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Clerk of the Superior Court
By I. Irizarry ,Deputy Clerk

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN DIEGO

JENNIFER SMITH; TASHANA ARMSTRONG; SHALIA BILLIARD; MONICA DICKERSON; ANJORA HANSEN; EMILY JENSEN; and LINDSEY UHL

Plaintiffs

v.

COASTAL PAYROLL SERVICES, INC.; and DOES 1-100, inclusive

Defendants

Case No.: 37-2024-00029733-CU-OE-CTL

FIRST AMENDED COMPLAINT

1. Failure to Pay Wages – LC § 1194
2. Failure to Provide Meal Periods – LC § 226.7
3. Failure to Provide Compliant Wage Statements and Keep Records – LC § 226
4. Unfair Business Practices – BPC § 17200
5. Civil Penalties Under the Labor Code Private Attorneys General Act of 2004 (PAGA) – LC § 2699

Complaint Filed: June 24, 2024
Dept.: C-71
Judge: Hon. Gregory W. Pollack

Plaintiffs JENNIFER SMITH (hereinafter "SMITH"), TASHANA ARMSTRONG (hereinafter "ARMSTRONG"), SHALIA BILLIARD (hereinafter "BILLIARD"), MONICA DICKERSON (hereinafter "DICKERSON"), ANJORA HANSEN (hereinafter "HANSEN"), EMILY JENSEN (hereinafter "JENSEN"), and LINDSEY UHL (hereinafter "UHL"), for causes of action against Defendants COASTAL PAYROLL SERVICES, INC. (hereinafter "COASTAL"); and DOES 1-100, inclusive (hereinafter collectively referred to as "Defendants"), allege as follows:

JURISDICTION

1. This action arises out of acts, representations and events occurring throughout the state of California.

2. Venue is appropriate in San Diego County because Defendants employed Plaintiffs and other Labor Code Private Attorneys General Act of 2004 ("PAGA") aggrieved employees in San Diego County.

3. Whenever in this Complaint reference is made to any act, deed, or conduct of Defendants, the allegation means that Defendants engaged in the act, deed, or conduct by or through one or more of their officers, directors, agents, employees, or representatives, who were actively engaged in the management, direction, control, or transaction of the ordinary business and affairs of Defendants.

4. Plaintiffs are ignorant of the true names and capacities, whether individual, corporate, associate or otherwise, of the Defendants sued herein as DOES 1-100, inclusive and therefore sues said Defendants (the "Doe Defendants") by such fictitious names. Plaintiffs will amend this Complaint to plead the true names and capacities of the Doe Defendants at such time as the identities of the Doe Defendants have been ascertained.

5. Plaintiffs are informed and believe, and thereon allege, that Defendants COASTAL; and DOES 1-100, inclusive, are the partners, agents, or principals and co-conspirators of Defendants, and of each other; that named Defendants and the Doe Defendants performed the acts and conduct herein alleged directly, aided and abetted the performance thereof, or knowingly acquiesced in, ratified, and accepted the benefits of such acts and conduct, and therefore each of the named Defendants and Doe Defendants are liable to Plaintiffs to the extent of the liability of the

Defendants as alleged herein.

6. Plaintiffs are further informed and believe, and thereon allege, that at all times herein material, COASTAL and entity Doe Defendants were completely dominated and controlled by unknown Doe Defendants, and each was the alter ego of the other in a single enterprise. At those times, a unity of interest and ownership between COASTAL and entity Doe Defendants on the one hand, and unknown Doe Defendants on the other hand existed such that the separate personalities of these entities did not in reality exist. Additionally, Plaintiffs would suffer an inequitable harm if the actions of COASTAL and entity Doe Defendants were not treated as the acts of all Defendants. Plaintiffs are further informed and believe, and thereon allege, that at all relevant times to this action COASTAL and entity Doe Defendants, *inter alia*, failed to observe the requisite entity formalities, were inadequately capitalized, and their ownership and control were inappropriately concentrated in Doe Defendants.

