

Roxanna Tabatabaeepour (SBN 260187)
Roxanna.Taba@capstonelawyers.com
Ryan Tish (SBN 274284)
Ryan.Tish@capstonelawyers.com
Alexander Wallin (SBN 320420)
Alexander.Wallin@capstonelawyers.com
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
Telephone: (310) 556-4811
Facsimile: (310) 943-0396

Electronically FILED by
Superior Court of California,
County of Los Angeles
11/18/2024 5:02 PM
David W. Slayton,
Executive Officer/Clerk of Court,
By C. Vega, Deputy Clerk

Attorneys for Plaintiff Christopher Safi

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHRISTOPHER SAFI, as an
aggrieved employee pursuant to the
Private Attorneys General Act
("PAGA"), on behalf of the State of
California and other non-party
Aggrieved Employees,

Plaintiff,

vs.

KNIGHT SUNRISE HOLLYWOOD
LLC, a California limited liability
company; KNIGHT SUNRISE
FONTANA LLC, a California limited
liability company; KNIGHT
CLAREMONT INC., a California
corporation; KNIGHT
SACRAMENTO AC INC., a
California corporation; KNIGHT
SACRAMENTO AU INC., a
California corporation; KNIGHT
SACRAMENTO CD INC., a
California corporation; KNIGHT
SACRAMENTO SU INC., a
California corporation; KNIGHT
SACRAMENTO V INC., a California
corporation; NGP MOTORS, INC., a
California corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No.: **24STCV30384**

**COMPLAINT – PAGA ENFORCEMENT
ACTION**

(1) Claim for Civil Penalties for Violations of
California Labor Code, Pursuant to PAGA,
§§ 2698, *et seq.*

Jury Trial Demanded

1 Plaintiff Christopher Safi, as an aggrieved employee and on behalf of the State of
2 California and all other non-party Aggrieved Employees, alleges as follows:

3 JURISDICTION AND VENUE

4 1. This is an enforcement action under the Labor Code Private Attorneys General
5 Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
6 and any other available relief on behalf of Plaintiff, the State of California, and other current
7 and former employees who worked for Defendants in California as a non-exempt, hourly paid
8 employee and received at least one wage statement and against whom one or more violations
9 of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating
10 hours and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage
11 Order were committed, as set forth in this complaint, at any time between one year prior to the
12 filing of the pre-filing written notice to the Labor and Workforce Development Agency
13 (“LWDA”) in this case on September 12, 2024, until judgment (“non-party Aggrieved
14 Employees”). Plaintiff’s share of civil penalties sought in this action does not exceed
15 \$75,000.

16 2. This Court has jurisdiction over this action pursuant to the California
17 Constitution, Article VI, section 10. The statute under which this action is brought does not
18 specify any other basis for jurisdiction.

19 3. This Court has jurisdiction over all Defendants because, on information and
20 belief, Defendants are either citizens of California, have sufficient minimum contacts in
21 California, or otherwise intentionally avail themselves of the California market so as to render
22 the exercise of jurisdiction over them by the California courts consistent with traditional
23 notions of fair play and substantial justice. There is no basis for federal diversity jurisdiction
24 in this action given that the State of California, as the real party in interest in this action, is not
25 a “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*,
26 726 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be
27 aggregated to satisfy the amount in controversy requirement for federal diversity jurisdiction
28 in this action, and that diversity jurisdiction cannot be established when Plaintiff’s share of the

1 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

2 4. Venue is proper in this Court, because Defendants filed Statement of
3 Information forms with the California Secretary of State designating a principal place of
4 business in Los Angeles, County of Los Angeles, in accordance with California Corporations
5 Code section 2105(a)(3). Cal. Code Civ. P. § 395.5. Venue is also proper in this Court
6 because Defendants employ persons in this county, and employed Plaintiff in this county, and
7 thus a substantial portion of the transactions and occurrences related to this action occurred in
8 this county.

9 5. California Labor Code sections 2698, *et seq.*, the “Labor Code Private
10 Attorneys General Act of 2004” (“PAGA”), authorize aggrieved employees to sue as private
11 attorneys general their current or former employers for various civil penalties for violations of
12 various provisions in the California Labor Code.

