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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN FRANCISCO

RUDOLPH FERGUSON, on behalf of himself
and all others similarly situated,

Plaintiff,

v.

CITY BAKING COMPANY, a California
Corporation; and DOES 1-50, inclusive.

Defendants.

CASE NO.: CGC-24-615568

**FIRST AMENDED CLASS AND PAGA
ACTION COMPLAINT:**

- (1) FAILURE TO PAY ALL MINIMUM
WAGES;
- (2) FAILURE TO PAY ALL OVERTIME
WAGES;
- (3) MEAL PERIOD VIOLATIONS;
- (4) REST PERIOD VIOLATIONS;
- (5) FAILURE TO PAY ALL SICK TIME;
- (6) WAGE STATEMENT VIOLATIONS;
- (7) WAITING TIME PENALTIES;
- (8) FAILURE TO REIMBURSE
NECESSARY BUSINESS EXPENSES; &
- (9) UNFAIR COMPETITION
- (10) PENALTIES UNDER THE PRIVATE
ATTORNEYS GENERAL ACT
("PAGA")

DEMAND FOR JURY TRIAL

ELECTRONICALLY

FILED

Superior Court of California,
County of San Francisco

08/22/2024

Clerk of the Court

BY: WILLIAM TRUPEK

Deputy Clerk

1 Plaintiff Rudolph Ferguson (“Plaintiff”), on behalf of himself and all other similarly situated
2 non-exempt employees, alleges and complains of Defendant City Baking Company (“Defendant”)
3 and DOES 1 to 50 (collectively, “Defendants”) and each of them, as follows:

4 **INTRODUCTION**

5 1. Defendant produces and distributes baked goods such as rolls, muffins, cookies, bars,
6 scones, croissants, and pastries across the Northern California region.

7 2. Plaintiff brings this class action lawsuit against Defendant for alleged violations of the
8 California Labor Code and Business and Professions Code.

9 3. As set forth below, Plaintiff alleges that Defendant failed to pay for all hours worked
10 due to its failure to record and pay for all time worked off-the-clock. Plaintiff further alleges that
11 Defendant failed to pay all overtime and sick pay compensation at the proper legal rates by failing to
12 properly calculate the “regular rate of pay.” Moreover, Plaintiff alleges that Defendant’s meal and
13 rest period policies and practices failed to allow and permit non-exempt employees to take all
14 compliant and timely meal and rest periods or pay premium wages at the “regular rate of pay” in lieu
15 thereof. Plaintiff further alleges that Defendant failed to provide non-exempt employees with accurate
16 written itemized wage statements in violation of Labor Code § 226(a), failed to reimburse all
17 necessary business expenses incurred, and failed to timely pay all final wages upon separation of
18 employment in violation of Labor Code §§ 201-203. Plaintiff also bring a claim for civil penalties
19 based on the foregoing Labor Code violations under the Private Attorney General Act (“PAGA”).

20 4. Based on these alleged Labor Code violations, Plaintiff now brings this class action
21 and representative action to recover unpaid wages, restitution, penalties, and other related relief for
22 himself and all other similarly situated non-exempt employees.

23 **JURISDICTION AND VENUE**

24 5. Plaintiff, on behalf of himself and all other similarly situated employees hereby bring
25 this class action for recovery of unpaid wages and penalties under California Labor Code §§ 201-
26 204, 210, 226(a), 226(a)(6), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1194, 1197.1, 1199,
27 2802-2804, and applicable Industrial Welfare Commission Wage Orders (“Wage Orders”), in
28 addition to seeking declaratory relief and restitution pursuant to California Business and Professions

1 Code § 17200, *et seq.*

2 6. This class action is brought pursuant to California Code of Civil Procedure § 382.

3 7. This Court has jurisdiction over Defendant's violations of the California Labor Code
4 and applicable Wage Orders because the amount in controversy exceeds this Court's jurisdictional
5 minimum.

6 8. Venue is proper in this judicial district pursuant to California Code of Civil Procedure
7 §§ 395(a) and 395.5, Defendant operates in California within the County of San Francisco, and
8 Defendant is within the jurisdiction of this Court for purposes of service of process.

9 **PARTIES**

10 9. At all relevant times herein, Plaintiff, who is over 18, was and currently is a California
11 resident residing in the State of California.

12 10. Plaintiff is informed, believes, and alleges that Defendants are authorized to do
13 business within the County of San Francisco and is and/or was the legal employer of Plaintiff and the
14 Class Members during the applicable statutory periods. Plaintiff was, and is, a victim of Defendants'
15 policies and/or practices complained of herein and has been deprived of the rights guaranteed to him
16 by California Labor Code §§ 201-204, 210, 226, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512,
17 516, 1194, 1197.1, 1199, 2802-2804, and the California Business and Professions Code § 17200 *et*
18 *seq.*, and applicable Wage Orders.

19 11. Plaintiff is informed and believes, and based thereon alleges, that during the four years
20 preceding the filing of the Complaint and continuing to the present, Defendants did (and continue to
21 do) business in the State of California, County of San Francisco.

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

1 alleged herein.

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

10 14. At all times mentioned herein, Defendants, and each of them, were members of and
11 engaged in a joint venture, partnership, and common enterprise and acting within the course and
12 scope of and in pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiff
13 alleges that all Defendants were joint employers for all purposes of Plaintiff and all members of the
14 Classes.

