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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

10/8/2024 2:15:37 PM

Clerk of the Superior Court
By M. Schwenke ,Deputy Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MICHAEL SAVALA, on behalf of others
similarly situated and the State of California
under the Private Attorneys General Act,

Plaintiffs,

vs.

LA MESA R.V. CENTER, INC.; VAN UP LLC;
LA MESA RECVAN; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 24CU015928C

**REPRESENTATIVE ACTION
COMPLAINT**

1. Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*)

1 Plaintiff MICHAEL SAVALA, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this REPRESENTATIVE
3 ACTION COMPLAINT against Defendants LA MESA R.V. CENTER, INC.; VAN UP LLC; LA
4 MESA RECVAN; and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

6 1. This is a representative action complaint brought under the California Private Attorneys
7 General Act (Labor Code sections 2968 *et seq.*).

8 2. Defendants underpaid overtime, paid sick leave, and premiums by failing to include
9 commissions, and all other forms of non-excludable remuneration into the regular rate of pay
10 calculations.

11 3. Defendants failed to pay all regular and overtime hours due to requiring off-the-clock
12 work.

13 4. Defendants failed to compensate Plaintiff and the aggrieved employees for all non-
14 productive (or non-sales) time.

15 5. Defendants failed to permit and authorize all meal and rest periods and otherwise pay
16 all owed meal and rest period premiums.

17 6. Defendants failed to reimburse Plaintiff and the aggrieved employees for necessary
18 expenses incurred in furtherance of the aggrieved employee’s job duties.

19 7. As set forth in the PAGA notice, Defendants failed to maintain lawful meal and rest
20 periods and regular policies. Defendants’ employment policies, practices, and payroll administration
21 systems enabled and facilitated these violations on a company-wide basis with respect to the aggrieved
22 employees.

23 **JURISDICTION & VENUE**

24 8. Jurisdiction of this action is proper in this Court under Article VI, Section 10 of the
25 California Constitution as the causes of action are premised upon violations of California law.

26 9. The monetary damages and restitution sought exceed the minimal jurisdiction limits of
27 the Superior Court.

10. This Court has jurisdiction over Defendants because, upon information and belief, Defendants have sufficient minimum contacts in California, or otherwise intentionally avail themselves to the California economy so as to render the exercise of jurisdiction over them by the California courts consistent with traditional notions of fair play and substantial justice.

PARTIES

12. Plaintiff Savala is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about January 2021 to April 2024. Plaintiff worked as a Sales Associate.

B. Defendants

1 by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,
2 each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some
3 manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their
4 true names and capacities once ascertained.

5 18. Upon information and belief, Defendants in this action are employers, co-employers,
6 joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised
7 control over the wages, hours, and working conditions of the employees, suffered and permitted them
8 to work, and otherwise engaged them as employees under California law.

9 19. Upon information and belief, at least some of the Defendants have common ownership,
10 common management, interrelationship of operations, and centralized control over labor relations and
11 are therefore part of an integrated enterprise and thus jointly and severally responsible for the acts and
12 omissions alleged herein, including pursuant to Labor Code sections 558, 558.1, and 1197.1.

13 20. Upon information and belief, Defendants acted in all respects pertinent to this action as
14 an alter-ego, agent, servant, joint employer, joint venturer, co-conspirator, partner, in an integrated
15 enterprise, or in some other capacity on behalf of all other co-defendants, such that the acts and
16 omissions of each defendant may be legally attributable to all others.

17 **GENERAL ALLEGATIONS**

18 21. Plaintiff and the aggrieved employees worked for Defendants as non-exempt
19 employees.

20 22. Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum
21 wage rate for all hours worked, resulting in unpaid minimum wages.

22 23. Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the
23 aggrieved employees to complete unpaid off-the-clock work.

24 24. For example, Plaintiff and the aggrieved employees were required to engage with
25 clients after hours including taking their calls and responding to their messages while they were off-
26 the-clock.

1 25. Plaintiff and the aggrieved employees regularly engaged with clients outside of their
2 working hours and while they were off-the-clock. Nevertheless, Defendants prohibited Plaintiff and
3 the aggrieved employees from logging this additional time on their timecards.