13 **THE PARTIES**

14 6. Plaintiff Christopher Safi is a resident of Canyon Country, in Los Angeles
15 County, California. Defendants employed Plaintiff as an hourly paid, non-exempt employee
16 from approximately October 2023 to April 2024. Plaintiff worked for Defendants as a Service
17 Advisor at their Sunrise Ford – North Hollywood dealership in North Hollywood, California.
18 During his employment, Plaintiff typically worked nine (9) or more hours per day and five (5)
19 or more days per week. At the time his employment ended, Plaintiff was compensated
20 approximately \$16.78 per hour plus commissions. His job duties included, without limitation,
21 providing customer service, documenting customers’ complaints about vehicles, filing
22 warranty claims, obtaining car rentals for customers, test driving vehicles, and delivering
23 vehicles to customers.

24 7. On information and belief, Defendants required some employees, including
25 Plaintiff, to execute an arbitration agreement at the time of their hire or during their
26 employment. On further information and belief, Defendants’ arbitration agreement was and is
27 both procedurally and substantively unconscionable. Specifically, Defendants presented
28 employees with an “Arbitration Agreement” during the onboarding process, which had to be

1 reviewed and acknowledged immediately. Specifically, the Arbitration Agreement was one of
2 several documents presented to new employees for signature during the orientation process,
3 including the Service Advisor Compensation Agreement, Acknowledgment of Receipt of
4 Company Keys, Confidentiality Agreement, At Will Employment Agreement, and Privacy
5 Policy and Safeguarding Agreement, among other documents. Also, employees did not have a
6 meaningful opportunity to negotiate the terms of the Arbitration Agreement. Rather, it was
7 provided to Defendants' employees for them to sign on a take-it or leave-it basis at the time
8 they were hired, along with all of the other on-boarding documents. Further, Defendants did
9 not set forth in the Arbitration Agreement or otherwise provide employees with the rules
10 which will govern the arbitration, instead forcing employees to seek this information out on
11 their own.

12 8. KNIGHT SUNRISE HOLLYWOOD LLC was and is, upon information and
13 belief, a California limited liability company, and at all times hereinafter mentioned, an
14 employer whose employees are engaged throughout this county and the State of California.

15 9. KNIGHT SUNRISE FONTANA LLC was and is, upon information and belief,
16 a California limited liability company, and at all times hereinafter mentioned, an employer
17 whose employees are engaged throughout this county and the State of California.

18 10. KNIGHT CLAREMONT INC. was and is, upon information and belief, a
19 California corporation, and at all times hereinafter mentioned, an employer whose employees
20 are engaged throughout this county and the State of California.

21 11. KNIGHT SACRAMENTO AC INC. was and is, upon information and belief, a
22 California corporation, and at all times hereinafter mentioned, an employer whose employees
23 are engaged throughout this county and the State of California.

24 12. KNIGHT SACRAMENTO AU INC. was and is, upon information and belief, a
25 California corporation, and at all times hereinafter mentioned, an employer whose employees
26 are engaged throughout this county and the State of California.

27 13. KNIGHT SACRAMENTO CD INC. was and is, upon information and belief, a
28 California corporation, and at all times hereinafter mentioned, an employer whose employees

are engaged throughout this county and the State of California.

14. KNIGHT SACRAMENTO SU INC. was and is, upon information and belief, a California corporation, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

15. KNIGHT SACRAMENTO V INC. was and is, upon information and belief, a California corporation, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

16. NGP MOTORS, INC. was and is, upon information and belief, a California corporation, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

17. Plaintiff is unaware of the true names or capacities of the Defendants sued herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to amend the complaint and serve such fictitiously named Defendants once their names and capacities become known.

18. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10 were the partners, agents, owners, or managers of KNIGHT SUNRISE HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA LLC; KNIGHT CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT SACRAMENTO AU INC.; KNIGHT SACRAMENTO CD INC.; KNIGHT SACRAMENTO SU INC.; KNIGHT SACRAMENTO V INC.; and NGP MOTORS, INC. at all relevant times.

19. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts and omissions alleged herein was performed by, or is attributable to, KUMAR MANAGEMENT CORP. II, INC.; KNIGHT SUNRISE HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA LLC; KNIGHT CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT SACRAMENTO AU INC.; KNIGHT SACRAMENTO CD INC.; KNIGHT SACRAMENTO SU INC.; KNIGHT SACRAMENTO V INC.; NGP MOTORS, INC.; and/or DOES 1 through 10 (collectively, "Defendants" or "KNIGHT GROUP"), each acting as the agent, employee, alter ego, and/or joint venturer of, or working in concert with, each of the

1 other co-Defendants and was acting within the course and scope of such agency, employment,
2 joint venture, or concerted activity with legal authority to act on the others' behalf. The acts
3 of any and all Defendants were in accordance with, and represent, the official policy of
4 Defendants.

5 20. At all relevant times, Defendants, and each of them, ratified each and every act
6 or omission complained of herein. At all relevant times, Defendants, and each of them, aided
7 and abetted the acts and omissions of each and all the other Defendants in proximately causing
8 the damages herein alleged.

9 21. Plaintiff is informed and believes, and thereon alleges, that each of said
10 Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts,
11 omissions, occurrences, and transactions alleged herein.

12 22. Under California law, Defendants are jointly and severally liable as employers
13 for the violations alleged herein because they have each exercised sufficient control over the
14 wages, hours, working conditions, and employment status of Plaintiff and other non-party
15 Aggrieved Employees. Each Defendant had the power to hire and fire Plaintiff and other non-
16 party Aggrieved Employees, supervised and controlled their work schedule and/or conditions
17 of employment, determined their rate of pay, and maintained their employment records.
18 Defendants suffered or permitted Plaintiff and other non-party Aggrieved Employees to work
19 and/or "engaged" Plaintiff and other non-party Aggrieved Employees so as to create a
20 common-law employment relationship. As joint employers of Plaintiff and other non-party
21 Aggrieved Employees, Defendants are jointly and severally liable for the civil penalties
22 available to Plaintiff and other non-party Aggrieved Employees under the law.

23 23. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
24 Defendants, and each of them, have acted as joint employers with respect to Plaintiff and other
25 non-party Aggrieved Employees because Defendants have:

26 (a) jointly exercised meaningful control over the work performed by
27 Plaintiff and other non-party Aggrieved Employees;

28 (b) jointly exercised meaningful control over Plaintiff's and other non-party

1 Aggrieved Employees' wages, hours, and working conditions, including
2 the quantity, quality standards, speed, scheduling, and operative details
3 of the tasks performed by Plaintiff and other non-party Aggrieved
4 Employees;

5 (c) jointly required that Plaintiff and other non-party Aggrieved Employees
6 perform work which is an integral part of Defendants' businesses; and

7 (d) jointly exercised control over Plaintiff and other non-party Aggrieved
8 Employees as a matter of economic reality in that Plaintiff and other
9 non-party Aggrieved Employees were dependent on Defendants, who
10 shared the power to set the wages of Plaintiff and other non-party
11 Aggrieved Employees and determined their working conditions, and
12 who jointly reaped the benefits from the underpayment of their wages
13 and noncompliance with other statutory provisions governing their
14 employment.

15 24. Plaintiff is informed and believes, and thereon alleges, that at all relevant times
16 there has existed a unity of interest and ownership between Defendants such that any
17 individuality and separateness between the entities has ceased.

18 25. KNIGHT SUNRISE HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA
19 LLC; KNIGHT CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT
20 SACRAMENTO AU INC.; KNIGHT SACRAMENTO CD INC.; KNIGHT SACRAMENTO
21 SU INC.; KNIGHT SACRAMENTO V INC.; NGP MOTORS, INC.; and/or DOES 1 through
22 10 are therefore alter egos of each other.

23 26. Adherence to the fiction of the separate existence of Defendants would permit
24 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
25 from liability for the wrongful acts committed by them under the name KNIGHT GROUP.