15 **COMMON FACTUAL ALLEGATIONS**

16 15. Defendant produces and distributes baked goods such as rolls, muffins, cookies, bars,
17 scones, croissants, and pastries in the Northern California region.

18 16. Plaintiff is employed by Defendant as a non-exempt employee with the title of
19 “Delivery Driver” out of the San Francisco, California, location, beginning on September 9, 2021,
20 until his separation from employment on October 10, 2023. Plaintiff and other non-exempt employees
21 (including, but not limited to Baker, Sanitation Worker, Delivery Driver, Millwright, and all other
22 non-exempt positions) were responsible for all aspects of Defendant’s business in California.
23 However, in these roles, Plaintiff and non-exempt employees were often not afforded all protections
24 and rights conferred under the California Labor Code and applicable wage orders.

25 17. At all relevant times, Plaintiff and other non-exempt employees regularly worked
26 various shifts, many of which were more than 8.0 hours in a workday and 40.0 hours in a workweek.
27 Plaintiff alleges that other non-exempt employees were also subjected to the same policies,
28 procedures, practices, working conditions, and corresponding wage and hour violations to which he

1 was subjected during his employment.

2 18. First, at all relevant times, Defendant has consistently failed to accurately record and
3 pay for all time worked, including the time non-exempt employees were under the employer's control.
4 This included a policy and practice of failing to properly record non-exempt employees' time worked,
5 including all time spent working off-the-clock. Additionally, Defendant had a practice of auto
6 deducting 30 minutes for meal periods from non-exempt employees' time entries regardless of
7 whether a full 30-minute uninterrupted meal was provided or taken. As a result of this company-wide
8 policy/practice, Plaintiff and other non-exempt employees are not compensated for all the hours that
9 they work and all of the overtime hours they work, in violation of Labor Code §§ 204, 210, 510,
10 1194, 1197.1, 1199, and applicable Wage Orders.

11 19. As a result, over a period of time, Plaintiff and other non-exempt employees were not
12 properly paid for all hours worked in violation of Cal. Labor Code §§ 204, 210, 1194, 1197.1, 1199,
13 and applicable Wage Orders. Additionally, due to the unlawful timekeeping policy/practices, Plaintiff
14 and other non-exempt employees were not properly paid at the correct overtime rate for hours worked
15 in excess of eight hours per shift in violation of Labor Code § 510.

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

23 21. Labor Code § 510 requires an employer to compensate an employee who works more
24 than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours
25 worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular rate of
26 pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than
27 twice the regular rate of pay when an employee works more than twelve (12) hours in a workday or
28 more than eight (8) hours on the seventh consecutive day of work. Pursuant to Section 3 of the

1 applicable Wage Orders, non-exempt employees shall not be employed more than eight (8) hours in
2 any workday or more than 40 hours in any workweek unless the employee receives one and one-half
3 (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek.

4 22. Furthermore, at all relevant times, Plaintiff and other non-exempt employees worked
5 regular shifts that lasted longer than 8.0 hours in a workday and resulted in non-exempt employees
6 regularly working more than 40 hours in a workweek. However, Defendant failed to properly
7 calculate and pay overtime wages at the proper legal rate due to Defendant's uniform failure to
8 include all forms of compensation/remuneration, including, but not limited to, commissions,
9 incentives, shift pay, non-discretionary bonuses, and all other forms of remuneration in calculating
10 the "regular rate of pay" for purposes of overtime compensation.

11 23. Under the California Labor Code (as well as the FLSA), courts have consistently held
12 that regularly paid non-discretionary bonuses (and other forms of pay) must be included in
13 determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v.*
14 *The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency
15 bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F.
16 Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgment to Plaintiff under California
17 and federal law on the grounds, that Defendant improperly calculated overtime by excluding annual
18 bonuses paid to employees from the "regular rate of compensation"]; see *Walling v. Youngerman-*
19 *Reynolds Hardwood Co.* (1945) 65 S.Ct. 1242, 1245. ("The regular rate by its very nature must reflect
20 all payments which the parties have agreed shall be received regularly during the workweek,
21 exclusive of overtime payments. It is not an arbitrary label chosen by the parties but an actual fact.
22 Once the parties have decided upon the amount of wages and the mode of payment, the determination
23 of the regular rate becomes a matter of mathematical computation, the result of which is unaffected
24 by any designation of a contrary 'regular rate' in the contracts."); see also 29 CFR §§ 778.110
25 ("production bonus") and 778.111 ("piece-rate").

26 24. By their policy of requiring Plaintiff and the other non-exempt employees to work in
27 excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating
28 them at the lawful rate of one-half (1 1/2) their "regular rate of pay," Defendant willfully violated the

1 provisions of Labor Code § 510 and the applicable Wage Orders.

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

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

18 27. Here, at all relevant times, Defendant failed in its obligation to provide Plaintiff and
19 other non-exempt employees the legally required paid sick days at the appropriate “regular rate of
20 pay,” including all forms of compensation, pursuant to Labor Code §§ 246(a), (b). As such, Defendant
21 paid sick time below his base rate of pay rather than the “regular rate of pay” as required by Labor
22 Code §§ 246(l) (1-2).