4 26. Defendants further failed to retroactively input these additional hours, resulting in
5 unpaid hours worked.

6 27. Defendants failed to pay Plaintiff and the aggrieved employees for all non-productive
7 (or non-sales) time, including rest periods.

8 28. Plaintiff and the aggrieved employees additionally regularly engaged in non-sales
9 responsibilities such as attending trainings, test driving recreational vehicles, customer service, and
10 more.

11 29. However, Plaintiff was not paid for the hours worked when completing these non-sales
12 duties in violation of the law set forth by *Vaquero*. *Vaquero v. Stoneledge Furniture, LLC* (2017) 9
13 Cal. App. 5th 98 (holding employers are required to separately compensate all employees not just
14 piece-rate employees for all hours worked, including rest periods and nonproductive time, to comply
15 with California minimum wage obligations).

16 30. This unlawful policy resulted in the underpayment of regular wages across all
17 aggrieved employees' tenure.

18 31. To the extent that this off-the-clock work resulted in Plaintiff and the aggrieved
19 employees working more than 8 hours per day or more than 40 hours per week, this resulted in unpaid
20 overtime wages.

21 32. Defendants additionally failed to pay all overtime at the "regular rate of pay."

22 33. Plaintiff and the aggrieved employees earned commissions and other forms of
23 additional non-excludable remuneration. As a matter of common policy and practice, Defendants
24 failed to include all forms of non-excludable remuneration in the "regular rate of pay" with respect to
25 overtime.

26 34. Defendants failed to provide Plaintiff and the aggrieved employees with all sick leave
27 accrued because Plaintiff and the aggrieved employees' off-the-clock work was not accounted for
28 when calculating paid sick leave.

1 35. Defendants also failed to pay sick leave at the lawful statutory rate inclusive of all
2 earnings.

3 36. For example, during the pay period from January 1, 2024 to January 15, 2024, Plaintiff
4 earned commission in the amount of \$1,250.00 in the same pay period he was paid sick leave.
5 However, Defendants failed to include Plaintiff's commission into his paid sick leave, resulting in
6 underpaid sick leave wages.

7 37. Plaintiff and the aggrieved employees often suffered late, short, missed, and/or
8 interrupted meal periods due to pressure from Defendants to keep up with the high demands of the job
9 and the pressure to consistently make sales.

10 38. Specifically, Defendants required Plaintiff and the aggrieved employees to always be
11 available for calls from clients, even during unpaid meal periods, resulting in frequent non-compliant
12 meal periods.

13 39. However, as a common matter of policy and practice, Defendants failed to pay all owed
14 meal period premiums.

15 40. For example, Plaintiff's time records from the pay period from March 1, 2024 to March
16 15, 2024 show that Plaintiff was owed several meal period premiums, but the corresponding paystubs
17 for the same pay period show Defendants failed to pay any meal period premiums.

18 41. Further, to the extent Defendants paid any meal period premiums, Defendants
19 underpaid these because they failed to factor additional non-excludable remuneration like
20 commissions into the regular rate of compensation with respect to meal period premiums.

21 42. Similarly, Plaintiff and the aggrieved employees were not authorized and permitted to
22 take all rest periods to which they were entitled.

23 43. Despite these noncompliant rest periods, Defendants had a common policy of not
24 paying rest period premiums at the regular rate of compensation inclusive of all non-excludable
25 additional remuneration like commissions.

26 44. Defendants also required Plaintiff and the aggrieved employees to incur necessary,
27 work-related costs, without adequate reimbursement.
28

1 45. Specifically, Defendants required Plaintiff and the aggrieved employees to use their
2 personal cell phones for work-related duties.

3 46. For example, Defendants required Plaintiff and the other aggrieved employees to use
4 their personal cell phones to contact clients without any reimbursement.

5 47. Because of these violations, Defendants failed to provide accurate, itemized wage
6 statements to Plaintiff and the aggrieved employees that included accurate gross or net wages earned
7 as employees earned meal period premiums which were not paid at the lawful rate due to the regular
8 rate and off-the-clock violations.

