one unpaid 30-minute meal break in the first 5 hours of your workday if your workday lasts for 5 hours or more but 10 hours or less. If your workday lasts longer than 10 hours (for example, 10 hours and 1 minute), you are hereby authorized to take two unpaid 30-minute meal breaks during your workday. This includes part time employees. During these meal breaks, and as part of this authorization, you are relieved of all duty and all control by the Company, and are free to come and go as you please.

You are authorized to take the first of these meal breaks within the first 5 hours of work, and the second of these breaks within the second 5 hours of work. Your supervisor may (or may not) designate the precise timing of a 30-minute meal break(s) within the periods set forth above (first break in first five hours, second break in second five hours). If your

Effective (California): April 16, 2012

Page 1 of 2

manager or supervisor fails to designate the specific timing of a meal break authorization (within the periods set forth above), you may take the meal period at a time convenient for you.

Updated January 1, 2017



You may voluntarily elect not to take any or all authorized unpaid 30-minute meal breaks as discussed above. However, no Company employee is permitted to prevent you, or discourage you, from taking an authorized unpaid meal break or from being relieved of all duties during an authorized unpaid meal break. In other words, no one can pressure you or provide you an incentive not to take a meal break.

It is your obligation to record your time worked by use of the Company's time punch system, including recording the time you left for each meal break and the time you returned after each meal break.

You may voluntarily elect to sign a separate form entitled "Waiver Of Need To Authorize Certain Unpaid Meal Breaks – Preference To Work And Receive Payment." Should you choose to do so, you will waive the requirement – in certain circumstances – that an unpaid 30-minute meal break be authorized. Please review that optional waiver form carefully.

As further explained below, you must report to the Company if you believe you have been prevented or discouraged from taking any authorized meal break or from being relieved of all duty during any authorized meal break. If you voluntarily work through a meal break, you do not have a reporting obligation.

Duty to Report Any Revocation Of This Authorization Or Other Conduct Inconsistent With This Authorization:

As a condition of your employment, if you believe you have been prevented or discouraged from taking an authorized rest break or meal break (as described above) or from being relieved of all duties during an authorized meal break, you must report the situation to your supervisor or manager and your local Human Resources Manager. You must report the incident within 24 hours of the occurrence of the incident. In the report, you should indicate: (1) the date(s) on which you believe you were prevented or discouraged from taking the rest break(s) and/or off-duty meal break(s), (2) the rest break(s) or off-duty meal break(s) you believe you were prevented or discouraged from taking, and (3) a brief description of the conduct or circumstance that you believe prevented or discouraged you from taking those rest break(s) and/or off-duty meal break(s).

If you have been prevented or discouraged from taking your 30 minute meal break and/or rest break, you should acknowledge the penalty message in Time Tracker by checking the applicable box. If you voluntarily worked through your meal break, you do not need to acknowledge this penalty message.

The Company will promptly investigate all such reports and will take remedial action when necessary to assure that you are permitted to take all authorized rest breaks and meal breaks and are relieved of all duty during all such meal breaks, and that you are not discouraged from taking these breaks.

I have read and understand the foregoing Authorization. I agree to fulfill the reporting obligation set forth above, and understand that a failure to follow the attached policy may result in me receiving corrective action, up to and including termination of employment.


Employee Signature

2-5-24
Date

Edgar Jaramillo
Employee Printed Name

117263
Employee ID #

Effective (California): April 15, 2012

Updated January 1, 2017

Page 2 of 2

Exhibit B

CD
SEP

020100-00000000

Lab. Corp. of America
338 South Main Street
2nd Floor, Attn: Payroll
Burlington, NC 27215

Earnings Statement

Employee ID 336695
Page 001 of 002
Period Beg/End: 02/04/2024 - 02/17/2024
Advice Date: 02/23/2024
Advice Number: 0000005266
Batch Number: SCENIWEURZDQ

Edgar Jaramillo
482 Corral CT
IMPERIAL, CA 92251

For inquiries on this statement please call: 336-229-1127
Total Hours Worked: 80.80
Basis of Pay: Hourly

Earnings	Rate	Hours/ Units	This Period	Year-to-Date
Regular	24.1700	79.93	1931.99	7256.67
OT Premium	12.0850	0.87	10.48	38.64
OT Straight	24.1700	0.87	20.95	65.29
PTO			0.00	51.97
Holiday			0.00	386.72
PSC Incent			708.80	708.80
OT Premium		18.07	5.97	0.00
Gross Pay			2678.19	8508.09
Bold lines include retroactive earnings detailed below				
Taxes				
CA SDI - CASDI			29.46	93.59
OASDI			166.18	528.04
Medicare			38.86	123.49
State Tax - CA			113.70	283.29
Federal Withholding			275.87	747.31
Total Taxes			624.07	1775.72
Net Pay			2054.12	6732.37