23 28. Moreover, at all relevant times, Plaintiff and other non-exempt employees were denied
24 compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to
25 Defendant’s uniform meal period policies/practices, operational requirements, and work demands,
26 Plaintiff and other non-exempt employees often could not take timely and uninterrupted net 30-
27 minute first meal periods before the end of the fifth hour of work. Further, when Plaintiff and other
28 non-exempt employees worked more than 10.0 hours in a shift, they were not allowed and permitted

1 to take a mandated second meal period before the end of the tenth hour of work in violation of the
2 Labor Code and applicable Wage Orders.

3 29. Making matters worse, at all relevant times, Defendant automatically deducted 30
4 minutes from non-exempt employees' time entries for meal periods whether or not the meal periods
5 were taken were actually 30 net minutes in length. Defendant's policy/practice automatically
6 deducted 30 minutes for meal periods, regardless of whether a 30-minute meal period was actually
7 taken. Indeed, Plaintiff's and other non-exempt employees' meal periods were often interrupted
8 and/or lasted fewer than 30 minutes due to Defendant's meal period policies/procedures, operational
9 requirements, and work demands.

10 30. In addition, for each missed or non-compliant meal period, Defendant failed and
11 continues to fail to maintain a mechanism by which non-exempt employees were paid meal period
12 premiums at the "regular rate of pay" pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11
13 5th 858 and Labor Code § 226.7.

14 31. Accordingly, due to Defendant's uniform meal period practices, non-exempt
15 employees were also regularly denied legally compliant meal periods in violation of Labor Code §§
16 226.7, 510, 516, and applicable Wage Orders.

17 32. Next, at all relevant times, Plaintiff and other non-exempt employees were not
18 provided with all 10-minute rest periods for every four hours worked, or a major fraction thereof, due
19 to Defendant's uniform rest period policies/practices, operational requirements and work demands.
20 As a result, Plaintiff and other non-exempt employees were and are often unable to take a net 10-
21 minute duty-free rest period for every major fraction of four hours worked. This includes a second
22 rest period for shifts in excess of six hours and a third rest period for shifts in excess of 10.0 hours in
23 a workday.

24 33. By not relieving all non-exempt employees of all duties during rest periods, Defendant
25 failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016)
26 2 Cal. 5th 257, 269 [concluding that "during rest periods employers must relieve employees of all
27 duties and relinquish control over how employees spend their time."] (Emphasis added). In *Augustus*,
28 the California Supreme Court expressly rejected the employer's assertion that it could provide an on-

1 duty rest period to employees who worked as security guards and further explained: “that employers
2 [must] relinquish any control over how employees spend their break time and relieve their employees
3 of all duties.” *Id.* at 273. Each time non-exempt employees could not take a compliant rest period;
4 Defendant failed and continues to fail to adequately pay rest period premium payments at the “regular
5 rate of pay” as required by Labor Code § 226.7.

6 34. Accordingly, due to Defendant’s uniform rest period policies/practices, non-exempt
7 employees were regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7,
8 512, and applicable Wage Orders.

9 35. As a result of Defendant’s failure to pay Plaintiff and other non-exempt employees for
10 all hours they were subject to the control of Defendant, including all minimum, overtime and sick
11 pay wages, Defendant’s failure to adequately pay for all overtime and sick pay wages at the
12 appropriate legal rate, and Defendant’s failure to pay all meal and rest period premiums at the “regular
13 rate of pay,” Defendant issued wage statements which failed to identify the gross wages earned
14 accurately, the total hours worked, the net wages earned, and the correct corresponding number of
15 hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

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

21 37. Thus, for the violations of Labor Code section 226 described above, Plaintiff and other
22 non-exempt employees may also recover Labor Code § 226.3 penalties for Defendant’s violations of
23 Labor Code § 226(a). Consequently, because Defendant failed to comply with Labor Code § 226(a),
24 Plaintiff and other non-exempt employees would be entitled to recover penalties under Labor Code §
25 226(e).

26 38. Moreover, because Defendant failed to pay all minimum wages, overtime wages, sick
27 pay wages and meal and rest period premiums at the “regular rate of pay,” Defendant also failed and
28 continues to fail to pay Plaintiff and other non-exempt employees all wages owed at their time of

1 separation from employment in violation of Labor Code §§ 201-203. Thus, non-exempt employees
2 would be entitled to recover waiting time penalties under Labor Code §§ 201-203.

3 39. Finally, at all relevant times, Defendant required Plaintiff and other non-exempt
4 employees to incur necessary expenses for work-related purposes but did not reimburse non-exempt
5 employees adequately for these necessary expenditures in violation of Labor Code §§ 2802-2804.
6 Here, Defendant uniformly failed to reimburse non-exempt employees for the necessary costs
7 incurred in discharging their duties. Accordingly, due to Defendant's uniform failure to adequately
8 reimburse for necessary business expenditures in violation of Labor Code §§ 2802-2804 and
9 applicable Wage Orders.