9 48. Defendants failed to provide accurate itemized wage statements to the aggrieved
10 employees each pay period as a result of the policies and practices set forth in this notice. Defendants
11 violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net
12 wages earned,” as the employees earned wages and premiums that were not paid, resulting in an
13 inaccurate reflection, and recording of “gross wages earned” on those wage statements.

14 49. Labor Code section 226(a) requires an employer to furnish wage statements to
15 employees semimonthly or at the time of each payment of wages, “an accurate itemized statement in
16 writing” showing, in relevant part, (3) the number of piece-rate units earned and applicable piece rate
17 in effect and (9) all applicable hourly rates in effect during the pay period and the number of hours
18 worked at each hourly rate by the employee. Defendants failed to do so.

19 50. Defendants violated Labor Code 226(a)(9) because they failed to state on employee
20 wage statements each pay period the applicable hourly rates in effect and the number of hours worked
21 at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts
22 stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

23 51. Defendants violated Labor Code section 226(a)(2) by failing to accurately list
24 employees’ “total hours worked,” as the wage statements did not accurately include the
25 uncompensated time Plaintiff and other aggrieved employees worked while off-the-clock.

26 52. For example, Plaintiff’s wage statement from the pay period of March 16, 2024 to
27 March 31, 2024 shows that Defendants omitted the minimum wage rate from the paystub.
28

53. Further, Defendants violated Labor Code section 226(a)(8) by failing to list their legal name on Plaintiff and the aggrieved employees' paystubs.

54. These violations create derivative liability for failure to timely pay all wages owed each payday or upon separation of employment.

55. For example, Plaintiff separated employment with Defendants on April 1, 2024, but he did not receive his final wages until April 10, 2024. Despite taking nine days to pay Plaintiff's final paycheck, Defendants did not pay waiting time penalties for late payments.

FIRST CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

Violation of Labor Code §§ 2698 *et seq.*

(By Plaintiff on Behalf of the State and the Aggrieved Employees Against All Defendants)

56. All outside paragraphs of this Complaint are incorporated into this section.

57. Plaintiff brings this cause of action as a proxy for the State of California on behalf of the following "aggrieved employees" pursuant to the Private Attorneys General Act ("PAGA"), codified as Labor Code section 2698 *et seq.*:

- a. All current and former non-exempt employees who worked for Defendants in California at any time from one year prior to the postmark date of the initial PAGA notice through date of trial.

58. Plaintiff reserves the right to amend, supplement, or add to this description of the aggrieved employees, according to proof.

59. The State of California, via the Labor and Workforce Development Agency ("LWDA"), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The "government entity on whose behalf the plaintiff files suit is always the real party in interest."])

60. Labor Code section 2699(a) provides: "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

1 action brought by an aggrieved employee on behalf of himself or herself and other current or former
2 employees pursuant to the procedures specified in Section 2699.3. “

3 61. Labor Code section 2699(f) provides: “For all provisions of this code except those for
4 which a civil penalty is specifically provided, there is established a civil penalty for a violation of these
5 provisions, as follows: ... (2) If, at the time of the alleged violation, the person employs one or more
6 employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period
7 for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for
8 each subsequent violation.”

9 62. Any allegations regarding violations of the IWC Wage Orders are enforceable as
10 violations of Labor Code section 1198, which states: “[t]he employment of any employee for longer
11 hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

12 63. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
13 penalties under the PAGA.

14 64. On or about July 31, 2024, Plaintiff paid the requisite PAGA filing fee and provided
15 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
16 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
17 violations.

18 65. A true and correct copy of Plaintiff’s written PAGA notice, entitled “Notice of Labor
19 Code Violations” is attached hereto as Exhibit 1 and incorporated by reference as though fully set
20 forth herein (the “PAGA notice”).

21 66. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
22 written PAGA notice from the LWDA.

23 67. Within 33 calendar days of the postmark date of the notice sent by Plaintiff, neither
24 Plaintiff nor Plaintiff’s counsel has received written notice by certified mail from any defendant
25 providing a description of any actions taken to cure the alleged violations.

