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Attorneys for Plaintiffs and the Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

MONIQUE PEMBRICK, on behalf of herself
and all others similarly situated,

Plaintiffs,

v.

LOYAL SOURCE GOVERNMENT
SERVICES, LLC., a Florida Limited
Liability Company.

Defendants.

CASE NO.: 24CU002332C

Assigned to the Hon. Joel R. Wohlfeil

**DECLARATION OF MEHRDAD
BOKHOUR IN SUPPORT OF MOTION TO
APPROVE PAGA SETTLEMENT**

Hearing Information:

Date: April 17, 2026

Time: 9:00 a.m.

Dept.: SD-73

1 7. I am admitted to practice before all courts of the State of California as well as the
2 United States District Courts for the Central, Northern, Eastern, and Southern Districts of
3 California. I have litigated numerous class and representative actions under the Private Attorneys
4 General Act (“PAGA”) in courts throughout the state.

5 8. In addition to the present case, I have served as counsel in numerous wage-and-hour
6 class and PAGA representative actions. I have substantial experience litigating complex
7 employment matters and have devoted the majority of my practice to California wage-and-hour
8 class and PAGA actions on behalf of employees. My firm possesses the experience, resources,
9 and commitment necessary to provide effective and adequate representation as Plaintiffs’
10 Counsel. Currently, my firm serves as counsel in more than twenty-five wage-and-hour class
11 and/or PAGA actions and as co-counsel in at least twenty additional such matters. I am well-
12 versed in evaluating PAGA claims and assessing the viability of potential defenses.

13 9. Here, Plaintiffs’ operative PAGA claims are brought on behalf of all non-exempt
14 employees who worked for Defendant in California during the PAGA Period, defined as May 14,
15 2023, through the date of approval of the settlement (the “Aggrieved Employees”).

16 10. Defendant failed to properly calculate and pay overtime wages and sick time wages
17 to Plaintiffs and the Aggrieved Employees, including as a result of alternative workweek schedules
18 and violations of regular rate of pay requirements. Plaintiffs and the Aggrieved Employees were
19 denied compliant meal periods and rest periods as a result of Defendant’s policies, practices, and
20 operational requirements.

21 11. Defendant failed to reimburse necessary business expenses, failed to timely pay
22 wages, failed to timely pay final wages upon separation of employment, and issued inaccurate
23 itemized wage statements or otherwise failed to maintain required payroll records, thereby
24 subjecting Defendant to civil penalties under PAGA.

25 12. Following informal discovery, including the exchange and review of workplace
26 policies, time and payroll records, and other data necessary to evaluate Plaintiffs’ PAGA claims and
27 potential exposure, the Parties participated in a full day private mediation before Deborah Saxe,
28 Esq., a well-respected and experienced wage and hour mediator. (PAGA Settlement Agreement,

1 Recitals.) With the assistance of Ms. Saxe, the Parties engaged in arm's length negotiations and
2 were able to reach a resolution of this action.

3 13. Defendant Loyal Source Government Services, LLC is a staffing and recruiting
4 company that provides personnel and support services across various industries, including
5 healthcare and related operational support.

6 14. Plaintiffs Monique Pembrick and Leslie Westfield Baxter, along with the other
7 Aggrieved Employees, were employed by Defendant in non-exempt hourly positions in California
8 during the PAGA Period. The Aggrieved Employees performed a range of job duties depending on
9 assignment and location and were subject to Defendant's compensation policies and practices that
10 form the basis of the alleged Labor Code violations.

11 15. On July 19, 2024, Plaintiff Monique Pembrick commenced a representative action
12 under PAGA in the Superior Court of California, County of San Diego.

13 16. On November 14, 2024, Plaintiff Leslie Westfield Baxter commenced a substantially
14 similar PAGA action in the Superior Court of California, County of San Bernardino. The actions
15 were later coordinated through amendment, with the Pembrick action serving as the operative
16 action for purposes of settlement approval.

17 17. Attached hereto as **Exhibit "A"** is a true and correct copy of Plaintiffs' letter to the
18 LWDA.

19 18. Plaintiffs allege that Defendant failed to properly pay overtime and sick time wages,
20 failed to provide compliant meal and rest periods, failed to reimburse necessary business expenses,
21 failed to timely pay wages during employment and upon separation, and failed to issue accurate
22 itemized wage statements or otherwise maintain required payroll records, thereby subjecting
23 Defendant to civil penalties under PAGA.

24 19. After filing, Defendant removed the action to federal court, asserting federal
25 jurisdiction based on the federal enclave doctrine. The Parties litigated issues in federal court and
26 engaged in extensive discovery during the pendency of the federal proceedings.

27 20. In advance of mediation, the Parties engaged in an informal exchange of relevant
28 information and documents. Defendant produced policies, time and payroll records, and other data

sufficient to permit Plaintiffs' counsel to evaluate the factual and legal bases of the PAGA claims and Defendant's potential exposure.

21. As part of this informal discovery process, Plaintiffs' counsel analyzed issues including, but not limited to, unpaid wages, meal and rest period compliance, regular rate calculations, expense reimbursement practices, wage statement accuracy, and timely payment of wages. Plaintiffs' counsel also reviewed applicable policies, practices, and pay data to assess litigation risks and potential recovery if the matter were to proceed.

22. Following these efforts, the Parties participated in a full-day private mediation on July 17, 2025, before Deborah Saxe, Esq., a well-respected and experienced wage-and-hour mediator. With Ms. Saxe's assistance, the Parties engaged in arm's length negotiations and reached a negotiated resolution of the PAGA claims asserted in this action.

23. The Parties thereafter memorialized the material terms of their agreement in a formal Private Attorneys General Act Settlement Agreement, which is now presented to the Court for review and approval.

SETTLEMENT CONSIDERATIONS

24. I have performed substantial work and diligently investigated and prosecuted this case to a successful conclusion. I believe this Settlement to be fair, reasonable, and adequate.

25. In evaluating the fairness and reasonableness of this proposed Settlement, my co-counsel and I had to consider both the potential maximum and Defendant's various defenses. This is significant because in a PAGA action, the Court has the same discretion "to assess a civil penalty" that the Labor Commissioner would have, as well as complete discretion to "award a lesser amount than the maximum civil penalty amount specified by PAGA if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Lab. Code § 2699(e)(2). Such considerations include Defendant's defenses to the alleged claims.

26. In the end, Defendant urged that the trial court would exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendant liable for any of Plaintiffs' claims. As a result, Plaintiffs' Counsel made appropriate discounts for the associated risks.

27. The following chart reflects the estimated payments from the Settlement Agreement:

	Amount
Gross Settlement Amount	\$550,000.00
PAGA Counsel Fees Payment	\$183,333.33
PAGA Counsel Litigation Expenses Payment	\$30,256.91
Administration Expenses Payment	\$5,000.00
Plaintiffs' Service Awards (\$10k each Plaintiff)	20,000.00
PAGA Fund	\$311,409.76
75% to the LWDA	\$233,557.32
25% to Aggrieved Employees	\$77,852.44

28. As such, the LWDA will receive approximately \$233,557.32 (75% of the PAGA Fund) and the Aggrieved Employees will collectively receive approximately \$77,852.44 (25% of the PAGA Fund), which will be paid on a pro-rata basis according to the number of pay periods worked during the PAGA Period. The average payment to each aggrieved employee is approximately \$102.71.