7. Plaintiffs are further informed and believe, and thereon allege, that at all times herein material, each defendant, was completely dominated and controlled by its co-defendants and each was the alter ego of the other. Whenever and wherever reference is made in this Complaint to any conduct by Defendants, such allegations and references shall also be deemed to mean the conduct of each of the Defendants, acting individually, jointly and severally. Whenever and wherever reference is made to individuals who are not named as defendants in this Complaint, but were employees or agents of, such individuals at all relevant times acted on behalf of Defendants named in this Complaint within the scope of their respective employments.

8. Whenever and wherever reference is made in this Complaint to any conduct by a defendant or Defendants, such allegations and references shall also be deemed to mean the conduct of each of the Defendants, acting individually, jointly and severally. Whenever and wherever reference is made to individuals who are not named as defendants in this Complaint, but were employees or agents of, such individuals at all relevant times acted on behalf of Defendants named in this Complaint within the scope of their respective employments.

GENERAL ALLEGATIONS

9. COASTAL is an entity engaged in the full-service payroll and human resources

business.

10. Defendants employed UHL in San Diego, California from in or around March 2018 through October 2023, as a nonexempt senior implementation specialist and implementation supervisor.

11. Defendants employed JENSEN in San Diego, California from in or around November 2021 through June 2023, as a nonexempt Benefits Specialist.

12. Defendants employed DICKERSON in San Diego, California from in or around October 2018 through August 2022, as a nonexempt Implementation Specialist.

13. Defendants employed BILLIARD in San Diego, California from in or around March 2017 through December 2021, as a nonexempt Human Capital Management Specialist.

14. Defendants employed SMITH in San Diego, California from in or around March 2016 through December 2021, as a nonexempt Time and Labor Specialist.

15. Defendants employed HANSEN in San Diego, California from in or around October 2018 through October 2021, as a nonexempt Implementation Specialist.

16. Defendants employed ARMSTRONG in San Diego, California from in or around September 2017 through September 2021, as a nonexempt Implementation Consultant.

17. Plaintiffs all generally worked at least 8 hours per workday and 40 hours per workweek. Depending on which employee and job, Plaintiffs' job duties required Plaintiffs to service Defendants' customers on scheduled and unscheduled support, meeting, and training phone calls for anywhere from more than 25 to 80 percent of their total work hours. Defendants also regularly transferred unscheduled customer calls to Plaintiffs and expected Plaintiffs to complete the calls with customers. Further, Plaintiffs' customer calls often lasted several hours and could last longer than 3 hours in some instances.

18. As a result of the working conditions, Defendants frequently failed to provide Plaintiffs compliant timely 30-minute off duty uninterrupted meal periods before Plaintiffs worked a period exceeding 5 hours. This includes short, late, and no meal periods in a workday. Further, Defendants willfully failed to timely pay Plaintiffs all earned wages at least twice per month by failing to pay Plaintiffs an additional hour of regular rate wages for each workday with a missed

meal period, and as a result also failed to provide compliant wage statements showing Plaintiffs' earned missed meal period wages. Further, Defendants paid Plaintiffs on a weekly pay period basis, which made Defendants' failures and Labor Code violations even more frequent.

19. Also, pursuant to Defendants' employment agreements, handbooks, policies, and practices with Defendants' employees, Defendants must pay employees 2 weeks of wages to employees who provide Defendants 2 weeks of notice of their resignation. After Plaintiffs gave Defendants 2 weeks of notice of their resignation, Defendants made the resignations effective immediately and refused to pay the 2 weeks of wages Defendants owed to some of the Plaintiffs including, but not limited to, DICKERSON.

20. Defendants willfully failed to pay Plaintiffs all their earned wages from missed meal periods, resignation wages, etc. when Plaintiffs' employment ended. More than 30 days have passed since Plaintiffs' employment has ended, which entitles Plaintiffs to 30 days of additional daily wages as waiting time penalties that Defendants also have not paid to Plaintiffs.

