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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN LUIS OBISPO**

CINDY COBURN, on behalf of the State of
California and other aggrieved persons,

Plaintiff,

vs.

LA JOLLA RETAIL, INC., a corporation, LA
JOLLA GROUP, INC., a corporation; and DOES
1 through 10, inclusive,

Defendants.

Case No.: 24CV-0654

**PAGA REPRESENTATIVE ACTION
COMPLAINT:**

1. Civil Penalties Under PAGA [Cal. Lab.
Code § 2699, et seq.]

1 Plaintiff CINDY COBURN (“Plaintiff”), based upon facts that either have evidentiary
2 support or are likely to have evidentiary support after a reasonable opportunity for further
3 investigation and discovery, alleges as follows:

4 **INTRODUCTION & PRELIMINARY STATEMENT**

5 1. Plaintiff brings this action against Defendant LA JOLLA RETAIL, INC., LA
6 JOLLA GROUP, INC., and DOES 1 through 10 are hereinafter collectively referred to as
7 “Defendants”) for civil penalties under the Private Attorneys General Act of 2004, California
8 Labor Code §§ 2698, *et seq.* (“PAGA”) stemming from Defendants’ failure to pay for all hours
9 worked (minimum, straight time, and overtime wages), failure to provide legally compliant meal
10 periods, failure to authorize and permit rest periods, failure to pay all earned wages twice per
11 month, failure to maintain accurate records of hours worked and meal periods, failure to timely
12 pay final wages at termination, failure to furnish accurate wage statements, and failure to
13 indemnify employees for expenditures.

14 2. For over 50 years, California’s courts and legislature have recognized that this
15 State’s wage-and-hour laws serve a compelling public interest of fostering a stable job market.
16 Wages are not ordinary debts. Because of the economic position of the average worker and his
17 or her family, it is essential to the public welfare that employers obey the wage-and-hour laws so
18 that employees are promptly paid the minimum/overtime wages that the Legislature has required
19 for employees. So fundamental are California’s wage-and-hour laws that the Legislature has
20 criminalized certain types of violations. In extending extra protection to deter violations of these
21 underlying statutes—since Plaintiff is not seeking general and/or special damages, restitution or
22 other damages other than civil penalties—California has enacted the PAGA to permit an
23 individual to bring an action for PAGA penalties only, which is the precise and sole nature of this
24 action.

25 3. All California employees during the relevant statutes of limitations who are or
26 were harmed by Defendants’ illegal practices are “Aggrieved Employees.” The Aggrieved
27 Employees worked for Defendants as hourly-paid or non-exempt employees within the
28 applicable statutory period.

4. Plaintiff brings this action against Defendants seeking only to recover penalties on behalf of all Aggrieved Employees that worked for Defendants, and on behalf of the State of California. Plaintiff does not seek to recover anything other than penalties as permitted by California Labor Code Section 2699 at this time. To the extent that statutory violations are mentioned for wage violations, Plaintiff does not seek underlying general and/or special damages for those violations, but simply penalties as permitted by California Labor Code Section 2699, declaratory relief, and injunctive relief for himself, and all Aggrieved Employees as permitted by the PAGA.

5. Defendants own/owned and operate/operated an industry, business, and establishment within the State of California, including San Luis Obispo County. As such, and based upon all the facts and circumstances incident to Defendants' business in California, Defendants are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

6. On information and belief, Defendants, and each of them were on actual and constructive notice of the improprieties alleged herein and intentionally refused to rectify their unlawful policies. Defendants' violations, as alleged above, during all relevant times herein were willful and deliberate.

7. At all relevant times, Defendants were and are legally responsible for all of the unlawful conduct, policies, practices, acts and omissions as described in each and all of the foregoing paragraphs as the employers of Plaintiff and the Aggrieved Employees. Further, Defendants are responsible for each of the unlawful acts or omissions complained of herein under the doctrine of “respondeat superior”.

THE PARTIES

A. Plaintiff

8. Plaintiff CINDY COBURN is a resident of San Luis Obispo County, California who worked for Defendants in San Luis Obispo County, California as an hourly-paid, non-exempt employee from approximately March 2023 to approximately August 2024.