29. Based on the information exchanged during informal discovery, Plaintiffs estimate that Defendant's maximum potential PAGA penalty exposure was approximately \$2,050,000, calculated using approximately 20,500 PAGA Pay Periods and the statutory \$100 per pay period penalty applicable to an initial violation.

THE ATTORNEYS' FEES AND LITIGATION COSTS REQUESTED

30. Moreover, as part of the Settlement, the Parties have agreed that Plaintiffs will request a PAGA Counsel Fees Payment in an amount not to exceed one-third of the Gross settlement amount. Here, Plaintiffs' Counsel is seeking one-third (33.33%) of the Gross Settlement Amount, thus \$183,333.33, subject to court approval, plus actual litigation costs for \$30,256.91.

31. This request is fair, reasonable, and adequate to compensate Plaintiffs' Counsel for the substantial work they have put into this case and the risk they assumed by taking it in the first place. Additionally, it is consistent with the contingency-fee agreement entered into by the named Plaintiffs. The attorneys' fees award is intended to reimburse Plaintiffs' Counsel for all uncompensated work that they have already done and for all the work they will continue to do in

1 carrying out and overseeing the administration of the Settlement, communicating with Aggrieved
2 Employees regarding their Individual PAGA Payment checks, and communicating with the
3 Settlement Administrator regarding the administration of the Settlement, if it is approved.

4 32. My firm took this case on a contingent-fee basis against a business represented by a
5 reputable defense firm. When we take contingent cases, we must pay careful attention to the
6 economics involved, or one bad case can destroy years of work. Accordingly, when we take
7 contingent cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal
8 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the
9 number of hours a day is limited. Because of this, when we take on one particular matter, we are
10 unable to take on other matters. When my firm became involved in this case, we realized the time
11 commitment it would entail and were forced to turn down matters we otherwise should have been
12 able to handle.

13 33. The requested attorneys' fees are reasonable for the services provided to the LWDA
14 and the Aggrieved Employees and for the benefits they are to receive.

15 34. Moreover, the case involved significant risks of non-payment of attorneys' fees and
16 non-recovery of litigation costs if the Settlement was not granted approval, or if Plaintiffs did not
17 prevail. California courts consider the risks counsel takes in litigating a case in which they may not
18 prevail on the merits when granting attorneys' fees awards. *See Graham v. Daimler Chrysler Corp.*
19 (2004) 34 Cal.4th 553, 583.

20 35. The actual aggregated lodestar between the attorneys who worked on this case is
21 \$159,021.91. This results in a modest 1.15 multiplier, demonstrating that the requested fee is
22 justified, reasonable, and appropriate. The total lodestar is summarized in the following table:

23 **Lodestar Summary**

24

Attorney	Experience	Hourly Rate	Total Hours	Lodestar
Mehrdad Bokhour	13 years	\$750	85 ¹	\$63,750

25
26

27 _____
28 ¹ Includes an estimated 25 hours of additional work in preparation for and attending the hearing, as well as work that is anticipated to be performed after the hearing with counsel, administrator, employees, and the court.

Joshua Falakassa	12 years	\$725	75	\$54,375
Jonathan Melmed	12 years	\$948	31	\$29,388.00
Laura M. Supanich	8 years	\$839	8.7	\$7,299.30
Michiko Vartanian	8 years	\$581.00	4.1	\$2,382.10
Alma Hernandez	1 years	\$258.00	2.4	\$619.20
Arthur Mgdesyan	1 years	\$473.00	2.5	\$1,182.50
Lorie Gutierrez	11 years	\$258.00	.10	\$25.80
TOTAL				\$159,021.91

36. The actual litigation costs incurred in this case by Plaintiffs' Counsel to date amount to \$26,743.60 expended by Bokhour Law Group, P.C. The following table sets forth the specific costs incurred by my firm to date:

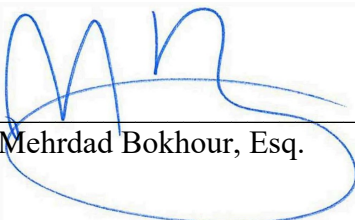
BOKHOUR LAW GROUP, P.C.		
Type	Description	Charge
Process	Service of Process Fee	\$178
Mediation	Mediation Fees	\$13,388.70
Expert Data	Analysis of Time Records	\$9,945
Filing Fees	Complaint & Other Filings	\$3,156.90
EWDA Notice	PAGA Filing Fee	\$75
TOTAL		\$26,743.60

37. Based on my years of experience representing Plaintiffs in wage and hour matters—including both PAGA representative actions and class actions—I believe the Parties' proposed settlement is fair, adequate, and reasonable in light of the applicable facts and law.

38. Pursuant to Labor Code § 2699(1)(2), the proposed settlement has been submitted to the Labor and Workforce Development Agency. A true and correct copy of the confirmation of this submission is attached hereto as **Exhibit "B"**.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 5th day of February 2026, at Los Angeles, California.


Mehrdad Bokhour, Esq.

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EXHIBIT “A”

TRUE AND CORRECT COPY OF

LWDA LETTER

[SEE ATTACHED]



MEHRDAD BOKHOUR
Attorney at Law

1901 Avenue of the Stars | Suite 450
Los Angeles | California 90067

tel 310 975 1493
fax 310 675 0861

May 14, 2024

SUBMITTED VIA LWDA'S PAGA CLAIM NOTICE ONLINE PORTAL

COPY SENT VIA CERTIFIED MAIL TO:

LOYAL SOURCE GOVERNMENT SERVICES, LLC.
12612 CHALLENGER PKWY STE 365
ORLANDO, FL 32826

C/O REGISTERED AGENT SOLUTIONS, INC.
720 14TH ST,
SACRAMENTO, CA 95814

Re: Monique Pembrick v. Loyal Source Government Services, LLC.
Notice of Intent to File Suit for California Labor Code § 2698 et seq. Penalties

To Whom It May Concern:

This office, along with Falakassa Law, P.C., represent Monique Pembrick (hereinafter "Ms. Pembrick") and a proposed group of current and former aggrieved employees working for Loyal Source Government Services, LLC. (hereinafter "Loyal Source") and any of its affiliated, predecessor, and merged entities in the State of California for violations of the California Labor Code §§ 201-203, 204, 210, 221, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1194, 1194.2, 1197.1, 1199, 2802-2804, and all applicable Industrial Welfare Commission Wage Orders ("Wage Order").

This letter shall serve as notification under Labor Code § 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee payable to the California Labor and Workforce Development Agency for the Private Attorneys General Act Notice ("PAGA Notice") was paid online. A copy of this PAGA Notice was submitted electronically to the Department of Industrial Relations.

Ms. Pembrick wishes to bring a representative action on behalf of herself and the State of California as well as on behalf of the following group of "aggrieved employees":

All current and former non-exempt hourly employees who work or worked for Loyal Source Government Services, LLC, in California during the one year immediately preceding the filing of this PAGA Notice and continuing into the present and ongoing ("aggrieved employees")

Loyal Source is a staffing and recruiting company specializing in healthcare, technical and support services, engineering, and travel industries.