26 27. Plaintiff further alleges, upon information and belief, that the Defendants
27 KNIGHT SUNRISE HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA LLC; KNIGHT
28 CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT SACRAMENTO AU

1 INC.; KNIGHT SACRAMENTO CD INC.; KNIGHT SACRAMENTO SU INC.; KNIGHT
2 SACRAMENTO V INC.; and NGP MOTORS, INC. are alter egos of each other for the
3 following reasons:

- 4 (a) On the California Secretary of State’s website
5 (<https://bizfileonline.sos.ca.gov/>), KNIGHT SUNRISE HOLLYWOOD
6 LLC and NGP MOTORS, INC. have the same principal and mailing
7 address, “5500 LANKERSHIM BLVD. LOS ANGELES, CA 91601”;
- 8 (b) On the California Secretary of State’s website, KNIGHT SUNRISE
9 FONTANA LLC; KNIGHT CLAREMONT INC.; KNIGHT
10 SACRAMENTO AC INC.; KNIGHT SACRAMENTO AU INC.;
11 KNIGHT SACRAMENTO CD INC.; KNIGHT SACRAMENTO SU
12 INC.; and KNIGHT SACRAMENTO V INC. share the same principal
13 and mailing address, “16005 VALLEY B[OU]L[E]V[AR]D
14 FONTANA, CA 92335
- 15 (c) According to their most recent “Statement of Information” forms filed
16 with the California Secretary of State, KNIGHT SUNRISE
17 HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA LLC; KNIGHT
18 CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT
19 SACRAMENTO AU INC.; KNIGHT SACRAMENTO CD INC.;
20 KNIGHT SACRAMENTO SU INC.; and KNIGHT SACRAMENTO V
21 INC. share the same officers, directors, and/or members, including, but
22 not limited to, Kevin Knight;
- 23 (d) On the California Secretary of State’s website, KNIGHT SUNRISE
24 HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA LLC; KNIGHT
25 CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT
26 SACRAMENTO AU INC.; KNIGHT SACRAMENTO CD INC.;
27 KNIGHT SACRAMENTO SU INC.; and KNIGHT SACRAMENTO V
28 INC. share the same agent for service of process, TELOS LEGAL

CORP.; and

(e) On information and belief, KNIGHT SUNRISE HOLLYWOOD LLC; KNIGHT SUNRISE FONTANA LLC; KNIGHT CLAREMONT INC.; KNIGHT SACRAMENTO AC INC.; KNIGHT SACRAMENTO AU INC.; KNIGHT SACRAMENTO CD INC.; KNIGHT SACRAMENTO SU INC.; KNIGHT SACRAMENTO V INC.; and NGP MOTORS, INC. utilize the same standardized employment forms and issue the same employment policies.

PAGA REPRESENTATIVE ALLEGATIONS

28. Defendants operate one of the largest automobile dealer groups in the country, operating eight (8) locations in California. Upon information and belief, Defendants maintain a single, centralized Human Resources (HR) department at their corporate headquarters in Fontana, California, and Los Angeles, California, for all non-exempt, hourly paid employees working for Defendants in California, which is responsible for the recruiting and hiring of new employees, and communicating and implementing Defendants' company-wide policies, including timekeeping policies and meal and rest period policies, to employees throughout California.

29. In particular, Plaintiff and other non-party Aggrieved Employees, on information and belief, received the same standardized documents and/or written policies. Upon information and belief, the usage of standardized documents and/or written policies, including new-hire documents, indicate that Defendants dictated policies at the corporate level and implemented them company-wide, regardless of their employees' assigned locations or positions. Upon information and belief, Defendants set forth uniform policies and procedures in several documents provided at an employee's time of hire.

30. Upon information and belief, Defendants maintain a centralized Payroll department at their corporate headquarters in Fontana, California, and Los Angeles, California, which processes payroll for all non-exempt, hourly paid employees working for Defendants at their various locations in California, including Plaintiff and other non-party

1 Aggrieved Employees. Based upon information and belief, Defendants issue the same
2 formatted wage statements to all non-exempt, hourly paid employees in California,
3 irrespective of their work locations. Upon information and belief, Defendants process payroll
4 for departing employees in the same manner throughout the State of California, regardless of
5 the manner in which each employee's employment ends.

6 31. Defendants continue to employ non-exempt or hourly paid employees in
7 California.

8 32. Plaintiff is informed and believes, and thereon alleges, that at all times herein
9 mentioned, Defendants were advised by skilled lawyers and other professionals, employees
10 and advisors knowledgeable about California labor and wage law, employment and personnel
11 practices, and about the requirements of California law.