26 68. Now that at least 65 days have passed from Plaintiff notifying Defendants of these
27 violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate
28

the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

69. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this Complaint, Defendants committed the following violations and are liable for all corresponding civil penalties:

- a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.
- b. ***Unpaid Hours Worked/Non-Productive, Rest, and Recovery Periods.*** Violation of Labor Code §§ 226.2; IWC Wage Orders.
- c. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- d. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- e. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- f. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- g. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- h. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- i. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- j. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- k. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

70. Plaintiff seeks to collect all recoverable civil penalties for the Labor Code violations alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the extent permitted by law, including under Labor Code section 2699(g).

PRAYER

Plaintiff prays for judgment as follows:

- a. For recovery of damages in amount according to proof;
- b. For all recoverable pre- and post-judgment interest;
- c. For this action to be maintained as a representative action under the PAGA;
- d. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- e. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- f. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and
- g. For such other relief the Court deems just and proper.

Dated: October 7, 2024

Ferraro Vega Employment Lawyers, Inc.



Nicholas J. Ferraro

Attorneys for Plaintiff Michael Savala

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

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July 31, 2024

NOTICE OF LABOR CODE VIOLATIONS
CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.*

VIA CERTIFIED U.S. MAIL
- Electronic Return Receipt

La Mesa RecVan
7430 Copley Park Pl
San Diego, CA 92111

Van Up LLC
8605 Santa Monica Blvd. #757150
West Hollywood, CA 90069

La Mesa R.V. Center, Inc.
7430 Copley Park Pl
San Diego, CA 92111

- PAGA Notice & Filing Fee -
Submitted electronically to the Labor and
Workforce Development Agency

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **MICHAEL SAVALA** (“Plaintiff”) and all other “aggrieved employees” of the following “Defendant(s)”:

LA MESA R.V. CENTER, INC.; LA MESA RECVAN; VAN UP LLC;

Defendant(s) shall mean and include the foregoing in addition to any other related employer entities, individuals under Labor Code sections 558 and 558.1, and all others who may be later added upon further investigation and discovery as liable employers.

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal. App. 5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal. 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiff requests that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good faith effort to correct any violations. Plaintiff attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in judgment or settlement approved by the Superior Court of California under Labor Code section 2699(k). Defendants are notified that any attempt to resolve this case should be conducted in coordination with Plaintiff's counsel to protect the interests of Plaintiff, the aggrieved employees, and the State of California via the LWDA. Plaintiff advises Defendants this letter should be also considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal. 4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Sales Associate from about January 2021 to April 2024. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The “aggrieved employees” include Plaintiff and the following individuals:

All current and former non-exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the “aggrieved employees” and the “PAGA Period”).

Plaintiff reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants' violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

Unpaid Hours Worked/Minimum Wage **Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders**

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the “Hours and Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.” Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The “Minimum Wages” sections of the applicable IWC Wage Order provide that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.” The foregoing California wage laws require payment of “not less than the applicable minimum wage *for all hours worked* in the payroll period” and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal. App. 3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages.

Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to complete work while off-the-clock, without compensation, resulting in unpaid minimum wages. Specifically, Plaintiff and the aggrieved employees would be contacted while off-the-clock by clients interested in buying RVs. Defendants required Plaintiff and the aggrieved employees to take calls from potential customers while off-the-clock. Nonetheless, Defendants prohibited Plaintiff and the aggrieved employees from logging this additional time worked on their timecards and, as a result, actively avoided paying Plaintiff and the aggrieved employees for all hours worked.