Ms. Pembrick was employed by Loyal Source as a non-exempt employee with the title of “CNA/Support Staff” from August 22, 2022. Ms. Pembrick and other aggrieved employees (including Emergency Medical Technician, Embedded Security Technician, Installation Foreman, Paramedic, Hazardous Material Coordinator, System Administrator, and all other non-exempt positions) were responsible for all of Loyal Source’s business across the State of California.

At all relevant times, Ms. Pembrick and other aggrieved employees regularly worked various shifts, many of which were in excess of 8.0 hours in a workday and 40.0 hours in a workweek. Ms. Pembrick alleges that other aggrieved employees were also subjected to the same policies, procedures, practices, working conditions, and corresponding wage and hour violations to which she was subjected during her employment.

First, at all relevant times, Loyal Source has consistently failed to record and pay for all time worked accurately, including time under which aggrieved employees were under the employer’s control. This included a policy and practice of unevenly rounding and/or editing Ms. Pembrick’s and other aggrieved employees’ time entries. As a result of these company-wide policies/practices, Ms. Pembrick and other aggrieved employees are not compensated for all the hours that they work and all of the overtime hours they work, in violation of Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199, and applicable Wage Orders.

California courts have held that rounding time policies can be lawful “if the rounding policy is fair and neutral on its face and ‘it is used in such a manner that it will not result, over a period of time, in failure to compensate the employees properly for all the time they have actually worked. *See’s Candy Shops v. Superior Court* (2012) 210 Cal.App.4th 889, 907 (29 C.F.R. § 785.48; see DLSE Manual, *supra*, §§ 47.1, 47.2).”

Here, Loyal Source’s rounding time policies/practices are not neutral on its face or in its application, as Ms. Pembrick and other aggrieved employees are subject to discipline, including termination for being tardy in reporting to work or returning from a meal period. Moreover, because Loyal Source can easily track the time worked by aggrieved employees to the minute, the policy exists not for the convenience or benefit of the employees who are trying to report their exact time on timecards or otherwise but for Loyal Source’s benefit.

As a result, over a period of time, Ms. Pembrick and other aggrieved employees were not adequately paid for all hours worked in violation of Cal. Labor Code §§ 204, 210, 1194, 1197.1, 1199, and applicable Wage Orders. Additionally, due to Loyal Source’s unlawful rounding policy/practices, Ms. Pembrick and other aggrieved employees were not properly paid at the correct overtime rate for hours worked in excess of eight hours per shift in violation of Labor Code § 510.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law or by an order of the commission a civil penalty, restitution of wages, and liquidated damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation was intentionally committed.

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a workday or more than eight (8) hours on the seventh consecutive day of work. Pursuant to Section 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek.

Accordingly, through PAGA and to the extent permitted by law, Ms. Pembrick and other aggrieved employees are entitled to recover penalties for violations of Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199 1197.1 under Labor Code § 1197.1, 1199, or Labor Code § 2699(f)(2) and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Furthermore, at all relevant times, Ms. Pembrick and other aggrieved employees worked regular shifts that lasted longer than 8.0 hours in a workday. This resulted in aggrieved employees regularly working more than 40 hours in a workweek. However, Ms. Pembrick and other aggrieved employees were not properly paid at the correct overtime rate for all overtime hours worked due to Loyal Source's uniform failure to include all forms of compensation/remuneration, including, but not limited to, commissions, incentives, non-discretionary bonuses, and all other forms of remuneration in calculating the "regular rate of pay" for purposes of overtime compensation.

Under the California Labor Code (as well as the FLSA), courts have consistently held that regularly paid non-discretionary bonuses (and other forms of pay) must be included in determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v. The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F. Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgment to Plaintiff under California and federal law on the grounds that Defendant improperly calculated overtime by excluding annual bonuses paid to employees from the "regular rate of compensation"]; see *Walling v. Youngerman-Reynolds Hardwood Co.* (1945) 65 S.Ct. 1242, 1245. ("The regular rate by its very nature must reflect all payments which the parties have agreed shall be received regularly during the workweek, exclusive of overtime payments. It is not an arbitrary label chosen by the parties

but an actual fact. Once the parties have decided upon the amount of wages and the mode of payment, the determination of the regular rate becomes a matter of mathematical computation, the result of which is unaffected by any designation of a contrary ‘regular rate’ in the contracts.”); see also 29 CFR §§ 778.110 (“production bonus”) and 778.111 (“piece-rate”).

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8.0) hours in one workday, forty (40.0) hours in a workweek, and for the first eight (8.0) hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12.0) hours in a workday or more than eight (8.0) hours on the seventh consecutive day of work. Pursuant to Section 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8.0) hours in any workday or more than 40.0 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee’s regular rate of pay for all hours worked over 40 hours in the workweek.

By their policy of requiring aggrieved employees to work in excess of eight (8) hours in a workday and/or forty (40.0) hours in a workweek without compensating them at the rate of one-half (1 1/2) their “regular rate of pay,” Loyal Source willfully violated the provisions of Labor Code § 510 and the applicable Wage Orders.

Accordingly, through PAGA and to the extent permitted by law, Ms. Pembrick and other aggrieved employees are entitled to recover penalties for violations of Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199 1197.1 under Labor Code § 1197.1, 1199, or Labor Code § 2699(f)(2) and for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Similarly, at all relevant times, Loyal Source also failed in its obligation to provide Ms. Pembrick and other aggrieved employees the legally required paid sick days at the legal rate pursuant to Labor Code §§ 246(a),(b), which requires that “[a]n employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment.” Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be “calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.”

Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.” Finally, Labor Code § 246(i) requires employers to “provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee’s itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

Here, at all relevant times, Loyal Source failed in its obligation to provide Ms. Pembrick and other aggrieved employees the legally required paid sick days at the appropriate “regular rate of pay,” including all forms of compensation, pursuant to Labor Code §§ 246(a), (b). As such, Loyal Source paid sick time below his base rate of pay rather than the “regular rate of pay” as required by Labor Code §§ 246(l) (1-2).

Based on the foregoing Labor Code violations, Ms. Pembrick seeks all civil and statutory penalties available and applicable under Labor Code § 2699(f)(2) and for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Moreover, at all relevant times, Ms. Pembrick and other aggrieved employees were denied compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to Loyal Source’s uniform meal period policies/practices, operational requirements, staffing shortages, and work demands, Ms. Pembrick and other aggrieved employees often could not take timely and uninterrupted net 30-minute first meal periods before the end of the fifth hour of work.

Further, when Ms. Pembrick and other aggrieved employees worked more than 10.0 hours in a shift, they were not allowed and permitted to take a mandated second meal period before the end of the tenth hour of work in violation of the Labor Code and applicable Wage Orders. Indeed, Ms. Pembrick’s and other aggrieved employees’ meal periods were often interrupted and lasted fewer than 30 minutes due to Loyal Source’s meal period policies/procedures, operational requirements, staffing shortages, and work demands.

In addition, for each missed or non-compliant meal period, Loyal Source failed and continues to fail to maintain a mechanism by which aggrieved employees were paid meal period premiums at the “regular rate of pay” pursuant to *Ferra v. Loews Hollywood Hotel, LLC* and Labor Code § 226.7.

Accordingly, due to Loyal Source’s uniform meal period practices, Ms. Pembrick and other aggrieved employees were also regularly denied legally compliant meal periods in violation of Labor Code 226.7, 510, 516, and applicable IWC Wage Orders and are entitled to penalties under Labor Code § 2699(f)(2).