12 33. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other
13 non-party Aggrieved Employees were not paid for all hours worked because all hours worked
14 were not recorded.

15 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
16 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
17 receive certain wages for overtime compensation and that they were not receiving certain
18 wages for overtime compensation.

19 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
20 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
21 be paid at a regular rate of pay, and corresponding rates of pay for overtime wages and/or
22 meal and rest period premiums, that included as eligible income all remuneration required by
23 law, including but not limited to, all income derived from commissions, incentive pay,
24 nondiscretionary bonuses, and/or other forms of compensation, but failed to include all forms
25 of remuneration in calculating the regular rate of pay for Plaintiff and other non-party
26 Aggrieved Employees

27 36. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
28 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to

1 receive at least minimum wages for compensation and that they were not receiving at least
2 minimum wages for work that was required to be done off-the-clock. In violation of the
3 California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at
4 least minimum wages for work done off-the-clock.

5 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
6 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
7 meal periods in accordance with the California Labor Code and applicable IWC Wage Order
8 or payment of one (1) additional hour of pay at their regular rates of pay when they were not
9 provided with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and
10 other non-party Aggrieved Employees were not provided with all meal periods or payment of
11 one (1) additional hour of pay at their regular rates of pay when they did not receive a timely,
12 uninterrupted, thirty (30) minute meal period.

13 38. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
14 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
15 rest periods in accordance with the California Labor Code and applicable IWC Wage Order or
16 payment of one (1) additional hour of pay at their regular rates of pay when they were not
17 authorized and permitted to take a compliant rest period and that Plaintiff and other non-party
18 Aggrieved Employees were not authorized and permitted to take compliant rest periods or
19 provided with payment of one (1) additional hour of pay at their regular rates of pay when
20 they were not authorized and permitted to take a compliant rest period.

21 39. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
22 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
23 receive complete and accurate wage statements in accordance with California law. In
24 violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees
25 were not provided complete and accurate wage statements.

26 40. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
27 should have known that they had a duty to maintain accurate and complete payroll records in
28 accordance with the Labor Code and applicable IWC Wage Order, but willfully, knowingly,

1 and intentionally failed to do so.

2 41. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
3 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
4 timely payment of wages during their employment. In violation of the California Labor Code,
5 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,
6 including, but not limited to, overtime wages, minimum wages, and/or meal and rest period
7 premiums, within permissible time periods.

8 42. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
9 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
10 timely payment of all wages earned upon termination of employment. In violation of the
11 California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive
12 payment of all wages due, including, but not limited to, overtime wages, minimum wages,
13 and/or meal and rest period premiums, within permissible time periods.

14 43. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that they were not permitted to compel or coerce Plaintiff and other non-
16 party Aggrieved Employees to patronize their business in the purchase of anything of value,
17 but did, in fact, require Plaintiff and other non-party Aggrieved Employees to purchase
18 various items, including uniforms, from Defendants.

19 44. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
20 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
21 receive reimbursement for all business-related expenses and costs they incurred during the
22 course and scope of their employment and that they did not receive reimbursement of
23 applicable business-related expenses and costs incurred.

24 45. Plaintiff is informed and believes, and thereon alleges, that at all times herein
25 mentioned, Defendants knew or should have known that they had a duty to compensate
26 Plaintiff and other non-party Aggrieved Employees for all hours worked, and that Defendants
27 had the financial ability to pay such compensation, but willfully, knowingly, and intentionally
28 failed to do so, and falsely represented to Plaintiff and other non-party Aggrieved Employees

1 that they were properly denied wages, all in order to increase Defendants' profits.

2 46. At all times herein set forth, PAGA provides that any provision of law under
3 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
4 assessed and collected by the LWDA for violations of the California Labor Code and
5 applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a
6 civil action brought on behalf of themselves and other current or former employees pursuant
7 to procedures outlined in California Labor Code section 2699.3.

8 47. PAGA defines an "aggrieved employee" in Labor Code section 2699(c)(1) as
9 "any person who was employed by the alleged violator and personally suffered each of the
10 violations alleged each of the violations alleged."