Further, Defendants failed to retroactively input the hours Plaintiff and the aggrieved employees spent communicating with clients while off-the-clock and otherwise compensate them for their time. Due to this unlawful practice of failing to pay for all hours worked, this resulted in the underpayment of regular and overtime wages to Plaintiff and the aggrieved employees.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Hours Worked/Non-Productive, Rest, and Recovery Periods
Violation of Labor Code §§ 226.2; IWC Wage Orders

Defendants violated Labor Code sections 226.2 and the “Hours and Days of Work,” “Minimum Wages,” and “Rest Periods” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 226.2(a)(1) also requires employers to compensate employees for “rest and recovery periods and other non-productive time spent separate from any piece rate compensation.” Under Labor Code section 226.2(a)(3), rest and recovery periods must be paid at an hourly rate that is no less than the higher of (i) an average hourly rate taken by dividing an employee’s total compensation for the workweek (exclusive of overtime and rest and recovery compensation) by the employee’s total hours worked and (ii) the applicable minimum wage. Under Labor Code section 226.2(a)(4), other nonproductive time must be paid at an hourly rate that is no less than the applicable minimum wage.

Furthermore, the “Hours and Days of Work,” “Minimum Wages,” and “Rest Periods” sections of the applicable IWC Wage Orders—as addressed in *Vaquero v. Stoneledge Furniture, LLC* (2017) 9 Cal. App. 5th 98—require employers to separately compensate all employees, not just piece-rate employees, for all hours worked, including rest periods and nonproductive time, to comply with California’s minimum wage obligations.

Defendants failed to compensate Plaintiff and the aggrieved employees for their non-productive time or non-sales time, including their rest periods. An illustrative example of this violation is shown below:

Earnings Statement			SAVALA, MICHAEL	
Company: 0YW54 - LA MESA R V CENTER INC & SUBSIDIARIES			Emp #: B017	
Pay Date: 03/25/2024	7430 COPLEY PARK PL	Dept: S321A - SALES-SAN DIEGO		
Period Start: 03/01/2024	SAN DIEGO CA 92111	Pay Basis: Commission		
Period End: 03/15/2024				
	Rate	Hours / Units	Current Period	Year To Date
Earnings				
Progressive Rate Sick	21.71	0.00	0.00	173.68
COMM-SD			2274.55	12899.55
Enrollment Incentive			8.93	53.58
MIN WAGE San Diego			0.00	2535.63
Gross			2283.48	15662.44
W/H Taxes				
Federal W/H(H)			0.00	0.00
Medicare			29.70	206.61
Social Security			126.97	883.41
California State W/H(H/O)			0.00	411.46
CaliforniaSDI Tax			22.52	156.73

Extract of Plaintiff’s wage statement from the pay period of March 1, 2024 to March 15, 2024 showing an omission of payment for 10-minute rest periods.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code sections 558 (\$50/\$100), 1197.1 (\$100/\$250), 1199 / “Penalties” section of the IWC Wage Orders) (\$50/\$100), and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Unpaid Overtime
Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders

Defendants violated Labor Code sections 510, 1194, and 1198, along with the “Hours and Days of Work” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 510 requires “[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;” and “any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;” and “any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” Labor Code section 1194 renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the “Hours and Days of Work” sections.

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages at the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As stated in the “Unpaid Hours Worked” section above, Defendants required Plaintiff and the aggrieved employees to complete work off-the-clock and without compensation. Thus, when Plaintiff and the aggrieved employees worked more than 8 hours per day or more than 40 hours in one week, these practices resulted in unpaid overtime wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Paid Sick Leave
Violation of Labor Code §§ 246 through 248.7

Defendants violated Labor Code sections 246 through 248.7 with respect to the aggrieved employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 24 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

Employers must pay sick leave in accordance with one of the three permissible methods provided in Labor Code section 246(l): (1) “the same manner as the regular rate of pay for the workweek;” (2) “by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days;” or (3) “for exempt employee ... in the same manner as the employer calculates wages for other forms of paid leave time.” Labor Code sections 248.6 and 248.7 similarly require paid sick leave to be paid at a regular rate-based calculation in excess of the base hourly rate and at the lawful accrual rate.

Under Labor Code section 246(i), employers must provide employees “with written notice of the amount of paid sick leave available ... for use on either the employee’s itemized wage statement ... or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees.

First, Defendants failed to provide Plaintiff and the aggrieved employees with all sick leave actually accrued. Due to Defendants’ unlawful policy and practice requiring Plaintiff and the aggrieved employees to work off-the-clock, these hours were not accounted for in the accrual calculations. Therefore, Plaintiff and the other aggrieved employees were not awarded the total accrued sick leave time they had earned.