Next, at all relevant times, Ms. Pembrick and other aggrieved employees were not provided with all 10-minute rest periods for every four hours worked, or a major fraction thereof, due to Loyal Source’s uniform rest period policies/practices, operational requirements, staffing shortages, and work demands. As a result, Ms. Pembrick and other aggrieved employees were and are often unable to take a net 10-minute duty-free rest period for every major fraction of four hours worked. This includes a second rest period for shifts in excess of six hours and a third rest period for shifts in excess of 10.0 hours in a workday.

By not relieving all non-exempt employees of all duties during rest periods, Loyal Source failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that “during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time.”]. In *Augustus*, the California Supreme Court expressly rejected the employer’s assertion that it could provide an on-duty rest period to employees who worked as security guards and further explained: “that employers [must] relinquish any control over how employees spend their break time and relieve their employees of all duties.” *Id.* at 273. Each time Ms. Pembrick and other aggrieved employees were unable to take a compliant rest period, Loyal Source failed and continues to fail to adequately pay rest period premium payments at the “regular rate of pay” as required by Labor Code § 226.7.

Accordingly, due to Loyal Source’s uniform rest period policies/practices, staffing issues, and work demands, Ms. Pembrick and other aggrieved employees were also regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7, 512, and applicable Wage Orders and would be entitled to penalties under Labor Code § 2699(f)(2).

As a result of Loyal Source’s failure to pay Ms. Pembrick and other aggrieved employees for all hours they were subject to the control of Loyal Source, including all minimum, overtime, and sick pay wages, and Loyal Source’s failure to pay for meal and rest period premiums at the “regular rate of pay,” Loyal Source issued wage statements which failed to identify the gross wages earned accurately, the total hours worked, the net wages earned, and the correct corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.”

Thus, for the violations of Labor Code section 226 described above, Ms. Pembrick and other aggrieved employees may also recover Labor Code § 226.3 penalties for Loyal Source’s violations of Labor Code § 226(a). Consequently, because Loyal Source failed to comply with Labor Code § 226(a), Ms. Pembrick and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 226(e) or Labor Code § 2699(f)(2).

Furthermore, because Loyal Source failed to pay all minimum wages, overtime wages, and sick pay wages, and meal and rest premiums at the “regular rate of pay,” Loyal Source also failed and continues to fail to pay the aggrieved employees all wages owed at their time of separation from employment in violation of Labor Code §§ 201-203. Thus, aggrieved employees would be entitled to recover penalties under Labor Code §§ 201-203 or Labor Code § Labor Code § 2699(f)(2).

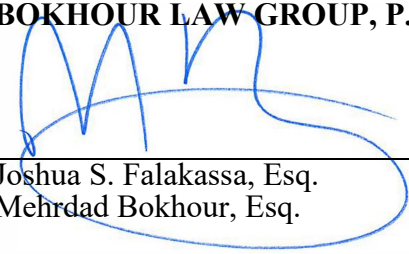
Finally, at all relevant times, Loyal Source required Ms. Pembrick and other aggrieved employees to incur necessary business expenses for work-related purposes but did not reimburse aggrieved employees adequately for these necessary expenditures in violation of Labor Code §§ 2802-2804. Here, Loyal Source uniformly failed to reimburse aggrieved employees for all necessary costs incurred in discharging their duties. Accordingly, due to Loyal Source's uniform failure to adequately reimburse for necessary business expenditures in violation of Labor Code §§ 2800-2802 and applicable Wage Orders, Ms. Pembrick and other aggrieved employees would be entitled to civil penalties under Labor Code § 2699(f)(2).

Pursuant to Labor Code § 2699.3(a)(2)(A), please advise within sixty-five (65) calendar days of the date of this notice whether your office intends to investigate the violations alleged herein above. We understand that if we do not receive a response from your office within sixty-five (65) calendar days of this PAGA Notice, Ms. Pembrick may thereafter pursue her interests and the interests of similarly aggrieved employees with a civil complaint against Loyal Source for its violations of the California Labor Code and applicable Wage Orders.

While we intend to pursue a PAGA representative and Class Action lawsuit against Loyal Source for unpaid wages and civil penalties under Labor Code § 2699, it is our firm's policy to attempt to negotiate an early resolution of all matters where possible and beneficial to all aggrieved employees. If Loyal Source is interested in resolving this matter, don't hesitate to contact me or have your lawyer contact our office to discuss an informal discovery plan and the possibility of early mediation on or before **July 13, 2024**.

Respectfully submitted,

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.



Joshua S. Falakassa, Esq.
Mehrdad Bokhour, Esq.

July 29, 2024

Filed via the LWDA's PAGA Claim Notice Online Form

Copies Sent via Certified U.S. Mail to:

Human Resources	Loyal Source Government Services, LLC
Loyal Source Government Services, LLC c/o Registered Agent Solutions, Inc.	
12612 Challenger Pkwy., Ste. 365	720 14 th St.,
Orlando, FL 32826	Sacramento, CA 95814

Re: *Leslie Westfield Baxter v. Loyal Source Government Services, LLC*
Notice of Intent to File Suit Pursuant to California Labor Code
Section 2699

To Whom It May Concern:

This office represents Leslie Westfield Baxter ("Plaintiff") and a group of the putative class members in a forthcoming lawsuit against Loyal Source Government Services, LLC ("Defendant"). The action, entitled *Leslie Westfield Baxter v. Loyal Source Government Services, LLC*, is to be filed in the Superior Court of the State of California for the County of San Bernardino (the "Action"). A copy of the complaint as currently drafted, and as is intended to be filed in the Action, is enclosed as **Exhibit A**. This letter incorporates by reference the facts, law, and allegations of Exhibit A.

This letter serves as notice pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), codified at California Labor Code sections 2698 through 2699.6, that we intend to include representative claims in the Action for civil penalties under PAGA on behalf of a group of aggrieved employees. For the purposes of this letter, "Aggrieved Employees" is defined as: *All individuals who are or were employed by Defendant(s) as non-exempt psychologists in California, from one year prior to the mailing of this notice through the date of trial.*

As set forth in more detail in Exhibit A, Defendant violated its obligations to Plaintiff and the Aggrieved Employees under California law by: failing to pay minimum wages for all hours worked, failing to pay all overtime wages earned, failing to provide lawful rest periods and pay missed rest period premiums, failing to maintain accurate records, failing to reimburse all necessary business expenses, failing to provide accurate and complete wage statements, failing to pay all wages in full and on time during employment, and failing to pay all wages due upon termination.

Notice of Intent to File PAGA Action

July 29, 2024

Page 2 of 2

Because of these systemic violations, Defendant violated: Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084, and California Industrial Welfare Commission Wage Orders Wage Orders 4-2001 and/or 5-2001, and others that may be applicable. (Cal. Code of Regs., tit. 8, §§ 11040, 11050.) The enclosed Complaint further details: **(1)** the alleged violations; **(2)** the facts and theories supporting these violations; **(3)** the people and entities, dates, classifications, violations, events, and actions at issue; and **(4)** the illegal practices instituted by Defendant.