11 48. Plaintiff and other current and former employees of Defendants are "aggrieved
12 employees" as defined by Labor Code section 2699(c)(1) in that they are all Defendants'
13 current or former employees and each of the alleged violations were committed against them.

14 49. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved
15 employee, including Plaintiff, may pursue a civil action arising under PAGA after the
16 following requirements have been met:

- 17 (a) The aggrieved employee shall give written notice by online filing
18 (hereinafter "Employee's Notice") to the LWDA and by certified mail
19 to the employer of the specific provisions of the California Labor Code
20 alleged to have been violated, including the facts and theories to support
21 the alleged violations.
- 22 (b) An aggrieved employee's notice filed with the LWDA pursuant to
23 2699.3(a) and any employer response to that notice shall be
24 accompanied by a filing fee of seventy-five dollars (\$75).
- 25 (c) The LWDA shall provide notice (hereinafter "LWDA Notice") to the
26 employer and the aggrieved employee by certified mail that it does not
27 intend to investigate the alleged violation within sixty (60) calendar
28 days of the postmark date of the Employee's Notice. Upon receipt of

1 the LWDA Notice, or if the LWDA Notice is not provided within sixty-
2 five (65) calendar days of the postmark date of the Employee's Notice,
3 the aggrieved employee may commence a civil action pursuant to
4 California Labor Code section 2699 to recover civil penalties in addition
5 to any other penalties to which the employee may be entitled.

6 50. Pursuant to California Labor Code section 2699.3(c), aggrieved employees,
7 through Plaintiff, may pursue a civil action arising under PAGA for violations of any
8 provision other than those listed in Section 2699.5 after the following requirements have been
9 met:

- 10 (a) The aggrieved employee or representative shall give written notice by
11 online filing to the LWDA and by certified mail to the employer of the
12 specific provisions of the California Labor Code alleged to have been
13 violated (other than those listed in Section 2699.5), including the facts
14 and theories to support the alleged violation.
- 15 (b) An aggrieved employee's notice filed with the LWDA pursuant to
16 2699.3(c) and any employer response to that notice shall be
17 accompanied by a filing fee of seventy-five dollars (\$75).
- 18 (c) The employer may cure the alleged violation within thirty-three (33)
19 calendar days of the postmark date of the notice. The employer shall
20 give written notice by certified mail within that period of time to the
21 aggrieved employee or representative and the agency if the alleged
22 violation is cured, including a description of actions taken, and no civil
23 action pursuant to Section 2699 may commence. If the alleged violation
24 is not cured within the 33-day period, the employee may commence a
25 civil action pursuant to Section 2699.

26 51. On September 12, 2024, Plaintiff provided written notice by online filing to the
27 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
28 Code alleged to have been violated, including facts and theories to support the alleged

1 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
2 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
3 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
4 Plaintiff PAGA Case Number LWDA-CM-1050335-24. A true and correct copy of Plaintiff's
5 written notice to the LWDA and Defendants dated September 12, 2024, is attached hereto as
6 "Exhibit 1."

7 52. As of the filing date of this complaint, over 65 days have passed since Plaintiff
8 sent the written notice described above, and the LWDA has not responded that it intends to
9 investigate Plaintiff's claims, and Defendants have not cured the violations.

10 53. Thus, Plaintiff has satisfied the administrative prerequisites under California
11 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
12 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 450, 510, 512(a),
13 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

14 54. Labor Code section 558(a) provides "[a]ny employer or other person acting on
15 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
16 provision regulating hours and days of work in any order of the Industrial Welfare
17 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
18 dollars (\$50) for each underpaid employee for each pay period for which the employee was
19 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
20 underpaid employee for each pay period for which the employee was underpaid" Labor
21 Code section 558(c) provides "[t]he civil penalties provided for in this section are in addition
22 to any other civil or criminal penalty provided by law." Plaintiff, acting in the public interest
23 as a private attorney general, seeks assessment and collection of civil penalties under Labor
24 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
25 California against Defendants for violations of Labor Code sections 510, 512(a), 516, and
26 1198, and the applicable IWC Wage Order. Plaintiff, acting in the public interest as a private
27 attorney general, does not seek the recovery of unpaid wages under Labor Code section 558
28 from Defendants for violations of Labor Code sections 510, 512(a), 516, and 1198, and the

1 applicable IWC Wage Order.