Second, Defendants failed to pay sick leave at the “regular rate of pay.” Plaintiff and the aggrieved employees earned paid sick leave in the same pay period they earned commissions and other forms of non-excludable remuneration, yet Defendants failed to pay paid sick leave at the lawful statutory rate inclusive of all earnings. An example of this underpayment is shown below:

Earnings Statement		SAVALA, MICHAEL	
Pay Date: 01/25/2024		Company: 0YW54 - LA MESA R V CENTER INC & SUBSIDIARIES	Emp #: B017
Period Start: 01/01/2024		7430 COPLEY PARK PL	Dept: S321A - SALES-SAN DIEGO
Period End: 01/15/2024		SAN DIEGO CA 92111	Pay Basis: Commission
Earnings	Rate Hours / Units	Current Period	Year To Date
Progressive Rate Sick	21.71 8.00	173.68	173.68
COMM-SD		1250.00	1375.00
Enrollment Incentive		8.93	17.86
MIN WAGE San Diego		230.10	1100.68
Gross	8.00	1662.71	2667.22

Extract from Plaintiff's wage statement from the pay period of January 1, 2024 to January 15, 2024, showing he was paid commission in the same period he earned paid sick leave.

During the pay period from January 1, 2024 to January 15, 2024, Plaintiff earned commission in the amount of \$1250.00 in the same pay period he was paid sick leave. However, Defendants failed to blend Plaintiff's commission into his paid sick leave, resulting in underpaid sick leave wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Meal Period Premium Wages **Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders**

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours

of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal. 5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal. 5th 444, 459.

Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods due to pressure from Defendants to keep up with the high demands of the job. Specifically, Defendants required Plaintiff and the aggrieved employees to be available for calls from clients at all times. As such, Plaintiff and the aggrieved employees would often take calls from clients during their unpaid meal period, resulting in frequent interrupted or otherwise non-compliant meal periods.

The time records provided and maintained by Defendants confirm Plaintiff did not receive all meal periods for shifts exceeding five or more hours per day. Further, the pay stubs provided and maintained by Defendants confirm that Defendants did not pay any meal period premiums.

NAME: SAVALA, MICHAEL / B017 STATUS: TERMINATED dept: S321A Schedule Group: labor Allocation SALES-SAN DIEGO-LA MESA R V CENTER INC SUBSIDIARY: ES-San Diego Pay Period: 03/01/2024 - 03/15/2024 (Previous Period) - Semi-Monthly Badge Number: Position Seat SALES (01460) Exception Profile Code: Pay Class CHC Hire Date: 01/05/2021 Pay Type: Commission Only Full/Part Time: Full Time											
Pay Period(s) 02/25/2024 - 03/02/2024 will be scheduled to archive soon. Timecards cannot be edited after archiving. Timecard has been temporarily locked up to 05/31/2024 by tbooley (Edit Enabled)											
Date	Pay Code	IN	Allocation (tax)	OUT	IN	Allocation (tax)	OUT	Hours	Total Hours	Dollars	Override
SUN (02/25)											
MON (02/26)		08:19 AM		04:56 PM				8.62			
	[CMP] CA LUNCH		[S321A]...					1.00	9.62		
TUE (02/27)		07:50 AM		05:02 PM				9.20			
	[CMP] CA LUNCH		[S321A]...					1.00	10.20		
WED (02/28)		08:17 AM		04:56 PM				8.65			
	[CMP] CA LUNCH		[S321A]...					1.00	9.65		
THU (02/29)		08:30 AM		04:37 PM				8.12			
	[CMP] CA LUNCH		[S321A]...					1.00	9.12		
FRI (03/01)											
SAT (03/02)											
Weekly Totals								0.00		\$0.00	
SUN (03/03)											
MON (03/04)		08:49 AM		05:02 PM				8.22			
	[CMP] CA LUNCH		[S321A]...					1.00	9.22		
TUE (03/05)		08:40 AM		04:55 PM				8.25			
	[CMP] CA LUNCH		[S321A]...					1.00	9.25		
WED (03/06)		08:20 AM		04:52 PM				8.53			
	[CMP] CA LUNCH		[S321A]...					1.00	9.53		
THU (03/07)		08:39 AM		04:56 PM				8.28			
	[CMP] CA LUNCH		[S321A]...					1.00	9.28		
FRI (03/08)		08:14 AM		04:57 PM				8.72			
	[CMP] CA LUNCH		[S321A]...					1.00	9.72		
SAT (03/09)											
Weekly Totals								47.00		\$0.00	
SUN (03/10)											
MON (03/11)		08:29 AM		05:07 PM				8.63			
	[CMP] CA LUNCH		[S321A]...					1.00	9.63		
TUE (03/12)		08:27 AM		??				0.00	0.00		
WED (03/13)											
THU (03/14)		08:28 AM		04:57 PM				8.48			
	[CMP] CA LUNCH		[S321A]...					1.00	9.48		