21. Plaintiffs are informed and believe that Defendants learned no later than in or around June 2023 that it owed significant amounts of missed meal period wages to most of Defendants' employees going back many years. Plaintiffs are also informed and believe that Defendants then paid some small amount of the unpaid missed meal period wages to some current employees at the time, including JENSEN and UHL, without paying interest on the late paid wages or providing the employees time records, an audit trail, or compliant wage statements showing the number of meal period violations, rate of pay for the meal period wages, or pay periods covered.

22. Plaintiffs are informed and believe that Defendants also willfully concealed the unpaid missed meal period wages from all of Defendants' former employees when Defendants paid the missed meal period wages to current employees at the time. Plaintiffs, some of whom were no longer employed by Defendants when Defendants implemented their scheme to conceal the unpaid wages, discovered Defendants' scheme in or around March 2024 and asked Defendants for their unpaid missed meal period wages. Defendants paid those Plaintiffs some amounts of the wages without the unpaid interest on the wages and waiting time penalties they were entitled to and issued those Plaintiffs noncompliant wage statements without the number of meal period violations, rate

of pay for the meal period wages, or pay periods covered which injured Plaintiffs by preventing them from determining how much unpaid wages Defendants owed Plaintiffs compared to what Defendants paid.

23. Plaintiffs thereafter made several requests that Defendants provide payroll, time, and personnel records including, but not limited to, a formal records request letter that included a 21-day payroll and time records request and a 30-day personnel records request on April 30, 2024. Plaintiffs' request included, "All timecards, time punches, time sheets, time records, audit trails, audit logs, and records that identify time records, modifications, and the users who made those entries including, but not limited to, for late, short and missed meal periods." Plaintiffs are informed and believe that more than a reasonable time has passed for Defendants to produce the time records and Defendants continue to intentionally fail to produce these time records.

24. Plaintiffs are informed and believe that Defendants engaged in Labor Code and Wage Orders violations against all Defendants' employees in California which were like the violations against Plaintiffs described above and additionally Defendants engaged in different violations of the Labor Code and Wage Orders that Plaintiffs did not suffer. All are PAGA aggrieved employees.

25. Plaintiffs are informed and believe that Defendants' violations were all knowing and willful in disregard of the Labor Code and Wage Orders. Accordingly, Plaintiffs are entitled to recovery of civil penalties pursuant to various regulations and statutes including, but not limited to, the Wage Orders and Wage Order 4-2001 sections 4, 7, 11, and 20 et al.; and pursuant to Labor Code sections including, but not limited to, sections 203, 204, 210, 226, 226.3, 226.7, 256, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197.1, 1198.5, et al.

26. On June 21, 2024, Plaintiffs filed a Private Attorneys General Act ("PAGA") claims notice with the Labor and Workforce Development Agency ("LWDA") by uploading it into the dir.ca.gov PAGA website. The LWDA issued the case number LWDA-CM-1035824-24. Thereafter on June 24, 2024, Plaintiffs served on all named Defendants via certified U.S. mail a copy of the PAGA claims notice. More than 65 days have passed since Plaintiffs filed the PAGA claims notice without the LWDA notifying Plaintiffs that the LWDA would investigate the matter. See a true and correct copy of the PAGA claim notice attached hereto as Exhibit 1.

FIRST CAUSE OF ACTION

(Failure to Pay Wages – LC § 1194)

(By all Plaintiffs Against all Defendants)

27. Plaintiffs re-allege and incorporate herein by reference all paragraphs outside this section as though fully set forth herein.

28. Pursuant to Labor Code section 200(a), "`Wages' includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard time, task, piece, commission basis, or other method of calculation."

29. Pursuant to Labor Code section 1197, "The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful."

30. Pursuant to Labor Code section 1194(a), "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit."

31. Pursuant to Labor Code section 1194.2(a), "In any action under Section 98, 1193.6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon."

