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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA BARBARA

EDWARD WILLIAMS, as a private attorney
general,

Plaintiff,

vs.

HRB GREEN RESOURCES, LLC, a Delaware
limited liability company; and DOES 1 through
50, inclusive,

Defendants.

Case No. 24CV05309

**REPRESENTATIVE ACTION COMPLAINT
UNDER THE LABOR CODE PRIVATE
ATTORNEYS GENERAL ACT OF 2004**

DEMAND OVER \$25,000.00

1 As a proxy for the State of California, Plaintiff, Edward Williams, submits this representative
2 action Complaint against Defendant, HRG Green Resources, LLC, and Does 1 through 50 (collectively,
3 “Defendants”).

4 INTRODUCTION

5 1. Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698
6 et seq. (“PAGA”), this representative action Complaint seeks penalties and other relief for Defendants’
7 violations of the California Labor Code. Defendants’ systemic employment practices have deprived
8 aggrieved employees of the benefits and protections of Labor Code sections 201-204, 210, 218, 226,
9 226.3, 233, 246, 512, and 558, among other provisions.¹

10 2. Plaintiff is informed and believes that Defendants have jointly and severally acted
11 intentionally and with deliberate indifference and conscious disregard to the rights of employees by
12 failing to pay an additional hour of regular rate wages for missed, late, short, or interrupted meal periods
13 and rest periods, failing to pay all sick pay wages, failing to timely pay all wages during employment or
14 upon termination of employment, and by failing to provide complete and accurate itemized wage
15 statements.

16 3. Plaintiff and other non-exempt employees regularly work shifts of at least 3.5 hours
17 requiring rest periods and shifts of more than 5.0 hours requiring meal periods. Plaintiff and other non-
18 exempt employees also earn non-base hourly wages or other non-hourly, non-discretionary
19 remuneration, including for example incentives and bonuses. Defendants fail to consider such earnings
20 when Plaintiff and other non-exempt employees’ meal periods and rest periods are missed, late, short,
21 or interrupted. Specifically, rather than pay an additional hour of regular rate wages for a missed, late,
22 short, or interrupted meal period or rest period, Defendants routinely underpay the additional hour of
23 wages to Plaintiff and other non-exempt employees at their base hourly rates of pay.

24 4. Defendants also fail to pay sick pay wages at the regular rate of pay. As discussed above,
25 Plaintiff and other non-exempt employees earn non-base hourly wages or other non-hourly, non-
26 discretionary remuneration, including for example incentives and bonuses. Defendants fail to consider
27 such wages when paying sick pay wages. Rather than pay sick pay wages at the regular rate of pay,
28

¹ Except as otherwise noted, all “Section” references are to the Labor Code.

1 Defendants underpay sick pay wages to Plaintiff and other non-exempt employees at their base rates of
2 pay.

3 5. Because Plaintiff and other non-exempt employees are not paid an additional hour of
4 wages at their regular rates and are not paid sick pay wages at their regular rates, Defendants routinely
5 fail to timely pay Plaintiff and other non-exempt employees all wages during employment or upon
6 separation of employment. Moreover, Defendants also routinely fail to furnish wage statements that
7 accurately show and itemize all applicable hourly rates in effect during the pay period, gross wages
8 earned, and net wages earned.

9 6. The Labor Code is broadly remedial in nature. Its laws serve an important public interest
10 in establishing minimum working conditions and requirements in California. These labor standards
11 protect employees from onerous terms and conditions of employment or exploitation by employers who
12 have superior economic and bargaining power.

13 JURISDICTION AND VENUE

14 7. The Complaint seeks relief exceeding \$25,000.00. The Court has jurisdiction of
15 Defendants' violations of Sections 201-204, 226, 226.7, 233, 246, and 512.

16 8. Venue is proper in the County of Santa Barbara. Plaintiff worked for Defendants in Santa
17 Barbara, California.

18 PARTIES

19 9. In October 2023, Plaintiff began working for Defendants as a Tax Associate and worked
20 in California for Defendants for 30 or more days within a year. Until his employment ended in around
21 November of 2023, Plaintiff was paid on an hourly basis as a non-exempt employee and earned non-
22 base hourly wages or other non-hourly, non-discretionary remuneration, including for example
23 incentives and bonuses. When Plaintiff worked 3.5 hours in a workday, he regularly was not provided
24 lawful rest periods. Likewise, when Plaintiff worked more than 5.0 hours in a workday, he regularly
25 was not provided lawful meal periods. Plaintiff also was regularly not provided an additional hour of
26 regular rate wages for a missed, late, short, or interrupted meal period or rest period but instead paid an
27 additional hour of wages at his base hourly rate of pay. Throughout his employment, Plaintiff also
28 accrued and actually used sick leave. When sick leave was used in workweeks that Plaintiff earned non-

1 base hourly wages or other non-hourly, non-discretionary remuneration in addition to his base hourly
2 wages, sick pay wages were paid at Plaintiff's base rate of pay rather than his regular rate of pay.
3 Plaintiff was not timely paid all due wages during employment or upon separation of employment and
4 also was not provided with accurate itemized wage statements.