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1 **B. Defendants**

2 9. Plaintiff is informed and believes, and based upon that information and belief
3 alleges, that Defendants LA JOLLA RETAIL, INC. and LA JOLLA GROUP, INC. is and at all
4 times herein mentioned, was:

- 5 (a) Business entities qualified to do business and actually conducting business
6 in numerous counties throughout the State of California, including in San
7 Luis Obispo County; and,
8 (b) The former employer of Plaintiff and the current and/or former employer
9 of the Aggrieved Employees because Defendants LA JOLLA RETAIL,
10 INC. and LA JOLLA GROUP, INC. suffered and permitted Plaintiff and
11 the Aggrieved Employees to work, and/or controlled their wages, hours, or
12 working conditions.

13 10. Plaintiff does not know the true names or capacities of the persons or entities sued
14 herein as Does 1-10, inclusive, and therefore sues said Defendants by such fictitious names.
15 Each of the Doe Defendants was in some manner legally responsible for the damages suffered by
16 Plaintiff and the Aggrieved Employees as alleged herein. Plaintiff will amend this complaint to
17 set forth the true names and capacities of these Defendants when they have been ascertained,
18 together with appropriate charging allegations, as may be necessary.

19 11. At all times mentioned herein, the Defendants named as Does 1-10, inclusive, and
20 each of them, were residents of, doing business in, availed themselves of the jurisdiction of,
21 and/or injured a significant number of the Plaintiff and the Aggrieved Employees in the State of
22 California.

23 12. Plaintiff is informed and believes and thereon alleges that at all relevant times
24 each Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff and
25 the other employees and exercised control over their wages, hours, and working conditions.
26 Plaintiff is informed and believes and thereon alleges that, at all relevant times, each Defendant
27 was the principal, agent, partner, joint venturer, officer, director, controlling shareholder,
28 subsidiary, affiliate, parent corporation, successor in interest and/or predecessor in interest of

1 some or all of the other Defendants, and was engaged with some or all of the other Defendants in
2 a joint enterprise for profit, and bore such other relationships to some or all of the other
3 Defendants so as to be liable for their conduct with respect to the matters alleged below. Plaintiff
4 is informed and believes and thereon alleges that each Defendant acted pursuant to and within the
5 scope of the relationships alleged above, that each Defendant knew or should have known about,
6 and authorized, ratified, adopted, approved, controlled, aided and abetted the conduct of all other
7 Defendants.

8 **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

9 13. Plaintiff worked for Defendants in San Luis Obispo County, California as an
10 hourly-paid, non-exempt employee from approximately March 2023 to approximately August
11 2024. During Plaintiff's employment for Defendants, Defendants paid Plaintiff an hourly wage
12 and classified him as non-exempt from overtime. Defendant typically scheduled Plaintiff to
13 work at least five days in a workweek and at least eight hours per day, but Plaintiff mostly
14 worked more than eight hours in a workday and more than forty (40) hours in a workweek.

15 14. Throughout Plaintiff's employment, Defendants failed to pay for all hours worked
16 (including minimum, straight time, and overtime wages), failed to provide Plaintiff with legally
17 compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to
18 timely pay all final wages to Plaintiff when Defendants terminated her employment, failed to
19 furnish accurate wage statements to Plaintiff, and failed to indemnify Plaintiff for expenditures.
20 As discussed below, Plaintiff's experience working for Defendants was typical and illustrative.

21 **A. Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and**
22 **Overtime Wages**

23 15. Under California law, an employer must pay for all hours worked by an employee.
24 "Hours worked" is the time during which an employee is subject to the control of an employer,
25 and includes all the time the employee is suffered or permitted to work, whether or not required
26 to do so.

27 16. In addition, Labor Code § 510 provides that employees in California shall not be
28 employed more than eight hours in any workday or forty (40) hours in a workweek unless they

1 receive additional compensation beyond their regular wages in amounts specified by law.

2 17. Labor Code §§ 1194 and 1198 also provide that employees in California shall not
3 be employed more than eight hours in any workday unless they receive additional compensation
4 beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states
5 that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

6 18. Throughout the statutory period, Defendants maintained a policy and practice of
7 not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum,
8 straight time, and overtime wages. Defendants required Plaintiff and the Aggrieved Employees
9 to work “off-the-clock”, uncompensated, by, for example, requiring Plaintiff and the Aggrieved
10 Employees to perform work prior to clocking in for the workday, during meal periods, and after
11 clocking out for the workday. Some of this unpaid work should have been paid at the overtime
12 rate. In failing to pay for all hours worked, Defendants also failed to maintain accurate records
13 of the hours Plaintiff and the Aggrieved Employees worked.