Together with this correspondence, the enclosed complaint provides notice that we intend to proceed with a claim for civil penalties in the Action pursuant to PAGA. (See Lab. Code, §§ 2698–2699.6.) We intend to fully prosecute the representative claims alleged in the complaint, including by obtaining civil penalties under PAGA.

Please do not hesitate to contact me if you have any questions.

Sincerely,



JONATHAN MELMED

Enclosure

EXHIBIT A

(Anticipated Class Action Complaint in *Leslie Westfield Baxter v. Loyal Source Government Services, LLC*)

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Attorneys for Plaintiff and the Putative Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

LESLIE WESTFIELD BAXTER, an individual,
on behalf of herself and all others similarly
situated,

Plaintiff,

v.

LOYAL SOURCE GOVERNMENT
SERVICES, LLC, a Florida limited liability
company; and DOES 1 TO 50,

Defendants.

Case Number:

Class Action Complaint For:

1. Failure to Pay All Minimum Wages,
2. Failure to Pay All Overtime Wages,
3. Failure to Provide Rest Periods and Pay Missed Rest Period Premiums,
4. Failure to Maintain Accurate Employment Records,
5. Failure to Pay Wages Timely during Employment,
6. Failure to Pay All Wages Earned and Unpaid at Separation,
7. Failure to Indemnify All Necessary Business Expenditures,
8. Failure to Furnish Accurate Itemized Wage Statements, and
9. Violations of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210).

Demand for Jury Trial

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1 Plaintiff Leslie Westfield Baxter (“Plaintiff”), on behalf of herself and all other similarly
2 situated employees within the State of California, complains and alleges of defendants Loyal Source
3 Government Services, LLC and Does 1 to 50 (collectively, “Defendants”), and each of them, as
4 follows:

5 **I. INTRODUCTION**

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

8 2. The “Class Period” as used herein, is defined as the period from four years prior to the
9 filing of this action and continuing into the present and ongoing. Defendants’ violations of California’s
10 laws as described more fully below have been ongoing throughout the Class Period and are still
11 ongoing.

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

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

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

27 5. Plaintiff is informed and believes and thereon alleges that the California Industrial
28 Welfare Commission (“IWC”) Wage Orders applicable to the facts of this case are IWC Wage Orders

1 4-2001 and/or 5-2001 (the “Applicable Wage Orders”) and possibly others that may be applicable.
2 (Cal. Code of Regs., tit. 8, §§ 11040, 11050.) Plaintiff reserves the right to amend or modify the
3 definition of “Applicable Wage Orders” with greater specificity or add additional IWC Wage Orders
4 if additional applicable wage orders are discovered in litigation.

5 **II. JURISDICTION & VENUE**

6 6. This Court has subject matter jurisdiction over all causes of action asserted herein
7 pursuant to Article VI, section 10, of the California Constitution and Code of Civil Procedure section
8 410.10 because this is a civil action in which the matter in controversy, exclusive of interest, exceeds
9 \$25,000, and because each cause of action asserted arises under the laws of the State of California or
10 is subject to adjudication in the courts of the State of California.

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

18 8. Venue as to Defendants is proper in this judicial district, pursuant to section 395 of the
19 Code of Civil Procedure. Defendants operate within California and do business within San Bernardino
20 County, California. The unlawful acts alleged herein have a direct effect on Plaintiff and all of
21 Defendants’ employees identified above within San Bernardino County and surrounding counties
22 where Defendants may remotely operate.

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

1 **III. THE PARTIES**

2 **A. PLAINTIFF**

3 10. At all relevant times, Plaintiff, who is over the age of 18, was and currently is a citizen
4 of California residing in the State of California. Defendants employed Plaintiff as a non-exempt hourly
5 employee in the County of San Bernardino.

6 11. Plaintiff brings this action on behalf of herself and the following class pursuant to
7 section 382 of the Code of Civil Procedure as follows: *All individuals who are or were employed by*
8 *Defendants as non-exempt psychologists in California during the Class Period* (the “Class Members”).

9 12. The Class Members, at all times pertinent hereto, are or were employees of Defendants
10 during the relevant statutory period.

11 **B. DEFENDANTS**

12 13. Plaintiff is informed and believes and thereon alleges that Defendants were authorized
13 to and doing business in San Bernardino County and is and/or was the legal employer of Plaintiff and
14 the other Class Members during the applicable statutory periods. Plaintiff and the other Class Members
15 were, and are, subject to Defendants’ policies and/or practices complained of herein and have been
16 deprived of the rights guaranteed to them by: California Labor Code sections 201, 202, 203, 204, 210,
17 226, 226.3, 226.7, 510, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804, and
18 others that may be applicable; California Business and Professions Code sections 17200 through 17210
19 (“UCL”); and the Applicable Wage Orders (Cal. Code of Regs., tit. 8, §§ 11040, 11050).

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

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

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

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

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

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

25 **IV. COMMON FACTS & ALLEGATIONS**

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

1 20. The Class Members are, and were, at all relevant times, non-exempt employees for the
2 purposes of minimum wages, overtime, rest breaks, and the other claims alleged in this complaint.

3 21. Specifically, Plaintiff was employed by Defendants within the statutory Class Period,
4 working as an hourly, non-exempt psychologist for Defendants.

5 **A. MINIMUM WAGE VIOLATIONS**

6 22. Labor Code section 1197 requires employees to be paid at least the minimum wage fixed
7 by the IWC, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code
8 section 1194 entitles “any employee receiving less than the legal minimum wage . . . to recover in a
9 civil action the unpaid balance of the full amount of this minimum wage.” Likewise, the Applicable
10 Wage Orders also obligate employers to pay each employee minimum wages for all hours worked.
11 (Cal. Code of Regs., tit. 8, §§ 11040, 11050.) Labor Code section 1198 makes unlawful the employment
12 of an employee under conditions that the IWC Wage Orders prohibit.

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

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

23 25. Additionally, the Class Members were not paid all wages for all hours worked due to
24 Defendants’ uniform payroll policies and practices that unfairly rounded employees’ wages to the
25 detriment of the Class Members. This rounding policy routinely failed to capture the entirety of the
26 hours the Class Members worked and was structured in a way that in favored underpayment. (See *See’s*
27 *Candy Shops, Inc. v. Superior Court* (2012) 210 Cal.App.4th 889, 907.) As a result, the Class Members
28 suffered periodic shortages in the hours for which they were compensated. This uncompensated time

1 violated California's requirement that employees be compensated for all hours worked. As a result of
2 this practice, the Class Members were not compensated their minimum wages for all hours worked.

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

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

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

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

18 (2) "For each subsequent violation for the same specific offense, two
19 hundred fifty dollars (\$250) for each underpaid employee for each pay
20 period for which the employee is underpaid regardless of whether the
21 initial violation is intentionally committed." (Lab. Code, § 1197.1, subd.
22 (a).)

23 29. As set forth above, Defendants failed to fully compensate the Class Members for all
24 minimum wages. Accordingly, the Class Members are entitled to recover liquidated damages for
25 violations of Labor Code section 1197.1.