5 10. Plaintiff is informed and believes that HRB Green Resources, LLC was and is a
6 Delaware limited liability company. Plaintiff is informed and believes that at all times herein mentioned
7 named defendants and Does 1 through 50, were and are corporations, business entities, individuals, or
8 partnerships that are and were licensed to do business and actually doing business in the State of
9 California. Based upon all the facts and circumstances incident to Defendants' business, Defendants are
10 subject to Sections 201-204, 226, 226.7, 233, 246, and 512.

11 11. Plaintiff does not know the true names or capacities of the defendants sued herein as
12 Does 1 through 50, whether individual, partner, or corporate, and for that reason, said defendants are
13 sued under such fictitious names. Plaintiff prays for leave to amend this Complaint when the true names
14 and capacities are known. Plaintiff is informed and believes that each of said fictitious defendants was
15 responsible in some way for the matters alleged herein and proximately caused the illegal employment
16 practices, wrongs, and injuries complained of herein.

17 12. At all times mentioned herein, each of said Defendants participated in the doing of the
18 acts alleged herein. Defendants, and each of them, were the agents, servants, or employees of each of
19 the other Defendants, as well as the agents of all Defendants, and were acting within the course and
20 scope of said agency and employment.

21 13. Plaintiff is informed and believes that at all times material hereto, each of said
22 Defendants was the agent, employee, alter ego, or joint venturer of, or was working in concert with,
23 each of the other Defendants and was acting within the course and scope of such agency, employment,
24 joint venture, or concerted activity. To the extent said acts, conduct, or omissions were perpetrated by
25 certain Defendants, each of the remaining Defendants confirmed and ratified said acts, conduct, or
26 omissions of the acting Defendants.

27 14. Plaintiff is informed and believes that at all times material hereto each of the Defendants
28 (i) aided and abetted the acts and omissions of each of the other Defendants in proximately causing the

1 alleged harms, or (ii) were members of, engaged in, and acting within the course and scope of, and in
2 pursuance of, a joint venture, partnership, or common enterprise.

3 **PAGA ALLEGATIONS**

4 15. Pursuant to PAGA, Plaintiff sues as a proxy for the State of California. Plaintiff seeks
5 penalties for Defendants' violations of Sections 201-204, 210, 218, 226, 226.3, 233, 246, 512, and 558
6 committed against all aggrieved employees since July 22, 2024.

7 16. On or about July 22, 2024, Plaintiff sent written notice to the Labor & Workforce
8 Development Agency ("LWDA") of Defendants' violations of Sections 201-204, 210, 218, 226, 226.3,
9 233, 246, 512, and 558. Plaintiff simultaneously sent written notices to Defendants via certified mail.
10 The LWDA has not elected to investigate the allegations. As such, pursuant to Section 2699(a), (f), and
11 (g), Plaintiff seeks recovery of all applicable penalties for Defendants' violations against all aggrieved
12 employees for the period described above.

13 **FIRST CAUSE OF ACTION**

14 **Penalties for Labor Code Violation (Lab. Code §§ 2698 et seq.)**

15 **(By Plaintiff as a Proxy for the State Against All Defendants)**

16 17. The preceding paragraphs are re-alleged and incorporated by this reference.

17 18. **Underpaid Meal Premiums:** Because Plaintiff and aggrieved employees were non-
18 exempt employees, Defendants were required to comply with Sections 226.7 and 512 and the applicable
19 IWC Wage Order. Section 512(a) generally prohibits employment of an individual for a work period of
20 more than five hours per day without providing the employee with an uninterrupted, duty-free meal
21 period of at least 30 minutes. Section 226.7(b) provides that an employer shall not require an employee
22 to work during a meal period. Section 226.7(c) states that "the employer shall pay the employee one
23 additional hour of pay at the employee's regular rate of compensation for each workday that the meal or
24 rest or recovery period is not provided."

25 19. As a matter of policy and practice, whenever Defendants pay an additional hour of wages
26 to Plaintiff and aggrieved employees for missed, late, short, or interrupted meal periods, Defendants pay
27 an additional hour of wages at the base hourly rate of pay. As a matter of policy and practice, in
28 workweeks in which Plaintiff and aggrieved employees earn non-base hourly wages or other non-hourly,

1 non-discretionary remuneration, including for example incentives and bonuses, Defendants fail to
2 consider such wages when calculating the regular rate of pay for purposes of paying the additional hour
3 of wages. Defendants thus owe unpaid underpaid meal premiums and violate Sections 226.7 and 512.

4 **20. Underpaid Rest Premiums:** Because Plaintiff and aggrieved employees were non-
5 exempt employees, Defendants were required to comply with Section 226.7 and the applicable IWC
6 Wage Order. Section 1198 makes unlawful conditions of labor that are prohibited by the applicable IWC
7 Wage Order. The applicable laws generally require an employer to provide a duty-free, 10-minute rest
8 period for every four hours worked, or major fraction thereof. Section 226.7(b) provides that an
9 employer shall not require an employee to work during a rest period. Section 226.7(c) states that “the
10 employer shall pay the employee one additional hour of pay at the employee’s regular rate of
11 compensation for each workday that the meal or rest or recovery period is not provided.”