14 **B. Failure to Provide Meal Periods**

15 19. Under California law, employers have an affirmative obligation to relieve
16 employees of all duty in order to take their first 30-minute, duty-free meal periods no later than
17 the start of sixth hour of work in a workday, and to allow employees to take their second 30-
18 minute, duty-free meal period no later than the start of the eleventh hour of work in the workday.
19 Further, employees are entitled to be paid one hour of additional wages for each workday they
20 were not provided with all required meal period(s).

21 20. Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff
22 and the Aggrieved Employees with their legally mandated 30-minute, uninterrupted, and duty-
23 free meal periods. Defendants regularly, but not always, required Plaintiff and the Aggrieved
24 Employees to work in excess of five consecutive hours a day without providing a 30-minute,
25 uninterrupted, and duty-free meal period for every five hours of work, or without compensating
26 Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the
27 fifth hour of work or tenth hour of work. Instead, Defendants continued to assert control over
28 Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform

1 work tasks which could not be completed without working in lieu of taking mandatory meal
2 periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period.
3 Defendants also never informed Plaintiff of his right to, nor permitted him to take, a second meal
4 period when Plaintiff worked at least ten hours of work in a workday. Accordingly, Defendants'
5 policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in
6 compliance with California law.

7 21. Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of
8 additional wages for each workday he or she was not provided with all required meal period(s).
9 Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the
10 additional wages to which they were entitled for meal periods that were not provided.

11 **C. Failure to Authorize and Permit Rest Periods**

12 22. Employers are required by California law to authorize and permit breaks of ten
13 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than
14 two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the
15 employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is
16 itself a violation of California's rest break laws.

17 23. Throughout the statutory period, Defendants have wrongfully failed to authorize
18 and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods.
19 Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four
20 consecutive hours a day without Defendants authorizing and permitting them to take a 10-minute,
21 uninterrupted, duty-free rest period for every four hours of work (or major fraction of four
22 hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that
23 were not authorized or permitted. Instead, Defendants continued to assert control over Plaintiff
24 and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work
25 tasks which could not be completed without working in lieu of taking mandatory rest periods, or
26 by denying Plaintiff and the Aggrieved Employees permission to take a rest period.
27 Accordingly, Defendants' policy and practice was to not authorize and permit Plaintiff and the
28 Aggrieved Employees to take rest periods in compliance with California law.

1 24. Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of
2 additional wages for each workday he or she was not authorized and permitted to take all
3 required rest period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved
4 Employees the additional wages to which they were entitled for rest periods and that they were
5 not authorized and permitted to take.

6 **D. Failure to Pay All Earned Wages Twice Per Month**

7 25. Based on Defendants' failure to pay Plaintiff and the Aggrieved Employees for all
8 wages as discussed above, Defendants also violated Labor Code § 204.

9 26. Labor Code § 204 requires employers to pay employees all earned wages two
10 times per month. Throughout the statute of limitations period applicable to this cause of action,
11 employees were entitled to be paid twice a month at their regular rates, including all meal period
12 premium wages owed, rest period premium wages owed, and wages owed for overtime hours
13 worked. However, during all such times, Defendants systematically failed and refused to pay the
14 employees all wages due, and failed to pay those wages twice a month, in that employees were
15 not paid all wages for all meal periods not provided by Defendants, all wages for all rest periods
16 not authorized and permitted by Defendants, and all wages for all hours worked. As a result,
17 Defendants owe employees the legally required wages for unpaid wages, and Plaintiff and the
18 Aggrieved Employees suffered damages in those amounts.

19 **E. Failure to Maintain Accurate Records of Hours Worked and Meal Periods**

20 27. Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to
21 California Labor Code § 1174.5, any person, including any entity, employing labor who willfully
22 fails to maintain accurate and complete records required by California Labor Code § 1174 is
23 subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every
24 employer shall keep time records showing when the employee begins and ends each work period.
25 Meal periods and total hours worked daily shall also be recorded

26 28. Defendants, however, failed to maintain accurate records of hours worked and all
27 meal periods taken or missed by Plaintiff and the Aggrieved Employees.