10 **CLASS ACTION ALLEGATIONS**

11 40. Plaintiff brings this action on behalf of himself and the following Classes pursuant to
12 § 382 of the Code of Civil Procedure:

13 All current or former non-exempt hourly employees who work or worked
14 for Defendant in California during the four years immediately preceding the
filing of the Complaint through the date of trial. (the "Class");

15 All current or former non-exempt employees who worked for Defendant in
16 California and worked overtime hours during at least one shift during the
17 four years immediately preceding the filing of the Complaint through the
date of trial. ("the Overtime Subclass");

18 All current or former employees who work or worked for Defendant in
19 California during the one year immediately preceding the filing of the
20 Complaint through the date of trial. ("the Wage Statement Subclass")

21 All employees who work or worked for Defendant in California and who
22 left their employment during the three years immediately preceding the
filing of the Complaint through the date of trial. ("Waiting Time Penalty
Subclass")

23 (collectively "the Classes")

24 41. **Numerosity/Ascertainability:** The members of the Classes are so numerous that
25 joinder of all members would be unfeasible and not practicable. The membership of the Classes is
26 unknown to Plaintiff at this time; however, it is estimated that the Classes consist of at least one
27 hundred (100) individuals. The identity of such membership is readily ascertainable via inspection of
28 Defendant's employment and payroll records.

1 42. **Common Questions of Law and Fact Predominate/Well-Defined Community of**

2 **Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated
3 non-exempt employees, which predominate over questions affecting only individual members
4 including, without limitation to:

- 5 1. Whether Defendant failed to record and pay for all hours worked by Class Members;
- 6 2. Whether Defendant failed to properly calculate the “regular rate of pay” for purposes of
7 paying overtime and sick pay wages to the members of the Class;
- 8 3. Whether Defendant provided legally compliant meal and rest periods or proper
9 compensation at the “regular rate of pay” in lieu thereof to members of the Class;
- 10 4. Whether Defendant furnished legally compliant wage statements to members of the
11 Wage Statement Subclass pursuant to Labor Code § 226(a);
- 12 5. Whether the timing and amount of payment of final wages to members of the Waiting
13 Time Penalty Subclass at the time of separation from employment were unlawful; and
- 14 6. Whether Defendant failed to reimburse Class Members for all necessary business
15 expenses in violation of Labor Code §§ 2802-2804.

16 43. **Predominance of Common Questions:** Common questions of law and fact
17 predominate over questions that affect only individual members of the Classes. The common
18 questions of law set forth above are numerous and substantial and stem from Defendant’s policies
19 and/or practices applicable to each individual class member, such as without limitation, Defendant’s
20 failure to pay for all hours worked, Defendant’s failure to properly pay overtime and sick pay wages,
21 Defendant’s failure to provide all compliant meal and rest periods or premiums at the “regular rate of
22 pay” in lieu thereof, Defendant’s failure to provide accurate itemized wage statements, Defendant’s
23 failure to reimburse for all necessary business expenses, and Defendant’s failure to pay for all wages
24 due upon separation of employment. As such, the common questions predominate over individual
25 questions concerning each class member’s showing as to his or her eligibility for recovery or the
26 amount of his or her damages.

27 44. **Typicality:** The claims of Plaintiff are typical of the claims of the Classes because
28 Plaintiff was employed by Defendant as a non-exempt employee in California during the statute(s)

1 of limitation applicable to each cause of action pled in the Complaint in this action. As alleged herein,
2 Plaintiff, like the members of the Classes, was deprived of minimum. overtime and sick pay wages,
3 was deprived of meal and rest period premium wages, was subject to Defendant's uniform meal and
4 rest period policies/practices, was not provided accurate itemized wage statements, was not
5 reimbursed for all necessary business expenses, and was not timely paid all wages owed upon
6 separation of employment.

7 45. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
8 represent fairly and adequately the interests of the members of the Classes. Moreover, Plaintiff's
9 attorneys are ready, willing, and able to fully and adequately represent the members of the Classes.
10 Plaintiff's attorneys have prosecuted and are actively litigating several wage-and-hour class actions
11 in state and federal courts and are committed to vigorously prosecuting this action on behalf of the
12 members of the Classes.

13 46. **Superiority:** The California Labor Code is broadly remedial in nature and serves an
14 important public interest in establishing minimum working conditions and standards in California.
15 These laws and labor standards protect the average working employee from exploitation by
16 employers who have the responsibility to follow the laws and who may seek to take advantage of
17 superior economic and bargaining power in setting onerous terms and conditions of employment. The
18 nature of this action and the format of laws available to Plaintiff and members of the Classes make
19 the class action format a particularly efficient and appropriate procedure to redress the violations
20 alleged herein. If each employee were required to file an individual lawsuit, Defendant would
21 necessarily gain an unconscionable advantage since they could exploit and overwhelm the limited
22 resources of each individual plaintiff with their vastly superior financial and legal resources.

23 47. Moreover, requiring each member of the Classes to pursue an individual remedy would
24 also discourage the assertion of lawful claims by employees who would be disinclined to file an action
25 against their former and/or current employer for real and justifiable fear of retaliation and permanent
26 damages to their careers at subsequent employment. Further, the prosecution of separate actions by
27 the individual class members, even if possible, would create a substantial risk of inconsistent or
28 varying verdicts or adjudications with respect to the individual class members against Defendant

1 herein and which would establish potentially incompatible standards of conduct for Defendant; and/or
2 legal determinations with respect to individual class members which would, as a practical matter, be
3 dispositive of the interest of the other class members not parties to adjudications or which would
4 substantially impair or impede the ability of the class members to protect their interests. Further, the
5 claims of the individual members of the class are not sufficiently large to warrant vigorous individual
6 prosecution considering all of the concomitant costs and expenses attending thereto. As such, the
7 Classes identified in Paragraph 40 are maintainable as Classes under § 382 of the Code of Civil
8 Procedure.