12 **21.** As a matter of policy and practice, whenever Defendants pay an additional hour of wages
13 to Plaintiff and aggrieved employees for missed, late, short, or interrupted rest periods, Defendants pay
14 an additional hour of wages at the base hourly rate of pay. As a matter of policy and practice, in
15 workweeks in which Plaintiff and aggrieved employees earn non-base hourly wages or other non-hourly,
16 non-discretionary remuneration, including for example incentives and bonuses, Defendants fail to
17 consider such wages when calculating the regular rate of pay for purposes of paying the additional hour
18 of wages. Defendants thus owe unpaid underpaid rest premiums and violate Section 226.7.

19 **22. Underpaid Sick Pay Wages:** Section 233 provides that an employer must permit an
20 employee to use accrued sick leave in accordance with Section 246.5 at the employee’s then current rate
21 of entitlement. Section 246 provides that an employee is entitled to sick pay wages for use of accrued
22 sick leave pursuant to Section 246.5. Specifically, once accrued sick leave is used as paid sick time, an
23 employee has a vested right to sick pay wages, which an employer must calculate and compensate based
24 on one of two calculations: (i) “Paid sick time for nonexempt employees shall be calculated in the same
25 manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether
26 or not the employee actually works overtime in that workweek,” or (ii) “Paid sick time for nonexempt
27 employees shall be calculated by dividing the employee’s total wages, not including overtime premium
28

1 pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment." Under Sections 204, 218, and 233, employees may sue to recover underpaid sick pay wages as damages.

23. As a matter of policy and practice, Defendants pay sick pay wages to Plaintiff and aggrieved employees at the incorrect rate of pay. Plaintiff and aggrieved employees regularly use accrued sick leave in workweeks in which they also earn non-base hourly wages or other non-hourly, non-discretionary remuneration, including for example incentives and bonuses. As a matter of policy and practice, Defendants pay sick pay wages to Plaintiff and aggrieved employees at the base hourly rate of pay, as opposed to the regular rate of pay, which would consider all non-base hourly wages or other non-hourly, non-discretionary remuneration in addition to base hourly wages, or the rate resulting from dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment. Defendants thus underpay sick pay wages and violate Section 246.

24. **Failure to Timely Pay Wages:** All owing wages must be paid timely. Section 204 provides that wages are generally due and payable no later than seven days after the end of a pay period or at least twice during each calendar month, on days designated in advance as the regular paydays. Section 201 provides that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. Section 202 provides that an employee is entitled to receive all unpaid wages no later than 72 hours after an employee quits his or her employment, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Section 203 provides that if an employer willfully fails to pay wages owed in accordance with Sections 201 and 202, then the wages of the employee shall continue as a penalty from the due date, and at the same rate until paid, but the wages shall not continue for more than thirty (30) days. Consistent with Section 204, Section 246 also provides that an employer shall provide payment for sick leave taken by an employee no later than the payday for the next regular payroll period after the sick leave was taken.

25. Based on Defendants' underpayments of an additional hour of regular rate wages for missed, late, short, or interrupted meal periods and underpayments of pay sick pay wages, Defendants also fail to timely pay Plaintiff and aggrieved employees all due wages. On information and belief,

Defendants were advised by skilled lawyers and knew, or should have known, of the mandates of the Labor Code as it relates to Plaintiff's allegations (especially since the California Supreme Court has explained that "[c]ourts have recognized that 'wages' also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay."). *Murphy v. Kenneth Cole Prods., Inc.*, 40 Cal. 4th 1094, 1103 (2007) (emphasis added). Because Defendants willfully fail to timely pay Plaintiff and aggrieved employees all wages due, Defendants thus violate Sections 201-204 by not timely paying all due wages.

26. **Failure to Provide Accurate Itemized Wage Statements:** Section 226(a) requires an employer to furnish to its employees itemized wage statements that show accurate information, including without limitation, all applicable hourly rates in effect during the pay period, gross wages earned, and net wages earned.

27. Defendants fail to provide accurate itemized wage statements to Plaintiff and aggrieved employees. Because of the above violations and as a matter of policy and practice, Defendants fail to furnish Plaintiff and aggrieved employees with wage statements that accurately show the applicable hourly rates in effect during the pay period, gross wages earned, and net wages earned. Defendants thus violate Sections 226.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment for himself as a proxy for the State against Defendants, jointly and severally, as follows:

1. Upon the First Cause of Action for penalties according to proof pursuant to Section 2699(a), (f), and (g), and for costs and attorneys' fees;
2. Upon each cause of action for attorneys' fees and costs as provided by the Labor Code, Code of Civil Procedure section 1021.5, and any other applicable laws; and
3. For such other and further relief that the Court may deem just and proper.

DATED: September 25, 2024

DIVERSITY LAW GROUP, P.C.

By: 

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