Extract of Plaintiff's time records from the pay period of March 1, 2024 to March 15, 2024, showing Plaintiff earned meal period premiums for each non-compliant meal period.

Earnings Statement				SAVALA, MICHAEL	
Pay Date: 03/25/2024		Company: 0YW54 - LA MESA R V CENTER INC &			Emp #: B017
Period Start: 03/01/2024		SUBSIDIARY ES			Dept: S321A - SALES-SAN DIEGO
Period End: 03/15/2024		7430 COPLEY PARK PL			Pay Basis: Commission
		SAN DIEGO CA 92111			
Earnings		Rate	Hours / Units	Current Period	Year To Date
Progressive Rate Sick		21.71	0.00	0.00	173.68
COMM-SD				2274.55	12899.55
Enrollment Incentive				8.93	53.58
MIN WAGE San Diego				0.00	2535.63

Extract of Plaintiff's wage statement for the pay period of March 1, 2024 to March 15, 2024, showing that he was not paid earned meal period premiums.

During the pay period from March 1, 2024 to March 15, 2024, Plaintiff did not log that he took any lunches. However, according to his paystub from the same pay period, he was not paid any meal period premiums. Plaintiff is informed and believes this meal period premium

violation was a matter of common payroll administration, susceptible to common proof at trial.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Rest Period Premium Wages
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the aggrieved employees.

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Plaintiff and the aggrieved employees were not permitted to take compliant rest periods due to pressure to keep up with the high demands of the job and Defendants' requirement that they be available to customers at all times. Defendants further failed to pay all owed rest period premiums to Plaintiff and the aggrieved employees. To the extent Defendants paid rest period premiums, these were underpaid as a result of Defendants' failure to pay premiums at the regular rate of compensation.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages During Employment
Violation of Labor Code §§ 204, 204b, 210

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the aggrieved employees.

Labor Code section 204(a) requires payment of “all wages” for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid “not more than seven calendar days following the close of the payroll period.” Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides “every person who fails to pay the wages of an employee as provided in Section ... 204 ... shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice. Indeed, Defendants failed to pay all premiums, overtime, regular, sick leave, and other earnings on time each payday.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages Upon Separation of Employment
Violation of Labor Code §§ 201, 202, 203, 256

Defendants violated Labor Code sections 201, 202, and 203 with respect to the aggrieved employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours’ notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours’ notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Specifically, Plaintiff separated employment with

Defendants on April 1, 2024, but he did not receive his final wages until April 10, 2024. Plaintiff's final wage statement is shown below:

Earnings Statement			SAVALA, MICHAEL	
Pay Date:	04/10/2024	Company: 0YW54 - LA MESA R V CENTER INC & SUBSIDIARIES	Emp #: B017	
Period Start:	03/16/2024	7430 COPLEY PARK PL	Dept: S321A - SALES-SAN DIEGO	
Period End:	03/31/2024	SAN DIEGO CA 92111	Pay Basis: Commission	
		Rate Hours / Units	Current Period	Year To Date
Earnings				
Progressive Rate Sick		21.71 0.00	0.00	173.68
COMM-SD			0.00	12899.55
Enrollment Incentive			0.00	53.58
MIN WAGE San Diego			662.71	3198.34
Gross			662.71	16325.15

Extract of Plaintiff's final wage statement dated April 10, 2024, showing he was paid nine days after his resignation date.