9
10 **FIRST CAUSE OF ACTION**
11 **MINIMUM WAGE VIOLATIONS**
(AGAINST ALL DEFENDANTS)

12 48. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

13 49. Section 4 of the applicable Wage Order(s) and Labor Code §§ 1197 and 1182.12
14 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by
15 state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the
16 legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together
17 with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid
18 wages and interest accrued thereon.

19 50. At all relevant times herein, Defendant failed to record all time accurately worked,
20 including failing to record time worked properly and all time spent working off-the-clock and practice
21 of automatically deducting 30 minutes for meal periods from non-except employees' time entries,
22 which resulted in these individuals not being paid for all hours they actually suffered or permitted to
23 work. Accordingly, Plaintiff and members of the Classes were not compensated for all hours worked,
24 including all hours they were subject to the control of Defendant and/or suffered or permitted to work
25 under the Labor Code and applicable Wage Orders.

26 51. Labor Code § 1198 makes an employee's employment unlawful under conditions the
27 Industrial Welfare Commission prohibits. Labor Code §§ 1194(a) and 1194.2(a) provide that an
28 employer who has failed to pay its employees the legal minimum wage is liable to pay those

1 employees the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal
2 to the wages due and interest thereon.

3 52. As a direct and proximate result of Defendant's unlawful conduct as alleged herein,
4 Plaintiff and the Classes have sustained economic damages, including but not limited to unpaid wages
5 and lost interest, in an amount to be established at trial, and they are entitled to recover economic and
6 statutory damages and penalties and other appropriate relief as a result of Defendant's violations of
7 the Labor Code and applicable Wage Orders.

8 53. Defendant's practice and uniform administration of corporate policy regarding illegal
9 employee compensation is unlawful and creates an entitlement to recovery by Plaintiff and members
10 of the Classes in a civil action for the unpaid amount of minimum wages, liquidated damages,
11 including interest thereon, statutory penalties, attorney's fees, and costs of suit according to Labor
12 Code §§ 204, 558, 1194 *et seq.*, 1197, 1198, and Code of Civil Procedure § 1021.5.

13 **SECOND CAUSE OF ACTION**

14 **FAILURE TO PAY ALL OVERTIME WAGES**

15 **(AGAINST ALL DEFENDANTS)**

16 54. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

17 55. This cause of action is brought pursuant to Labor Code §§ 204, 210, 510, 558, 1194,
18 and 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime
19 hours worked and provide a private right of action for the failure to pay all overtime compensation
20 for overtime work performed off-the-clock.

21 56. At all times relevant herein, Defendant was required to properly pay Plaintiff and
22 members of the Overtime Subclass for all overtime hours worked pursuant to California Labor Code
23 § 1194 and the applicable Wage Orders.

24 57. Section 3 of the applicable Wage Order requires an employer to pay an employee "one
25 and one-half (1 1/2) times the employee's regular rate of pay" for work in excess of 8 hours per
26 workday and/or in excess of 40 hours of work in the workweek. The same section also requires an
27 employer to pay an employee double the employee's regular rate of pay for work in excess of twelve
28 hours each workday and/or for work in excess of 8 hours on the seventh consecutive day of work in

1 the workweek. Defendant caused Plaintiff to work overtime and hours but did not compensate
2 Plaintiff or members of the Overtime Subclass at one and one-half times their “regular rate of pay”
3 for such hours.

4 58. Defendant failed to conform their pay practices to the requirements of the law. At all
5 relevant times herein, Defendant failed to conform their pay practices to the requirements of the law.
6 This unlawful conduct includes, but is not limited to, Defendant’s failure to pay for all hours properly
7 worked off-the-clock as alleged herein above, Defendant’s practice of automatically deducting 30
8 minutes for meal periods from non-except employees’ time entries, and Defendant’s failure to include
9 all forms of compensation, including, but not limited to, non-discretionary bonuses, shift pay, and
10 other incentive pay in calculating the “regular rate of pay,” which resulted in these individuals not
11 being paid for all overtime hours worked.

12 59. The foregoing policies and practices are unlawful and create an entitlement to recovery
13 by Plaintiff and the members of the Overtime Subclass in a civil action for the unpaid amount of
14 overtime wages, including interest thereon, statutory penalties, attorney’s fees, and costs of suit
15 according to Labor Code §§ 204, 210, 510, 1194, and 1198, the applicable Wage Orders, and Code
16 of Civil Procedure § 1021.5.

17 **THIRD CAUSE OF ACTION**

18 **MEAL PERIOD VIOLATIONS**

19 **(AGAINST ALL DEFENDANTS)**

20 60. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

21 61. Plaintiff is informed and believes, and based thereon alleges, that Defendant failed in
22 their affirmative obligation to provide all of their hourly non-exempt employees, including Plaintiff
23 and members of the Class, with all required meal periods in accordance with the mandates of the
24 California Labor Code and applicable Wage Orders, for the reasons set forth in the Common
25 Allegations section of this Complaint. This includes a policy and practice of auto-deducting meal
26 periods from non-except employees’ time entries.

27 62. Despite Defendant’s violations, Defendant has not paid an additional hour of pay at
28 the “regular rate of pay” to Plaintiff and Class members at their respective regular rates of pay for

1 each violation, per California Labor Code § 226.7.