32. Pursuant to Labor Code section 1197.1(a), "Any employer or other person acting either individually or as an officer, agent, or employee of another person who pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to Section 203[.]"

33. Pursuant to Labor Code section 226.7 "(c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare

Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided. (d) A rest or recovery period mandated pursuant to a state law, including, but not limited to, an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, shall be counted as hours worked, for which there shall be no deduction from wages. This subdivision is declaratory of existing law."

34. Pursuant to Labor Code section 204(a), "All wages, other than those mentioned in section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays."

35. Pursuant to Labor Code section 203(a), "If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.6. 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days…"

36. Defendants willfully failed to timely pay Plaintiffs all earned wages every week by failing to pay missed meal period wages after failing to provide Plaintiffs compliant 30-minute off duty uninterrupted meal periods because Defendants required Plaintiffs to handle long phone calls servicing Defendants' customers which often lasted several hours. Defendants also willfully failed to pay 2 weeks of wages to Plaintiffs in exchange for 2-week notices of resignation which Defendants were required to pay by Defendants' employment agreements, handbooks, policies, and practices with Defendants' employees. Additionally, Defendants never paid Plaintiffs the accrued interest on the unpaid wages. More than 30 days have passed since Defendants willfully failed to pay Plaintiffs all earned wages when Plaintiffs' employment ended, which entitles Plaintiffs to an additional 30 days of daily wages for waiting time penalties.

37. Accordingly, Plaintiffs are entitled to recover the unpaid wages including, missed

meal period wages; resignation notice wages; interest; late payment penalties; waiting time penalties; other penalties; attorneys' fees; and costs pursuant to Labor Code sections 203, 204, 210, 218.5, 218.6, 226.7, 512, 558.1, 1194, 1194.2, 1197.1; Civil Code section 3289; the Wage Orders; and common law.

SECOND CAUSE OF ACTION

(Failure to Provide Meal Periods – LC § 226.7)

(By all Plaintiffs Against all Defendants)

38. Plaintiffs re-allege and incorporate herein by reference all paragraphs outside this section as though fully set forth herein.

39. Pursuant to Labor Code sections 226.7, 512, and the Wage Orders including Wage Order 4-2001(11), "(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time. (B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided."

40. Defendants failed to provide Plaintiffs compliant 30-minute off duty uninterrupted meal periods because Defendants required Plaintiffs to handle long phone calls servicing Defendants' customers which often lasted several hours. Some calls could last more than 3 hours. Defendants also willfully failed to pay Plaintiffs 1 hour of regular rate pay for every workday with a missed meal period, especially when Plaintiffs were former employees and Defendants knowingly only paid out unpaid missed meal period wages to Defendants current employees around June 2023.

Additionally, Defendants never paid Plaintiffs the accrued interest on the unpaid wages. More than 30 days have passed since Defendants willfully failed to pay Plaintiffs all earned wages when Plaintiffs' employment ended, which entitles Plaintiffs to an additional 30 days of daily wages for waiting time penalties.

41. Accordingly, Plaintiffs are entitled to recover missed meal period wages; interest; late payment penalties; waiting time penalties; other penalties; attorneys' fees; and costs pursuant to Labor Code sections 203, 204, 210, 218.5, 218.6, 226.7, 512, 558.1, 1194, 1194.2, 1197.1; Civil Code section 3289; the Wage Orders; and common law.

THIRD CAUSE OF ACTION

(Failure to Provide Complaint Wage Statements and Keep Records – LC § 226)

(By all Plaintiffs Against all Defendants)

42. Plaintiffs re-allege and incorporate herein by reference all paragraphs outside this section as though fully set forth herein.