28 29. Defendants' failure to provide and maintain records required by the California

1 Labor Code and applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees
2 the ability to know, understand and question the accuracy and frequency of meal periods, and the
3 accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the
4 Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which
5 resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and
6 the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the
7 use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in
8 seeking to compel Defendants to fully perform its obligation under state law, all to their
9 respective damage in amounts according to proof at trial. As a result of Defendants' knowing
10 failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and
11 the Aggrieved Employees have also suffered an injury in that they were prevented from knowing,
12 understanding, and disputing the wage payments paid to them.

13 **F. Failure to Timely Pay All Wages at Termination**

14 30. Labor Code §§ 201 and 202 provide that if an employer discharges an employee,
15 the wages earned and unpaid at the time of discharge are due and payable immediately, and that
16 if an employee voluntarily leaves his or her employment, his or her wages shall become due and
17 payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-
18 two (72) hours previous notice of his or her intention to quit, in which case the employee is
19 entitled to his or her wages at the time of quitting.

20 31. Within the applicable statute of limitations, the employment of Plaintiff and many
21 other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the
22 employment of others will be terminated. However, during the relevant time period, Defendants
23 failed, and continue to fail to pay Plaintiff and terminated Aggrieved Employees, without
24 abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time
25 of discharge, or within seventy-two (72) hours of their leaving Defendants' employment. These
26 unpaid wages include wages for unpaid work time (including minimum, straight time, and
27 overtime wages), missed meal period premium wages, and missed rest period premium wages.

28 32. Defendants' conduct violates Labor Code §§ 201 and 202. Labor Code § 203

1 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201
2 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and
3 at the same rate until paid or until an action is commenced; but the wages shall not continue for
4 more than thirty (30) days.

5 33. Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from
6 Defendants their additionally accruing wages for each day they were not paid, at their regular
7 hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

8 **G. Failure to Furnish Accurate Itemized Wage Statements**

9 34. Labor Code § 226(a) provides that every employer shall furnish each of his or her
10 employees an accurate itemized wage statement in writing showing nine pieces of information,
11 including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of
12 piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis,
13 (4) all deductions, provided that all deductions made on written orders of the employee may be
14 aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for
15 which the employee is paid, (7) the name of the employee and the last four digits of his or her
16 social security number or an employee identification number other than a social security number,
17 (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly
18 rates in effect during the pay period and the corresponding number of hours worked at each
19 hourly rate by the employee. An employee is presumed to suffer an injury if this information is
20 missing. (Labor Code § 226(e)(2)(B)(iii).)

21 35. The statute further provides: “An employee suffering injury as a result of a
22 knowing and intentional failure by an employer to comply with subdivision (a) is entitled to
23 recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a
24 violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent
25 pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled
26 to an award of costs and reasonable attorney’s fees.” (Labor Code § 226(e)(1).)

27 36. Throughout the statutory period, Defendants failed to furnish Plaintiff and the
28 Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly

1 rates, and all gross and net wages earned (including correct hours worked, correct wages for meal
2 periods that were not provided in accordance with California law, and correct wages for rest
3 periods that were not authorized and permitted to take in accordance with California law).

4 37. Because Defendants violated Labor Code § 226, Plaintiff and similarly Aggrieved
5 Employees suffered injury and damage to their statutorily protected rights. Accordingly,
6 Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendants the greater
7 of their actual damages caused by Defendants' failure to comply with Labor Code § 226(a), or an
8 aggregate penalty not exceeding four thousand dollars (\$4,000) dollars per employee.

9 **H. Failure to Indemnify for Necessary Expenditures**

10 38. Labor Code § 2802(a) provides that employers shall indemnify his or her
11 employees for all necessary business expenditures or losses that have been incurred by the
12 employees in direct discharge of his or her duties. Throughout the statute of limitations period
13 applicable to this cause of action, Defendants wrongfully required Plaintiff and the Aggrieved
14 Employees to pay expenses that they incurred in direct discharge of their duties for Defendants.
15 Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-
16 related expenses, including, without limitation, for work attire and use of personal cell phones.
17 Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of
18 performing their job duties for Defendants, but Defendants failed to indemnify Plaintiff and the
19 Aggrieved Employees for these employment-related expenses.