2 63. As a result, Defendant is responsible for paying premium compensation for meal
3 period violations, including interest thereon, statutory penalties, and costs of suit pursuant to the
4 applicable Wage Orders, Labor Code §§ 226.7, 512, and Civil Code §§ 3287(b) and 3289.

5 **FOURTH CAUSE OF ACTION**

6 **REST PERIOD VIOLATIONS**

7 **(AGAINST ALL DEFENDANTS)**

8 64. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

9 65. Section 12 of the applicable Wage Orders and Labor Code §§ 226.7 and 516 establish
10 the right of non-exempt employees to be provided with a rest period of at least ten (10) minutes for
11 each four (4) hour period worked, or major fraction thereof.

12 66. Due to their unlawful rest period policy/practices and operational requirements/work
13 demands, Defendant did not authorize and permit Plaintiff and Class members to take all rest periods
14 to which they were legally entitled.

15 67. Despite Defendant's violations, Defendant has not paid an additional hour of pay at
16 the "regular rate of pay" to Plaintiff and Class members at their respective regular rates of pay for
17 each violation, per California Labor Code § 226.7.

18 68. The foregoing violations create an entitlement to recovery by Plaintiff and members
19 of the Class in a civil action for the unpaid amount of rest period premiums owing, including interest
20 thereon, statutory penalties, and costs of suit pursuant to the applicable Wage Orders, Labor Code §§
21 226.7 and 516, and Civil Code §§ 3287(b) and 3289.

22 **FIFTH CAUSE OF ACTION**

23 **FAILURE TO PAY ALL SICK TIME**

24 **(AGAINST ALL DEFENDANTS)**

25 69. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

26 70. This cause of action is brought pursuant to Labor Code §§ 246, 558, 1194.2, 1197.1,
27 1198, and 1199 which provide that "[a]n employee who, on or after July 1, 2015, works in California
28 for the same employer for 30 or more days within a year from the commencement of employment is

1 entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning
2 at the commencement of employment.”

3 71. At all times relevant herein, Defendant was required to properly pay Plaintiff and Class
4 members for all sick time pursuant to California Labor Code § 246 and the applicable Wage Orders.

5 72. Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must
6 be “calculated in the same manner as the regular rate of pay for the workweek in which the employee
7 uses paid sick time, whether or not the employee actually works overtime in that workweek.”
8 Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing
9 the employee’s total wages, not including overtime premium pay, by the employee’s total hours
10 worked in the full pay periods of the prior 90 days of employment.” Finally, Labor Code §246(i)
11 requires employers to “provide an employee with written notice that sets forth the amount of paid
12 sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either
13 the employee’s itemized wage statement described in Section 226 or in a separate writing provided
14 on the designated pay date with the employee’s payment of wages.”

15 73. Defendant failed in their obligation to provide Plaintiff and the Class the legally
16 required paid sick days at the legal rate pursuant to Labor Code §§ 246(a),(b). Plaintiff and the Class
17 members were not paid at the correct “regular rate of pay.”

18 74. The foregoing policies and practices are unlawful and create an entitlement to recovery
19 by Plaintiff and the members of the Class in a civil action for the unpaid amount of wages, including
20 interest thereon, statutory penalties, attorney’s fees, and costs of suit according to Labor Code §§ 246
21 1192, 1194 *et seq.*, 1197, 1198, the applicable Wage Orders, and Code of Civil Procedure § 1021.5.

22 **SIXTH CAUSE OF ACTION**

23 **FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS**

24 **(AGAINST ALL DEFENDANTS)**

25 75. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

26 76. Labor Code 226(a) states in pertinent part the following:

27 “(a) An employer, semimonthly or at the time of each payment of wages,
28 shall furnish to his or her employee, either as a detachable part of the check,

1 draft, or voucher paying the employee's wages, or separately if wages are
2 paid by personal check or cash, an accurate itemized statement in writing
3 showing (1) gross wages earned, (2) total hours worked by the employee,
4 (3) the number of piece-rate units earned and any applicable piece rate if the
5 employee is paid on a piece-rate basis, (4) all deductions, provided that all
6 deductions made on written orders of the employee may be aggregated and
7 shown as one item, (5) net wages earned, (6) the inclusive dates of the
8 period for which the employee is paid, (7) the name of the employee and
9 only the last four digits of his or her 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 (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."

10 77. As set forth above, during the Class Period, Defendant issued and continues to issue
11 wage statements to its employees, including Plaintiff and members of the Wage Statement Subclass,
12 which are inadequate under Labor Code Section § 226(a).

13 78. As a result of Defendant's failure to pay Plaintiff and the Wage Statement Subclass
14 for all minimum, overtime, sick pay wages and missed meal and rest period premiums at the
15 appropriate legal rate, Defendant failed to include required information on Plaintiff and the Wage
16 Statement Subclass' wage statements, including, but not limited to, the gross wages earned, the net
17 wages earned in violation of Labor Code section 226(a), (1,2,5,6 and 9).

18 79. Defendant' failure to comply with section 226(a) of the Labor Code was knowing
19 and intentional.

20 80. As a result of Defendant's issuance of inaccurate itemized wage statements to Plaintiff
21 and members of the Wage Statement Subclass in violation of section 226(a) of the California Labor
22 Code, Plaintiff and members of the Wage Statement Subclass are each entitled to recover an initial
23 penalty of \$50, and subsequent penalties of \$100, up to an amount not exceeding an aggregate penalty
24 of \$4,000 per Plaintiff and per every member of the Wage Statement Subclass from Defendant's
25 pursuant to section 226(e) of the Labor Code, costs and reasonable attorneys' fees.