43. Pursuant to Labor Code section 226(a), "An employer, semimonthly or at the time of each payment of wages, shall furnish to their employee, either as a detachable part of the check, draft or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (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) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of their social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay

and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California…"

44. Pursuant to Labor Code section 226(e), "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees."

45. When Defendants paid Plaintiffs on a weekly pay period basis without including any missed meal period wages and paid Plaintiffs some of their missed meal period wages, Defendants issued Plaintiffs noncompliant wage statements without the number of meal period violations, rate of pay for the meal period wages, or pay periods covered which injured Plaintiffs by preventing them from determining how much unpaid wages Defendants owed Plaintiffs compared to what Defendants paid. Plaintiffs are informed and believe that Defendants also failed to keep accurate payroll and time records for the required time.

46. Defendants knowingly and intentionally failed to comply with Labor Code sections 226(a) as evidenced by Defendants' scheme to conceal and not pay the unpaid missed meal period wages to former employees like Plaintiffs who did not figure out what Defendants were doing until many months or years later. As a result, Defendants are liable for damages and penalties owed to Plaintiffs as specified in Labor Code section 226(e).

47. Accordingly, Plaintiffs seek damages, interest, penalties, attorneys' fees, and costs available pursuant to Labor Code section 226, 558.1, 1174; and the Wage Orders.

FOURTH CAUSE OF ACTION

(Unfair Business Practices – BPC § 17200)

(By all Plaintiffs Against all Defendants)

48. Plaintiffs re-allege and incorporate herein by reference all paragraphs outside this section as though fully set forth herein.

49. The acts, omissions, and practices of Defendants as alleged throughout this Complaint for violations of the Labor Code constitute unlawful and unfair business acts and practices within the meaning of sections 17200, et seq. of the Business & Professions Code.

50. Plaintiffs are informed and believe that Defendants have engaged in "unlawful" business acts and practices by their: 1.) failure to timely pay earned wages on every pay date after every weekly pay period or even at least twice per month, 2.) failure to provide meal periods, 3.) failure to pay wage premiums for missed meal periods, 4.) failure to provide compliant wage statements and keep records, 5,) failure to pay employees an agreed upon 2-weeks of wages in exchange for 2-weeks of notice of resignation, 6.) failure to pay all earned wages at the termination of the employment relationship, 7.) failure to pay waiting time penalties, 8.) failure to timely produce requested time records and other employee records. These failures are all in violation of the statutes and regulations referenced throughout this Complaint, and in violation of other laws.

51. Defendants' "unfair" business acts and practices, alleged above, caused harm to Plaintiffs and many other employees, which outweighs the utility of such conduct. Such conduct offends public policy, is unethical and dishonest, caused substantial injury to Defendants' current and former employees, and provides Defendants with an unfair competitive advantage over those employers that abide by the law.

52. As a result of the conduct described above, Defendants have been and will be unjustly enriched at the expense of Defendants' current and former employees. Specifically, Defendants have been unjustly enriched by the retention of a significant sum of dollars in employees' earned wages wrongfully withheld from Defendants' current and former employees among other issues.

53. Pursuant to section 17203 of the Business & Professions Code, Plaintiffs request that this Court order Defendants to disgorge all ill-gotten gains and award Plaintiffs full restitution of all monies wrongfully acquired by Defendants by such "unfair" business act and practices as outlined herein above, plus interest and attorneys' fees pursuant to, *inter alia*, section 1021.5 of the

Code of Civil Procedure. Plaintiffs additionally request that such funds be impounded by the Court or that an asset freeze or constructive trust be imposed upon such revenues and profits to avoid dissipation and or fraudulent transfers or concealment of such monies by Defendants. Plaintiffs may be irreparably harmed or denied an effective and complete remedy if such an order is not granted.

54. Pursuant to section 17203 of the Business & Professions Code, Plaintiffs further seek an order of this Court for equitable or injunctive relief in the form of requiring Defendants to correct their unfair business acts and practices identified above.