26 30. Based upon these same factual allegations, the Class Members are likewise entitled to
27 penalties under Labor Code sections 1199.
28

1 **B. OVERTIME VIOLATIONS**

2 31. Labor Code section 510 requires employers to compensate employees who work more
3 than eight hours in one workday, forty hours in a workweek, and for the first eight hours worked on
4 the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee.
5 (Lab. Code, § 510, subd. (a).) Further, Labor Code section 510 obligates employers to compensate
6 employees at no less than twice the regular rate of pay when an employee works more than twelve
7 hours in a day or more than eight hours on the seventh consecutive day of work. (Lab. Code, § 510,
8 subd. (a).) These rules are also reflected in the Applicable Wage Orders.

9 32. In accordance with Labor Code section 1194 and the Applicable Wage Orders, the Class
10 Members could not then agree and cannot now agree to work for a lesser wage than the amount
11 provided by Labor Code sections 510 or the Applicable Wage Orders.

12 33. Here, Defendants violated their duty to accurately and completely compensate the Class
13 Members for all overtime worked. The Class Members periodically worked hours that entitled them to
14 overtime compensation under the law but were not fully compensated for those hours.

15 34. These actions were and are in clear violation of California's overtime laws as set forth
16 in Labor Code sections 510, 1194, 1199, and the Applicable Wage Orders. (Cal. Code of Regs., tit. 8,
17 §§ 11040, 11050.) As a result of Defendants' faulty policies and practices, the Class Members were
18 not compensated for all hours worked or paid accurate overtime compensation.

19 **C. REST BREAK VIOLATIONS**

20 35. Pursuant to Labor Code section 226.7 and the Applicable Wage Orders, Defendants
21 were and are required to provide the Class Members with compensated, duty-free rest periods of not
22 less than ten minutes for every major fraction of four hours worked. Under the Applicable Wage
23 Orders, an employer must authorize and permit all employees to take ten minute duty free rest periods
24 for every major fraction of four hours worked. (Cal. Code of Regs., tit. 8, §§ 11040, 11050.)

25 36. Likewise, Labor Code section 226.7 provides that "[a]n employer shall not require an
26 employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute,
27 or applicable regulation, standard, or order of the Industrial Welfare Commission" (Lab. Code, §
28 226.7, subd. (b).) Labor Code section 226.7 also provides that employers must pay their employees one

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

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

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

22 38. Here, Defendants periodically did not permit the Class Members to take compliant duty-
23 free rest breaks, free from Defendants’ control as required by Labor Code section 226.7, the Applicable
24 Wage Orders, and applicable precedent. (See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th
25 257, 269 [concluding that “during rest periods employers must relieve employees of all duties and
26 relinquish control over how employees spend their time.”].) At all relevant times, the Class Members
27 were periodically not provided with legally-compliant and timely rest periods of at least ten minutes
28 for each four hour work period, or major fraction thereof due to Defendants’ unlawful rest period

1 policies/practices. The Class Members were often expected and required to continue working through
2 rest periods to meet the expectations Defendants and finish the workday. In some cases when the Class
3 Members worked more than ten hours in a shift, Defendants failed to authorize and/or permit a third
4 mandated rest period. As a result, the Class Members were periodically unable to take compliant rest
5 periods.

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

13 40. In addition to failing to authorize and permit compliant rest periods, the Class Members
14 were not compensated with one hour’s worth of pay at their regular rate of compensation when they
15 were not provided with a compliant rest period in accordance with Labor Code section 226.7,
16 subdivision (c). Thus, Defendants have violated Labor Code section 226.7 and the Applicable Wage
17 Orders.

18 41. Based on the foregoing, Plaintiff seeks to recover, on behalf of herself and other non-
19 exempt employees, rest period premiums and penalties.

20 **D. UNTIMELY WAGES DURING EMPLOYMENT**

21 42. Labor Code section 204 expressly requires employers who pay employees on a weekly,
22 biweekly, or semimonthly basis to pay all wages “not more than seven calendar days following the
23 close of the payroll period.” Labor Code section 210, subdivision (a), makes employers who violate
24 Labor Code section 204 subject to a penalty of:

25 “(1) For any initial violation, one hundred dollars (\$100) for each failure to
26 pay each employee.

27 “(2) For each subsequent violation, or any willful or intentional violation, two
28 hundred dollars (\$200) for each failure to pay each employee, plus 25

1 percent of the amount unlawfully withheld.” (Lab. Code, § 210, subd.
2 (a).)

3 43. Notably, the penalty provided by Labor Code section 210 is “[i]n addition to, and
4 entirely independent and apart from, any other penalty provided in this article” (Lab. Code, § 210,
5 subd. (a).)

6 44. Due to Defendants’ failure to pay the Class Members the wages described above, along
7 with rest and meal break premiums, Defendants failed to timely pay the Class Members within seven
8 calendar days following the close of payroll in accordance with Labor Code section 204 on a regular
9 and consistent basis. (See *Parson v. Golden State FC, LLC* (N.D. Cal., May 2, 2016, No. 16-CV-00405-
10 JST) 2016 WL 1734010, at p. *3–5, 2016 U.S. Dist. LEXIS 58299 [finding that a failure to pay rest
11 period premiums can support claims under Labor Code sections 203 and 204].)

12 **E. UNTIMELY WAGES AT SEPARATION**

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

18 46. Due to Defendants’ faulty pay policies, those Class Members whose employment with
19 Defendants concluded were not compensated for each and every hour worked at the appropriate rate.
20 Defendants have failed to pay formerly-employed Class Members whose sums were certain at the time
21 of termination within at least seventy-two hours of their resignation and have failed to pay those sums
22 for thirty days thereafter.

23 **F. FAILURE TO REIMBURSE BUSINESS EXPENSES**

24 47. At all relevant times herein, Defendants were subject to Labor Code section 2802, which
25 states that “an employer shall indemnify his or her employees for all necessary expenditures or losses
26 incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her
27 obedience to the directions of the employer.” The purpose of this section is to “prevent employers from
28 passing along their operating expenses onto their employees.” (*Gattuso v. Harte-Hanks Shoppers, Inc.*

1 (2007) 42 Cal.4th 554, 562.)

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

6 49. Thus, the Class Members were and are entitled to reimbursement for the expenses they
7 incurred during the course of their duties. The duty to reimburse even extends to the use of equipment
8 the employee may already own and would be required to pay for anyway. (*Cochran v. Schwan’s Home*
9 *Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 [“The threshold question in this case is this: Does an
10 employer always have to reimburse an employee for the reasonable expense of the mandatory use of a
11 personal cell phone, or is the reimbursement obligation limited to the situation in which the employee
12 incurred an extra expense that he or she would not have otherwise incurred absent the job? The answer
13 is that reimbursement is always required. Otherwise, the employer would receive a windfall because it
14 would be passing its operating expenses on to the employee.”].)

15 50. Here, Defendants failed to fully reimburse the Class Members for necessary
16 expenditures incurred as a direct consequence and requirement of performing their job duties, including
17 the costs associated with their personal cell phone they required to perform their work. Consequently,
18 Defendants failed to comply with Labor Code section 2802.

19 **G. WAGE STATEMENT VIOLATIONS**

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

- 24 (1) The gross wages earned;
25 (2) The total hours worked by the employee;
26 (3) The number of piece-rate units earned and any applicable piece rate if
27 the employee is paid on a piece rate basis;
28

- 1 (4) All deductions, provided that all deductions made on written orders of
2 the employee may be aggregated and shown as one item;
3 (5) The net wages earned;
4 (6) The inclusive dates of the period for which the employee is paid;
5 (7) The name of the employee and only the last four digits of his or her social
6 security number or an employee identification number other than a social
7 security number;
8 (8) The name and address of the legal entity that is the employer; and
9 (9) All applicable hourly rates in effect during the pay period and the
10 corresponding number of hours worked at each hourly rate by the
11 employee.