26 **SEVENTH CAUSE OF ACTION**

27 **WAITING TIME PENALTIES**

28 **(AGAINST ALL DEFENDANTS)**

81. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

82. The actionable period for this cause of action is three years before the filing of this Complaint through the present and ongoing until the violation is corrected, or the class is certified.

83. Labor Code §§ 201 and 202 require Defendant to pay all compensation due and owing to Plaintiff and the Waiting Time Subclass during the actionable period for this cause of action at or around the time their employment is or was terminated or ended.

84. Labor Code § 203 provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation, as required by Labor Code sections 201 and 202, the employer is liable for penalties for continued compensation up to thirty (30) workdays.

85. Defendant willfully failed to pay the Waiting Time Subclass for all hours worked, including all minimum and overtime wages, and their meal and rest period premiums at the “regular rate of pay” before or upon termination or separation from employment with Defendant as required by Labor Code §§ 201 and 202.

86. As a result, Defendant is liable to the Waiting Time Subclass for waiting time penalties amounting to thirty (30) days wages for Plaintiff and the Waiting Time Subclass pursuant to Labor Code § 203. *See, e.g.,* DLSE Manual, 4.3.4 (Failure to pay any wages due upon termination entitles an employee to recover waiting time penalties).

EIGHT CAUSE OF ACTION

FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENDITURES

(AGAINST ALL DEFENDANTS)

87. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

88. Labor Code 2802(a) states in pertinent part the following: “(a) An employer shall indemnify his or her 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, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.”

89. As set forth above, Plaintiff and Class members must be compensated for all necessary business expenditures, including, but not limited to, a reasonable portion of their monthly personal

1 cell phone bills incurred in the discharge of their duties. (See *Cochran v. Schwan's Home Service,*
2 *Inc.* (2014) 228 Cal.App.4th 1137 (“We hold that when employees must use their personal cell phones
3 for work-related calls, Labor Code section 2802 requires the employer to reimburse them. Whether
4 the employees have cell phone plans with unlimited minutes or limited minutes, the reimbursement
5 owed is a reasonable percentage of their cell phone bills.”)).

6 90. At all relevant times, Defendant has failed to comply with Labor Code Section 2802
7 and the applicable Wage Orders by failing to reimburse Plaintiff and the Class for all necessary
8 business expenditures.

9 **NINTH CAUSE OF ACTION**

10 **UNFAIR COMPETITION**

11 **(AGAINST ALL DEFENDANTS)**

12 91. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

13 92. Defendant has engaged and continues to engage in unfair and/or unlawful business
14 practices in California in violation of California Business and Professions Code § 17200 *et seq.*, by
15 failing to pay for all hours worked, by failing to pay all overtime and sick pay wages at the proper
16 legal rate, by failing to provide all legally required meal and rest periods or pay premium payments
17 at the “regular rate of pay” in lieu thereof, by failing to provide accurate wage statements, by failing
18 to reimburse for all necessary business expenses adequately, and by failing to pay all earned wages
19 at the time of separation from employment.

20 93. Defendant’s utilization of these unfair and/or unlawful business practices deprived
21 Plaintiff and continues to deprive members of the Classes of compensation to which they are legally
22 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage over
23 Defendant’s competitors who have been and/or are currently employing workers and attempting to
24 do so in honest compliance with applicable wage and hour laws.

25 94. Because Plaintiff is a victim of Defendant’s unfair and/or unlawful conduct alleged
26 herein, Plaintiff, for himself and on behalf of the members of the Classes, seeks full restitution of
27 monies, as necessary and according to proof, to restore any and all monies withheld, acquired and/or
28 converted by Defendant pursuant to Business and Professions Code §§ 17203 and 17208.

1 95. The acts complained of herein occurred within the last four years immediately
2 preceding the filing of the Complaint in this action.

3 96. Plaintiff was compelled to retain the services of counsel to file this court action to
4 protect his interests and those of the Classes, to obtain restitution and injunctive relief on behalf of
5 Defendant's current hourly non-exempt employees, and to enforce important rights affecting the
6 public interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs, which
7 he is entitled to recover under Code of Civil Procedure § 1021.5.

8 **TENTH CAUSE OF ACTION**

9 **PRIVATE ATTORNEYS GENERAL ACT**

10 **(AGAINST ALL DEFENDANTS)**

11 97. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

12 98. Defendant has committed several Labor Code violations against Plaintiff and other
13 similarly aggrieved employees. Plaintiff, an "aggrieved employee" within the meaning of Labor Code
14 § 2698 *et seq.*, acting on behalf of himself and other similarly aggrieved employees, brings this PAGA
15 representative action against Defendant to recover the civil penalties due to Plaintiff, other similarly
16 aggrieved employees, and the State of California according to proof pursuant to Labor Code § 2699
17 (a) and (f) including, but not limited to (1) \$100 for each initial violation and (2) \$200 for each
18 subsequent violation per employee per pay period for those violations of the Labor Code for which
19 no civil penalty is specifically provided based on the following Labor Code violations:

20 a) Failing to pay Plaintiff and similarly Aggrieve Employees for all minimum wages for
21 all hours worked or for which they were subject to the control of the employer;

22 b) Failing to pay Plaintiff and other similarly Aggrieved Employees all overtime and
23 sick pay wages at the appropriate premium rates in violation of Labor Code §§ 246, 510, 1194, 1197;

24 c) Failing to provide Plaintiff and other similarly Aggrieved Employees with all of their
25 statutorily-mandated meal periods in violation of Labor Code §§ 204, 510, 1194 and 1198;

26 d) Failing to authorize and permit Plaintiff and other similarly Aggrieved employees
27 with all of their statutorily-mandated rest periods in violation of Labor Code §§ 226.7 and 516;

28 e) Failing to furnish Plaintiff and other similarly situated employees with complete,

1 accurate, itemized wage statements in violations of Labor Code § 226(a) and applicable Wage Orders;

2 f) Failing to pay final wages in a timely manner in violation of Labor Code §§ 201-203
3 and applicable Wage Orders; and

4 g) Failing to reimburse Plaintiff and other aggrieved employees with all necessary
5 business expenditures in violation of Labor Code §§ 2802-2804 and applicable Wage Orders.

6 99. On or about June 18, 2024, Plaintiff notified Defendant City Baking Company
7 (“Defendant”) and the California Labor and Workforce Development Agency (“LWDA”) via email
8 of Defendant’s violations of the California Labor Code § 2698 *et seq.*, with respect to violations of
9 the California Labor Code identified in Paragraph 98 (a)-(g). Now that the sixty-five days have passed
10 from Plaintiff notifying Defendant of these violations, Plaintiff has exhausted his administrative
11 requirements for bringing a claim under the Private Attorneys General Act with respect to these
12 violations.

13 100. Plaintiff was compelled to retain the services of counsel to file this court action to
14 protect his interests and the interests of similarly aggrieved employees, and to assess and collect the
15 civil penalties owed by Defendant. Plaintiff has hereby incurred attorneys’ fees and costs, which he
16 is entitled to receive under California Labor Code § 2699.

17 **PRAYER FOR RELIEF**

18 **WHEREFORE**, Plaintiff prays for judgment for himself and all others on whose behalf this
19 suit is brought against Defendant, as follows:

- 20 1. For an order certifying the proposed Classes;
21 2. For an order appointing Plaintiff as representative of the Classes;
22 3. For an order appointing Counsel for Plaintiff as Counsel for the Classes;
23 4. Upon the First and Second Cause of Action for compensatory, consequential,
24 general, and special damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1194,
25 1197, 1197.1, and 1198 and reasonable attorneys’ fees and costs;
26 5. Upon the Third Cause of Action, for compensatory, consequential, general, and
27 special damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1194, 1197, and 1198
28 and reasonable attorneys’ fees and costs;

1 6. Upon the Third Cause of Action, for compensatory, consequential, general, and
2 special damages according to proof pursuant to Labor Code §§ 226.7 and 512;

3 7. Upon the Fourth Cause of Action, for compensatory, consequential, general, and
4 special damages according to proof pursuant to Labor Code §§ 226.7 and 516;

5 8. Upon the Fifth Cause of Action, for compensatory, consequential, general, and
6 special damages according to proof pursuant to Labor Code §§ 246, 558, 1194.2, 1198, and 1199;

7 9. Upon the Sixth Cause of Action, penalties pursuant to Labor Code § 226(a), and
8 reasonable costs and attorneys' fees;

9 10. Upon the Seventh Cause of Action, for statutory waiting time penalties pursuant to
10 Labor Code §§ 201-203

11 11. Upon the Eighth Cause of Action, for unreimbursed expenses, interest, and
12 attorney's fees and costs pursuant to Labor Code § 2802;

13 12. Upon the Ninth Cause of Action, for restitution to Plaintiff and members of the
14 Classes of all money and/or property unlawfully acquired by Defendant by means of any acts or
15 practices declared by this Court to be in violation of Business and Professions Code § 17200 *et seq.*;

16 13. Upon the Tenth Cause of Action, for civil penalties due to Plaintiff, other similarly
17 Aggrieved Employees, and the State of California according to proof pursuant to Labor Code § 2699
18 (a) and (f) including, but not limited to: (1) \$100.00 for each initial violation and \$200 for each
19 subsequent violation per employee per pay period for those violations of the Labor Code for which
20 no civil penalty is specifically provided under the Labor Code, and for reasonable attorneys' fees and
21 costs.

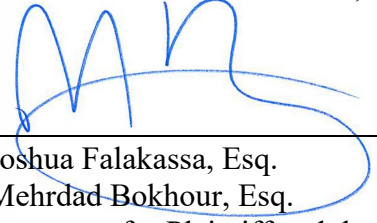
22 14. Prejudgment interest on all due and unpaid wages pursuant to California Labor Code
23 § 218.6 and Civil Code §§ 3287 and 3289;

24 15. On all causes of action, for attorneys' fees and costs as provided by Labor Code §§
25 218.5, 226, 1194, Code of Civil Procedure § 1021.5; and

26 16. For such other relief that the Court may deem just and proper.
27
28

1 Dated: August 22, 2024

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

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4 By: 

Joshua Falakassa, Esq.

Mehrdad Bokhour, Esq.

Attorneys for Plaintiff and the Putative Classes

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