2 55. Defendants, at all times relevant to this complaint, were employers or persons
3 acting on behalf of an employer(s) who violated Plaintiff's and other non-party Aggrieved
4 Employees' rights by violating various sections of the California Labor Code as set forth
5 above.

6 56. As set forth below, Defendants have violated numerous provisions of both the
7 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
8 Order.

9 57. Pursuant to PAGA, and in particular, California Labor Code sections 1194.5,
10 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public
11 interest as a private attorney general, seeks assessment and collection of civil penalties and
12 injunctive relief for himself, all other non-party Aggrieved Employees, and the State of
13 California against Defendants for violations of California Labor Code sections 201, 202, 204,
14 226(a), 226.7, 450, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

15 **FIRST CAUSE OF ACTION**

16 **For Civil Penalties, Pursuant to California Labor Code §§ 2698, *et seq.***

17 **(Against all Defendants)**

18 58. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
19 and every allegation set forth above.

20 59. California Labor Code §§ 2698, *et seq.* ("PAGA") permits Plaintiff to recover
21 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
22 section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 450, 1174(d),
23 and 1198. Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiff, to
24 recover civil penalties for violations of those Labor Code sections not found in section 2699.5,
25 including sections 226(a), 226.7, 510, 512(a), 516, 1182.12, 1194, 1197, and 2802.

26 60. Defendants' conduct, as alleged herein, violates numerous sections of the
27 California Labor Code, including, but not limited to, the following:

28 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC

1 Wage Order for Defendants' failure to compensate Plaintiff and other
2 non-party Aggrieved Employees with all required overtime pay, as set
3 forth below;

4 (b) Violation of Labor Code sections 226.7, 510, and 1198, and the
5 applicable IWC Wage Order for Defendants' failure to include all forms
6 of remuneration in the regular rate of pay as required by law for
7 purposes of paying overtime wages and/or meal and rest period
8 premiums to Plaintiff and other non-party Aggrieved Employees, as set
9 forth below;

10 (c) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and
11 the applicable IWC Wage Order for Defendants' failure to compensate
12 Plaintiff and other non-party Aggrieved Employees with at least
13 minimum wages for all hours worked, as set forth below;

14 (d) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
15 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
16 and other non-party Aggrieved Employees with meal periods, as set
17 forth below;

18 (e) Violation of Labor Code sections 226.7, 516, and 1198, and the
19 applicable IWC Wage Order for Defendants' failure to authorize and
20 permit Plaintiff and other non-party Aggrieved Employees to take rest
21 periods, as set forth below;

22 (f) Violation of Labor Code sections 226(a) and 1198, and the applicable
23 IWC Wage Order for failure to provide accurate and complete wage
24 statements to Plaintiff and other non-party Aggrieved Employees, as set
25 forth below;

26 (g) Violation of Labor Code sections 1174(d) and 1198, and the applicable
27 IWC Wage Order for failure to maintain payroll records, as set forth
28 below;

- 1 (h) Violation of Labor Code sections 204 for failure to pay all earned wages
2 during employment, as set forth below;
- 3 (i) Violation of Labor Code sections 201 and 202 for failure to pay all
4 earned wages upon termination, as set forth below;
- 5 (j) Violation of Labor Code section 450 for compelling Plaintiff and other
6 non-party Aggrieved Employees to patronize Defendants' or any other
7 person's business in the purchase of anything of value, as set forth
8 below; and
- 9 (k) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff
10 and other non-party Aggrieved Employees for all business expenses
11 necessarily incurred, as set forth below.

12 **FAILURE TO PAY OVERTIME**

13 **VIOLATION OF LABOR CODE SECTIONS 510 AND 1198**

14 61. Labor Code section 1198 makes it illegal to employ an employee under
15 conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor
16 Code section 1198 requires that "... the standard conditions of labor fixed by the commission
17 shall be the ... standard conditions of labor for employees. The employment of any employee
18 ... under conditions of labor prohibited by the order is unlawful."