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

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

26 H. RECORDKEEPING VIOLATIONS

27 54. Labor Code section 226, subdivision (a), requires employers to keep an accurate record
28 of, among other things, all hours worked by employees. Labor Code section 226.3 provides, in pertinent

1 part, as follows:

2 “Any employer who violates subdivision (a) of Section 226 shall be subject to a
3 civil penalty in the amount of two hundred fifty dollars (\$250) per employee per
4 violation in an initial citation and one thousand dollars (\$1,000) per employee
5 for each violation in a subsequent citation, for which the employer fails to
6 provide the employee a wage deduction statement or fails to keep the records
7 required in subdivision (a) of Section 226. The civil penalties provided for in
8 this section are in addition to any other penalty provided by law.” (Lab. Code, §
9 226.3, emphasis added.)

10 55. Likewise, Labor Code section 1174, subdivision (d), requires every employer, including
11 Defendants, to:

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

21 56. As explained in detail above, Defendants failed to provide the Class Members with
22 accurate itemized wage statements. Defendants did so, in part, because they failed to accurately track
23 hours worked by the Class Members. Defendants have thus failed to keep accurate records of the “total
24 hours worked by the employee[s]” in violation of Labor Code section 226, subdivision (a), and are
25 therefore subject to the penalties provided by Labor Code section 226.3. These penalties are “in
26 addition to any other penalty provided by law.” (Lab. Code, § 226.3.)

27 57. The failure to accurately track hours worked also resulted in a failure of Defendants to
28 keep a record of all “payroll records showing the hours worked daily by” Defendants’ employees,

1 including Plaintiff and the other Class Members, in violation of Labor Code section 1174, subdivision
2 (d).

3 **V. CLASS ACTION ALLEGATIONS**

4 58. As mentioned above, Plaintiff brings this action on behalf of herself and the Class
5 Members pursuant to section 382 of the Code of Civil Procedure.

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

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

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

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

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

21 D. Whether Defendants maintained accurate employment records;

22 E. Whether Defendants timely paid all wages during employment;

23 F. Whether Defendants timely paid all wages earned and unpaid at separation;

24 G. Whether Defendants indemnified their employees for all necessary business
25 expenditures;

26 H. Whether Defendants furnished legally-compliant wage statements to the Class
27 Members pursuant to Labor Code section 226; and
28

1 I. Whether Defendants' violations of the Labor Code and the Applicable Wage
2 Orders amounted to a violation of California's UCL.

3 61. **Predominance of Common Questions:** Common questions of law and fact
4 predominate over questions that affect only individual Class Members. The common questions of law
5 set forth above are numerous and substantial and stem from Defendants' uniform policies and practices
6 applicable to each individual class member, such as Defendants' uniform policy and practice of failing
7 to pay for all hours worked, Defendants' uniform policies and practices which failed to provide
8 compliant rest periods, Defendants' failure to provide accurate itemized wage statements, and others.
9 As such, the common questions predominate over individual questions concerning each individual
10 class member's showing as to his or her eligibility for recovery or as to the amount of his or her
11 damages.

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

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

25 64. **Superiority:** The California Labor Code is broadly remedial in nature and serves an
26 important public interest in establishing minimum working conditions and standards in California.
27 These laws and labor standards protect the average working employee from exploitation by employers
28 who have the responsibility to follow the laws and who may seek to take advantage of superior

1 economic and bargaining power in setting onerous terms and conditions of employment. The nature of
2 this action and the format of laws available to Plaintiff and the Class Members make the class action
3 format a particularly efficient and appropriate procedure to redress the violations alleged herein. If each
4 employee were required to file an individual lawsuit, Defendants would necessarily gain an
5 unconscionable advantage since they would be able to exploit and overwhelm the limited resources of
6 each individual plaintiff with their vastly superior financial and legal resources.

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

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

21 **VI. CAUSES OF ACTION**

22 **First Cause of Action**

23 *Failure to Pay All Minimum Wages*

24 *(Against All Defendants)*

25 67. Plaintiff realleges and incorporates by reference all previous paragraphs.

26 68. Section 4 of the Applicable Wage Orders and Labor Code section 1197 establish the
27 right of employees to be paid minimum wages for all hours worked, in amounts set by state law. (Lab.
28 Code, § 1197; Cal. Code of Regs., tit. 8, §§ 11040, 11050.) Labor Code sections 1194, subdivision (a),

1 and 1194.2, subdivision (a), provide that an employee who has not been paid the legal minimum wage
2 as required by Labor Code section 1197 may recover the unpaid balance, together with attorneys' fees
3 and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest
4 accrued thereon.

5 69. Here, Defendants failed to fully conform their pay practices to the requirements of the
6 law during the relevant statutory periods. Plaintiff and the other Class Members were not compensated
7 for all hours worked including, but not limited to, all hours they were subject to the control of
8 Defendants and/or suffered or permitted to work under the Labor Code and the Applicable Wage
9 Orders.

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

15 71. As a direct and proximate result of Defendants' unlawful conduct as alleged herein,
16 Plaintiff and the other Class Members have sustained economic damages, including but not limited to
17 unpaid wages and lost interest, in an amount to be established at trial, and they are entitled to recover
18 economic and statutory damages and penalties and other appropriate relief because of Defendants'
19 violations of the Labor Code and Applicable Wage Orders.

20 72. Defendants' practices and policies regarding illegal employee compensation are
21 unlawful and create an entitlement to recovery by Plaintiff and the other Class Members in a civil
22 action for the unpaid amount of minimum wages, liquidated damages, including interest thereon,
23 statutory penalties, attorneys' fees, and costs of suit according to Labor Code sections 204, 218.5, 1194,
24 1194.2, 1197, and 1198, and Code of Civil Procedure section 1021.5.

25 **Second Cause of Action**

26 *Failure to Pay All Overtime Wages*

27 *(Against All Defendants)*

28 73. Plaintiff realleges and incorporates by reference all previous paragraphs.

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

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

Third Cause of Action

Failure to Provide Rest Periods and Pay Missed Rest Period Premiums

(Against All Defendants)

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

77. Section 12 of the Applicable Wage Orders, and Labor Code section 226.7 establish the right of employees to be provided with a rest period of at least ten minutes for each four hour period worked, or major fraction thereof. (See Cal. Code of Regs., tit. 8, §§ 11040, 11050.)

78. Due to Defendants' unlawful rest period policies and practices described in detail above, Defendants did not authorize and permit Plaintiff and the other Class Members to take all rest periods to which they were legally entitled. Despite Defendants' violations, Defendants have not paid an

1 additional hour of pay to Plaintiff and the other Class Members at their respective regular rates of pay
2 for each violation, in accordance with California Labor Code section 226.7.

3 79. The foregoing violations create an entitlement to recovery by Plaintiff and the other
4 Class Members in a civil action for the unpaid amount of rest period premiums owing, including interest
5 thereon, statutory penalties, and costs of suit pursuant to the Applicable Wage Orders, and California
6 Labor Code section 226.7.