55. Accordingly, Plaintiffs seek injunctive relief, restitution, damages, interest, penalties, attorneys' fees, and costs available pursuant to the Labor Code, Business & Professions Code, and the Industrial Welfare Commission Wage Orders

FIFTH CAUSE OF ACTION

(Civil Penalties Under the Labor Code Private Attorneys General Act of 2014

(PAGA) – LC § 2699)

(By all Plaintiffs Against all Defendants)

56. Plaintiffs re-allege and incorporate herein by reference all paragraphs outside this section as though fully set forth herein.

57. Pursuant to Labor Code section 2699(a), "Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Section 2699.3."

58. Pursuant Labor Code section 2699(f) states that, "For all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these provisions, as follows: (1) If, at the time of the alleged violation, the person does not employ one or more employees, the penalty is five hundred dollars ($500). (2) If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred

dollars ($200) for each aggrieved employee per pay period for each subsequent violation."

59. As a result of the acts alleged throughout this Complaint, Plaintiffs seek to bring this action for individual and representative PAGA claims on behalf of the State of California, for civil penalties for Defendants' violations of various regulations and statutes including, but not limited to, Wage Order 4-2001 sections 4, 7, 11, and 20 et al.; and pursuant to Labor Code sections including, but not limited to, sections 203, 204, 210, 226, 226.3, 226.7, 256, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197.1, 1198.5, et al.

60. Plaintiffs are informed and believe Defendants engaged in unlawful conduct and practices against Plaintiffs and other PAGA aggrieved employees in California whom Defendants employed during the statute of limitations period in violation of the Wage Orders and Labor Code including, but not limited to, by: 1.) failure to timely pay earned wages on every pay date after every weekly pay period or even at least twice per month, 2.) failure to provide meal periods, 3.) failure to pay wage premiums for missed meal periods, 4.) failure to provide compliant wage statements and keep records, 5,) failure to pay employees an agreed upon 2-weeks of wages in exchange for 2-weeks of notice of resignation, 6.) failure to pay all earned wages at the termination of the employment relationship, 7.) failure to pay waiting time penalties, 8.) failure to timely produce requested time records and other employee records.

61. Accordingly, Plaintiffs seek PAGA civil penalties, attorney's fees, and costs available pursuant to Labor Code section 2699 et al. and the Wage Orders for Defendants' violations.

PRAYER

WHEREFORE**,** Plaintiff demands a jury and prays for judgment against Defendants in an amount exceeding $25,000 as follows:

1. For compensatory damages in an amount to be proven at trial;
2. For punitive damages in an amount to be proven at trial;
3. For liquidated damages in an amount to be proven at trial;
4. For penalties in an amount to be proven at trial;
5. For civil penalties in an amount to be proven at trial;

6. For attorney's fees in an amount to be proven at trial;

7. For costs of suit in an amount to be proven at trial;

8. For interest;

9. For restitution;

10. For injunctive relief;

11. For declaratory relief; and

12. For such other and further and relief as the court may deem just and proper.

Respectfully submitted,

Date: 08/22/2024

Jason Whooper (SBN 279972)
W LAW
Counsel for Plaintiffs

EXHIBIT 1

June 21, 2024

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UPLOADED VIA DIR WEBSITE
Department of Industrial Relations
Accounting Unit
455 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
dir.ca.gov

Re: ***Jennifer Smith; Tashana Armstrong; Shalia Billiard; Monica Dickerson; Anjora Hansen; Emily Jensen; and Lindsey Uhl v. Coastal Payroll Services, Inc.; and Does 1-100, inclusive***
PAGA Claim Notice

To Whom It May Concern:

I, Jason Whooper, of the law firm W Law, represent Plaintiffs JENNIFER SMITH (hereinafter "SMITH"), TASHANA ARMSTRONG (hereinafter "ARMSTRONG"), SHALIA BILLIARD (hereinafter "BILLIARD"), MONICA DICKERSON (hereinafter "DICKERSON"), ANJORA HANSEN (hereinafter "HANSEN"), EMILY JENSEN (hereinafter "JENSEN"), and LINDSEY UHL (hereinafter "UHL"), for causes of action against Defendants COASTAL PAYROLL SERVICES, INC. (hereinafter "COASTAL"); and DOES 1-100, inclusive (hereinafter collectively referred to as "Defendants").