20 **FIRST CAUSE OF ACTION**

21 **(Against all Defendants for Civil Penalties Under the Private Attorneys General Act of**
22 **2004, Cal. Lab. Code § 2698, et seq.)**

23 39. Plaintiff incorporates by reference and re-alleges all preceding paragraphs as
24 though fully set forth herein.

25 40. At all times herein mentioned, Defendants were subject to the Labor Code of the
26 State of California and the applicable IWC Orders.

27 41. California Labor Code § 2699(a) specifically provides for a private right of action
28 to recover penalties for violations of the Labor Code: "Notwithstanding any other provision of

1 law, any provision of this code that provides for a civil penalty to be assessed and collected by
2 the Labor and Workforce Development Agency or any of its departments, divisions,
3 commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative,
4 be recovered through a civil action brought by an aggrieved employee on behalf of himself or
5 herself and other current or former employees pursuant to the procedures specified in Section
6 2699.3.”

7 42. Plaintiff has exhausted her administrative remedies pursuant to California Labor
8 Code § 2699.3. On March 5, 2024, she gave written notice by online filing to the Labor and
9 Workforce Development Agency (“LWDA”) and by certified mail to Defendants of the specific
10 provisions of the Labor Code that Defendants have violated against Plaintiff and current and former
11 Aggrieved Employees, including the facts and theories to support the violations. Plaintiff also paid
12 the filing fee. Plaintiff’s PAGA case number is LWDA-CM-1014844-24.

13 43. The statute of limitations is tolled while a plaintiff exhausts his or her
14 administrative remedies with California’s LWDA prior to suit, which is required by the statute.
15 (*See* Labor Code § 2699.3(d).)

16 44. More than sixty-five (65) days has elapsed since Plaintiff provided notice, but the
17 LWDA has not indicated that it intends to investigate Defendants’ Labor Code violations
18 discussed in the notice. Accordingly, Plaintiff may commence a civil action to recover penalties
19 under Labor Code § 2699 pursuant to § 2699.3 for the violations of the Labor Code described in
20 this Complaint. These penalties include, but are not limited to, penalties under California Labor
21 Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

22 45. Based on the conduct described in this Complaint, Plaintiff is entitled to an award
23 of civil penalties on behalf of the State of California and similarly Aggrieved Employees of
24 Defendants. The exact amount of the applicable penalties, in all, is in an amount to be shown
25 according to proof at trial. These penalties are in addition to all other remedies permitted by law.

26 46. In addition, Plaintiff seeks an award of reasonable attorney’s fees and costs
27 pursuant to Labor Code § 2699(g)(1), which states, “Any employee who prevails in any action
28 shall be entitled to an award of reasonable attorney’s fees and costs.”

1 **PRAYER FOR RELIEF**

2 Plaintiff, on behalf of all similarly aggrieved employees, pray for relief and judgment
3 against Defendants, jointly and severally, as follows:

4 1. That the Court declare, adjudge and decree that Defendants violated the California
5 Labor Code by failing to pay for all hours worked (minimum, straight time, and overtime wages),
6 failing to provide meal periods, failing to authorize and permit rest periods, failing to pay all
7 earned wages twice per month, failing to maintain accurate records of hours worked and meal
8 periods, failing to timely pay final wages at termination, failing to furnish accurate wage
9 statements, and failing to indemnify for necessary business expenditures.

10 2. An award of civil penalties on behalf of himself and all similarly aggrieved
11 employees pursuant to PAGA;

12 3. Pre-judgment and post-judgment interest at the maximum rate allowed;

13 4. Attorneys' fees and costs reasonably incurred;

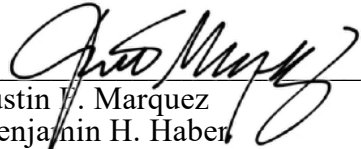
14 5. Injunctive and declaratory relief to the extent allowed by PAGA; and,

15 6. Such other and further relief that the Court deems proper.

16
17 Respectfully submitted,

18 Dated: October 18, 2024

WILSHIRE LAW FIRM

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20 By: 

Justin I. Marquez
Benjamin H. Haber
Daniel J. Kramer

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22 Attorneys for Plaintiff
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