7 **Fourth Cause of Action**

8 *Failure to Maintain Accurate Employment Records*

9 *(Against All Defendants)*

10 80. Plaintiff realleges and incorporates by reference all previous paragraphs.

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

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

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

24 **Fifth Cause of Action**

25 *Failure to Pay Wages Timely during Employment*

26 *(Against All Defendants)*

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

1 85. Labor Code section 200 provides that “wages” include all amounts for labor performed
2 by employees of every description, whether the amount is fixed or ascertained by the standard of time,
3 task, pieces, commission basis, or other method of calculation. Labor Code section 204 states that all
4 wages earned by any person in any employment are payable twice during the calendar month and must
5 be paid not more than seven days following the close of the period when the wages were earned. Labor
6 Code section 210, subdivision (a), makes employers who violate Labor Code section 204 subject to a
7 penalty of \$100 for any initial failure to timely pay each employee’s full wages and \$200 for each
8 subsequent violation, plus 25% of the amount unlawfully withheld.

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

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

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

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

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96. California Labor Code Section 2802 states that employers must “indemnify” an employee for “all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.” Likewise, Labor Code section 2804 states that “any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State.”

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

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

Eighth Cause of Action

Failure to Furnish Accurate Itemized Wage Statements

(Against All Defendants)

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

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

- (1) The gross wages earned;
- (2) The total hours worked by the employee;
- (3) The number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate basis;
- (4) All deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item;
- (5) The net wages earned;

- 1 (6) The inclusive dates of the period for which the employee is paid;
- 2 (7) The name of the employee and only the last four digits of his or her social
- 3 security number or an employee identification number other than a social
- 4 security number;
- 5 (8) The name and address of the legal entity that is the employer; and
- 6 (9) All applicable hourly rates in effect during the pay period and the
- 7 corresponding number of hours worked at each hourly rate by the
- 8 employee.

9 101. As set forth above, Defendants issued and continues to issue wage statements to its non-

10 exempt employees including Plaintiff and the other Class Members that are inadequate under Labor

11 Code section 226, subdivision (a). By failing to pay Plaintiff and the other Class Members properly as

12 described above, Defendants failed to include required information on their wage statements, including,

13 but not limited to, the gross wages earned, the net wages earned in violation of Labor Code section

14 226, subdivision (a).

15 102. Defendants' failure to comply with Labor Code section 226, subdivision (a), of the

16 Labor Code was knowing and intentional. (Lab. Code, § 226, subd. (e)).

17 103. As a result of Defendants' issuance of inaccurate itemized wage statements to Plaintiff

18 and the other Class Members in violation of Labor Code section 226, subdivision (a), Plaintiff and the

19 other Class Members are each entitled to recover an initial penalty of \$50, and subsequent penalties of

20 \$100, up to an amount not exceeding an aggregate penalty of \$4,000 per Plaintiff and per each Class

21 Member from Defendants pursuant to Labor Code section 226, subdivision (e), along with costs and

22 reasonable attorneys' fees.

23 **Ninth Cause of Action**

24 *Violations of California's Unfair Competition Law*

25 *(Against All Defendants)*

26 104. Plaintiff realleges and incorporates by reference all previous paragraphs.

27 105. Defendants have engaged and continue to engage in unfair and/or unlawful business

28 practices in California in violation of California Business and Professions Code section 17200 through

1 17210, by committing the unlawful acts described above. Defendants' utilization of these unfair and
2 unlawful business practices deprived and continue to deprive Plaintiff and the other Class Members of
3 compensation to which they are legally entitled. These practices constitute unfair and unlawful
4 competition and provide an unfair advantage over Defendants' competitors who have been and/or are
5 currently employing workers and attempting to do so in honest compliance with applicable wage and
6 hour laws.

7 106. Because Plaintiff is a victim of Defendants' unfair and unlawful conduct alleged herein,
8 Plaintiff for herself and on behalf of the Class Members, seeks full restitution of monies, as necessary
9 and according to proof, to restore any and all monies withheld, acquired and/or converted by
10 Defendants pursuant to Business and Professions Code sections 17203 and 17208.

11 107. The acts complained of herein occurred within the four years prior to the initiation of
12 this action and are continuing into the present and ongoing.

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

18 **VII. DEMAND FOR JURY TRIAL**

19 109. Plaintiff hereby demands trial by jury of Plaintiff's and the Class Members' claims
20 against Defendants.

21 **VIII. PRAYER FOR RELIEF**

22 Plaintiff prays for judgment for herself and for all others on whose behalf this suit is brought
23 against Defendants, as follows:

- 24 1. For an order certifying the proposed class;
- 25 2. For an order appointing Plaintiff as representative of the class;
- 26 3. For an order appointing Plaintiff's counsel as counsel for the class;
- 27 4. For the failure to pay all minimum wages, compensatory, consequential, general, and
28 special damages according to proof pursuant to Labor Code sections 1194, 1194.2,

1197, and others as may be applicable;

5. For the failure to pay all overtime wages, compensatory, consequential, general, and special damages according to proof pursuant to Labor Code sections 204, 510, 1194, 1198, and others as may be applicable;
6. For the failure to provide rest periods and pay missed rest period premiums, compensatory, consequential, general, and special damages according to proof pursuant to Labor Code section 226.7;
7. For the failure to maintain accurate employment records, penalties pursuant to Labor Code sections 226.3, 1174.5, and others that may be applicable;
8. For the failure to pay wages timely during employment, the unpaid balance of the compensation owed to Plaintiff and the other Class Members and any applicable penalties owed to them pursuant to Labor Code section 210;
9. For the failure to pay all wages earned and unpaid at separation, statutory waiting time penalties pursuant to Labor Code sections 201 through 203, for the Class Members who quit or were fired in an amount equal to their daily wage multiplied by thirty days, as may be proven;
10. For the failure to indemnify all necessary business expenditures, all unreimbursed business expenses, and interest thereon, that are owed, pursuant to Labor Code section 2802, and attorney fees, pursuant to Labor Code section 2802, subdivision (c);
11. For the violations of California's Unfair Competition Law, restitution to Plaintiff and the other Class Members of all money and/or property unlawfully acquired by Defendants by means of any acts or practices declared by this Court to be in violation of Business and Professions Code sections 17200 through 17210;
12. Prejudgment interest on all due and unpaid wages pursuant to Labor Code section 218.6 and Civil Code sections 3287 and 3289;
13. On all causes of action for which attorneys' fees may be available, for attorneys' fees and costs as provided by Labor Code sections 218.5, 226, Code of Civil Procedure section 1021.5, and others as may be applicable;

1 **14.** For an order enjoining Defendants, and each of them, and their agents, servants, and
2 employees, and all persons acting under, in concert with, or for them, from acting in
3 derogation of any rights or duties adumbrated in this complaint; and

4 **15.** For such other and further relief, this Court may deem just and proper.

5 Dated: July 29, 2024

MELMED LAW GROUP P.C.

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8 _____
JONATHAN MELMED

Attorneys for Plaintiff and the Putative Class

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EXHIBIT “B”

TRUE AND CORRECT COPY OF
SUBMISSION CONFIRMATION
TO LWDA
RE: PROPOSED SETTLEMENT

[SEE ATTACHED]