Pursuant to Labor Code section 2699.3, this letter constitutes written notice of Defendants' violations of the Labor Code and Wage Orders, and of our intent to recover civil penalties under the Labor Code Private Attorney General Act ("PAGA") of 2004.

GENERAL ALLEGATIONS

COASTAL is an entity engaged in the full-service payroll and human resources business. Defendants employed UHL in San Diego, California from in or around March 2018 through October 2023, as a nonexempt senior implementation specialist and implementation supervisor.

Defendants employed JENSEN in San Diego, California from in or around November 2021 through June 2023, as a nonexempt Benefits Specialist.

Defendants employed DICKERSON in San Diego, California from in or around October 2018 through August 2022, as a nonexempt Implementation Specialist.

Defendants employed BILLIARD in San Diego, California from in or around March 2017 through December 2021, as a nonexempt Human Capital Management Specialist.

Defendants employed SMITH in San Diego, California from in or around March 2016 through December 2021, as a nonexempt Time and Labor Specialist.

Defendants employed HANSEN in San Diego, California from in or around October 2018 through October 2021, as a nonexempt Implementation Specialist.

Defendants employed ARMSTRONG in San Diego, California from in or around September 2017 through September 2021, as a nonexempt Implementation Consultant.

Plaintiffs all generally worked at least 8 hours per workday and 40 hours per workweek. Depending on which employee and job, Plaintiffs' job duties required Plaintiffs to service Defendants' customers on scheduled and unscheduled support, meeting, and training phone calls for anywhere from more than 25 to 80 percent of their total work hours. Defendants also regularly transferred unscheduled customer calls to Plaintiffs and expected Plaintiffs to complete the calls with customers. Further, Plaintiffs' customer calls often lasted several hours and could last longer than 3 hours in some instances.

As a result of the working conditions, Defendants frequently failed to provide Plaintiffs compliant timely 30-minute off duty uninterrupted meal periods before Plaintiffs worked a period exceeding 5 hours. This includes short, late, and no meal periods in a workday. Further, Defendants willfully failed to timely pay Plaintiffs all earned wages twice per month by failing to pay Plaintiffs an additional hour of regular rate wages for each workday with a missed meal period, and as a result also failed to provide compliant wage statements showing Plaintiffs' earned missed meal period wages.

Also, pursuant to Defendants' employment agreements, handbooks, policies, and practices with Defendants' employees, Defendants must pay employees 2 weeks of wages to employees who provide Defendants 2 weeks of notice of their resignation. After Plaintiffs gave Defendants 2 weeks of notice of their resignation, Defendants made the resignations effective immediately and refused to pay the 2 weeks of wages Defendants owed to some of the Plaintiffs including, but not limited to, DICKERSON.

Defendants willfully failed to pay Plaintiffs all their earned wages from missed meal periods, resignation wages, etc. when Plaintiffs' employment ended. More than 30 days have passed since Plaintiffs' employment has ended, which entitles Plaintiffs to 30 days of additional wages as waiting time penalties that Defendants also have not paid to Plaintiffs.

Plaintiffs are informed and believe that Defendants learned no later than in or around June 2023 that it owed significant amounts of missed meal period wages to most of Defendants' employees going back many years. Plaintiffs are also informed and believe that Defendants then paid some small amount of the unpaid missed meal period wages to some current employees at the time, including JENSEN and UHL, without providing the employees time records, an audit trail, or compliant wage statements showing the number of meal period violations, rate of pay for the meal period wages, or pay periods covered.