Other Deductions	This Period	Year-to-Date
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Paid sick time utilization and balances are
available in the Absence application in
Workday

Company-Paid Deds

GTL	2.16	8.64
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PTO	Accrued	Taken	Balance
USA Diagnostics	Paid Time Off Plan		
	7.38	0.00	30.44

Direct Deposits

Savings	XX3670	155.00
Checking	XXXXXX0828	1899.12

Your Federal taxable wages for this period are: \$2,680.35

*Excluded from taxable wages

Lab. Corp. of America
338 South Main Street
2nd Floor, Attn: Payroll
Burlington, NC 27215

Advice Number: 0000005266

Advice Date: 02/23/2024

Deposited to the account of

Edgar Jaramillo

Account Number

Transit ABA

Amount

Savings
Checking

XX3670

XXXXXX0828

322276305

322271627

\$155.00

\$1899.12

THIS IS NOT A CHECK

Exhibit 2

338 South Main Street 2nd Floor, Attn: Payroll Burlington, NC 27215 +1 (336) 2291127

Lab. Corp. of America 338 South Main Street 2nd Floor, Attn: Payroll Burlington, NC 27215 +1 (336) 2291127

Edgar Jaramillo po box 511 IMPERIAL, CA 92251-2009

Name	Company	Employee ID	Pay Period Begin	Pay Period End	Check Date	Check Number
Edgar Jaramillo	Lab. Corp. of America	336695	05/01/2022	05/14/2022	05/20/2022	

	Hours Worked	Gross Pay	Pre Tax Deductions	Employee Taxes	Post Tax Deductions	Net Pay
Current	81.63	1,881.54	65.63	364.76	0.00	1,451.15
YTD	288.70	21,044.70	656.30	4,269.81	0.00	16,118.59

Earnings							Employee Taxes		
Description	Dates	Hours	Rate	Amount	YTD Hours	YTD Amount	Description	Amount	YTD
Regular	05/01/2022 - 05/14/2022	79.78333	22.79	1,818.28	277.533332	15,283.54	OASDI	112.71	1,243.12
COVID19 Leave		0	0	0	0	1,402.26	Medicare	26.36	290.73
Holiday		0	0	0	0	182.35	Federal Withholding	150.24	1,814.26
DT Straight		0	0	0	0	1.37	State Tax - CA	55.48	701.36
EXPENSE REIM		0	0	0	0	357.23	CA SDI - CASDI	19.97	220.34
Other		0	0	0	0	500.00			
OT Premium	05/01/2022 - 05/14/2022	1.849999	11,395	21.09	11,166.665	159.67			
OT Straight	05/01/2022 - 05/14/2022	1.849999	22.79	42.17	11,166.665	1,236.46			
PSC Incent		0	0	0	0	517.20			
PTO		0	0	0	40	1,359.04			
Meal Brk CA		0	0	0	0	45.58			
Earnings				1,881.54		21,044.70	Employee Taxes	364.76	4,269.81

Pre Tax Deductions				Amount	YTD
Description					
Dental Ins				21.56	215.60
BCBS				44.07	440.70
Pre Tax Deductions				65.63	656.30

Employer Paid Benefits & Memo			Taxable Wages		
Description	Amount	YTD	Description	Amount	YTD
GTL	1.91	19.10	CASDI - Taxable Wages	1,817.82	20,050.27
			Medicare - Taxable Wages	1,817.82	20,050.27
			Federal Withholding - Taxable Wages	1,817.82	20,050.27
Employer Paid Benefits & Memo	1.91	19.10	State Tax Taxable Wages - CA	1,817.82	20,050.27

		Federal	State	Time Off Plans			
		Single or Married filing separately	Single or Married (with two or more incomes)	Description	Accrued	Reduced	Available
Marital Status				USA Diagnostics Paid Time Off Plan	5.5386	0	4.1731
Allowances		0	0				
Additional Withholding		0	0				

Payment Information				
Bank	Account Name	Account Number	USD Amount	Amount
J.P. Morgan Chase Bank	J.P. Morgan Chase Bank *****0828	*****0828		1,296.15 USD
First Imperial Credit Union	First Imperial Credit Union *****3670	*****3670		155.00 USD