Despite taking nine days to pay Plaintiff's final paycheck, Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements **Violation of Labor Code §§ 226, 226.3**

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the aggrieved employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements.

Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub. An illustrative example of this violation is shown below:

Earnings Statement			SAVALA, MICHAEL	
Pay Date:	04/10/2024	Company: 0YW54 - LA MESA R V CENTER INC & SUBSIDIARIES	Emp #: B017	
Period Start:	03/16/2024	7430 COPLEY PARK PL	Dept: S321A - SALES-SAN DIEGO	
Period End:	03/31/2024	SAN DIEGO CA 92111	Pay Basis: Commission	
	Rate	Hours / Units	Current Period	Year To Date
Earnings				
Progressive Rate Sick	21.71	0.00	0.00	173.68
COMM-SD			0.00	12899.55
Enrollment Incentive			0.00	53.58
MIN WAGE San Diego			662.71	3198.34
Gross			662.71	16325.15

Extract of Plaintiff's wage statement from the pay period of March 16, 2024 to March 31, 2024 showing that the minimum wage rate was omitted from the paystub.

Further, Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees’ “total hours worked,” as the wage statements did not accurately include the uncompensated time Plaintiff and other aggrieved employees worked while off-the-clock.

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

Defendants violated Labor Code section 226(a)(8) by failing to list their legal name on Plaintiff and the aggrieved employees’ wage statements. An illustrative example of this violation is shown below:

Earnings Statement			SAVALA, MICHAEL	
Pay Date: 03/08/2024		Company: 0YW54 - LA MESA R V CENTER INC & SUBSIDIARIES		Emp #: B017
Period Start: 02/16/2024		7430 COPLEY PARK PL		Dept: S321A - SALES-SAN DIEGO
Period End: 02/29/2024		SAN DIEGO CA 92111		Pay Basis: Commission
		Rate Hours / Units	Current Period	Year To Date
Earnings				
Progressive Rate Sick		21.71	0.00	0.00
COMM-SD			6750.00	10625.00
Enrollment Incentive			8.93	44.65
MIN WAGE San Diego			0.00	2535.63

Extract of Plaintiff's deficient wage statement for the pay period from February 16, 2024 to February 29, 2024, which failed to list Defendants' legal name.

Defendants issued Plaintiff and the aggrieved employees deficient wages statements. As shown in Plaintiff's wage statement above, Defendants' name is incorrect because its legal entity name is "La Mesa R.V. Center, Inc." rather than "La Mesa R V Center Inc & Subsidiaries" as listed on the wage statement.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unreimbursed Employee Expenses **Violation of Labor Code §§ 2802, 2804**

Defendants violated Labor Code section 2802 with respect to the aggrieved employees by failing to reimburse the aggrieved employees for all necessary expenditures or losses incurred as part of their job duties.

Labor Code section 2802 requires an employer to "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." *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

Labor Code section 2804 affirms that "[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State."

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. For example, Plaintiff and the aggrieved employees were required to use their personal cell phones to communicate with clients about potential

sales. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, and costs as a matter of policy and practice.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Maintain Accurate Records
Violation of Labor Code § 1174; IWC Wage Orders

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and other aggrieved employees.

Labor Code section 1174 requires that employers maintain accurate “payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments.” Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Attorneys’ Fees and Costs
Labor Code § 2699(g)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other aggrieved employees and the State of California. Plaintiff continues to incur attorneys’ fees and costs, which are recoverable under California law, including Labor Code section 2699(g).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants’ written employment and payroll policies and handbooks; the aggrieved employees’ personnel

files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,



Elyssa Martinez

Cc Plaintiff Michael Savala

Tonja Reid - treid@lamesarv.com
Defendants' HR Representative