Plaintiffs are informed and believe that Defendants also willfully concealed the unpaid missed meal period wages from all of Defendants' former employees when Defendants paid the missed meal period wages to current employees at the time. Plaintiffs, who were no longer employed by Defendants when Defendants implemented their scheme to conceal the unpaid wages, discovered Defendants' scheme in or around March 2024 and asked Defendants for their unpaid missed meal period wages. Defendants paid those Plaintiffs some amounts of the wages without the interest and waiting time penalties they were entitled to and issued those Plaintiffs noncompliant wage statements without the number of meal period violations, rate of pay for the meal period wages, or pay periods covered which injured Plaintiffs by preventing them from determining how much unpaid wages Defendants owed Plaintiffs compared to what Defendants paid.

Plaintiffs thereafter made several requests that Defendants provide payroll, time, and personnel records including, but not limited to, a formal records request letter from counsel that included a 21-day payroll and time records request and a 30-day personnel records request on April 30, 2024. Plaintiffs' request included, "All timecards, time punches, time sheets, time records, audit trails, audit logs, and records that identify time records, modifications, and the users who made those entries including, but not limited to, for late, short and missed meal periods." Plaintiffs are informed and believe that more than a reasonable time has passed for Defendants to produce the time records and Defendants continue to intentionally fail to produce these time records.

Plaintiffs are informed and believe that Defendants engaged in Labor Code and Wage Orders violations against all of Defendants' PAGA aggrieved employees in California which were like the violations against Plaintiffs described above and additionally Defendants engaged in different violations of the Labor Code and Wage Orders that Plaintiffs did not suffer.

In sum, Plaintiffs are informed and believe Defendants engaged in unlawful conduct and practices against Plaintiffs and other PAGA aggrieved employees in California whom Defendants employed during the statute of limitations period in violation of the Wage Orders and Labor Code including, but not limited to, by: 1.) failure to timely pay earned wages timely twice per month, 2.) failure to provide meal periods, 3.) failure to pay wage premiums for missed meal periods, 4.) failure to provide compliant wage statements and keep records, 5,) failure to pay employees an agreed upon 2-weeks of wages in exchange for 2-weeks of notice of resignation, 6.) failure to pay all earned wages at the termination of the employment relationship, 7.) failure to pay waiting time penalties, 8.) failure to timely produce requested time records and other employee records.

Plaintiffs are informed and believe that Defendants' violations were all knowing and willful in disregard of the Labor Code and Wage Orders. Accordingly, Plaintiffs are entitled to recovery of civil penalties pursuant to various regulations and statutes including, but not limited to, the Wage Orders and Wage Order 4-2001 sections 4, 7, 11, and 20 et al.; and pursuant to Labor Code sections including, but not limited to, sections 203, 204, 210, 226, 226.3, 226.7, 256, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197.1, 1198.5, et al.

REQUEST TO THE LWDA

Accordingly, Plaintiffs respectfully request that the Labor & Workforce Development Agency ("LWDA") initiate an enforcement action with respect to the violations described or authorize Plaintiffs to do so on behalf of the State of California. If the LWDA declines to pursue enforcement, Plaintiffs intend to litigate the PAGA claims with a Superior Court action for individual claims and in a representative claims on behalf of California for all PAGA aggrieved employees' representative claims within the statute of limitations period, for civil penalties pursuant to various regulations and statutes including, but not limited to, the Wage Orders and Wage Order 4-2001 sections 4, 7, 11, and 20 et al.; and pursuant to Labor Code sections including, but not limited to, sections 203, 204, 210, 226, 226.3, 226.7, 256, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197.1, 1198.5, et al.

If you have any questions or concerns regarding the above, please do not hesitate to contact my office. Thank you for your attention to this matter.

Sincerely,

Jason Whooper

cc:

SENT VIA CERTIFIED U.S. MAIL

Coastal Payroll Services, Inc.
C/o Clint Engleson
Snell & Wilmer
12230 El Camino Real, Suite 300
San Diego, CA 92130