19 62. California Labor Code section 1198 and the applicable IWC Wage Order
20 provide that it is unlawful to employ persons without compensating them at a rate of pay
21 either time-and-one-half or two-times that person's regular rate of pay, depending on the
22 number of hours worked by the person on a daily or weekly basis.

23 63. Specifically, the applicable IWC Wage Order provides that Defendants are and
24 were required to pay Plaintiff and other non-party Aggrieved Employees working more than
25 eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and
26 one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty
27 (40) hours in a workweek.

28 64. The applicable IWC Wage Order further provides that Defendants are and were

1 required to pay Plaintiff and other non-party Aggrieved Employees working more than twelve
2 (12) hours in a day, overtime compensation at a rate of two (2) times their regular rate of pay.
3 An employee's regular rate of pay includes all remuneration for employment paid to, or on
4 behalf of, the employee, including nondiscretionary bonuses and incentive pay.

5 65. California Labor Code section 510 codifies the right to overtime compensation
6 at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8)
7 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
8 seventh (7th) day of work, and to overtime compensation at twice the employee's regular rate
9 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
10 in a day on the seventh (7th) day of work.

11 66. During the relevant time period, Defendants willfully failed to pay all overtime
12 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time
13 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums
14 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)
15 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were
16 not recorded.

17 67. First, during the relevant time period, on information and belief, Defendants
18 had, and continue to have, a company-wide policy and/or practice of discouraging and
19 impeding Plaintiff and other non-party Aggrieved Employees from recording hours worked
20 that were outside of their scheduled shifts in order to limit the amount of overtime employees
21 could accrue. This policy of limiting overtime led Plaintiff and other non-party Aggrieved
22 Employees to work off-the-clock outside of their scheduled shift times. For example, at least
23 once per month, Plaintiff and other non-party Aggrieved Employees were required to attend
24 meetings after their shifts, which would take approximately one (1) hour. Defendants'
25 management explicitly told Plaintiff and other non-party Aggrieved Employees to clock out at
26 the end of their shifts and attend these meeting off-the-clock. As a further example, Plaintiff
27 and other non-party Aggrieved Employees were required to complete online training modules
28 about vehicle functions and compositions. Plaintiff completed this training at home and off-

1 the-clock because he had no means of recording this time spent working. Thus, Defendants
2 failed to track all of the time that employees spent performing work-related tasks outside of
3 their shifts, and Plaintiff and other non-party Aggrieved Employees received no compensation
4 for this time.

5 68. Second, Defendants had, and continue to have, company-wide policies and/or
6 practices of understaffing their locations while assigning heavy workloads, including
7 pressuring employees to meet service quotas. Defendants' policies and/or practices resulted in
8 a failure to provide Plaintiff and other non-party Aggrieved Employees with adequate meal
9 period coverage, and thus, Plaintiff and other non-party Aggrieved Employees were not
10 always afforded uninterrupted 30-minute meal periods during shifts when they were entitled
11 to receive a meal period. Defendants also had a practice of failing to adhere to a schedule for
12 meal periods, which further caused Plaintiff and other non-party Aggrieved Employees to not
13 be relieved of their duties for compliant meal periods. For example, Plaintiff sometimes
14 worked straight through his meal periods to continue his job duties or had his meal periods
15 interrupted, due to the lack of coverage and heavy workload. Defendants did not compensate
16 Plaintiff and other non-party Aggrieved Employees for the time they spent working off the
17 clock during unpaid meal periods.

18 69. Third, Defendants had, and continue to have, a policy and/or practice of
19 requiring that Plaintiff and other non-party Aggrieved Employees carry a company-issued
20 radio and respond to it at all times, including during meal periods. For example, Plaintiff
21 would regularly have his meal periods interrupted because he was required to answer calls
22 from Defendants' management. Thus, Plaintiff and other non-party Aggrieved Employees
23 worked through meal periods and/or had them interrupted to handle their assigned workloads
24 and responsibilities, and Defendants did not pay Plaintiff and other non-party Aggrieved
25 Employees for the time they continued to perform tasks during meal periods.

26 70. Fourth, because Defendants frowned upon employees accruing meal period
27 premiums, Defendants' management pressured employees to clock out for meal periods and/or
28 adjusted their time records to reflect compliant meal periods, regardless of whether they had

1 received a compliant meal period or not. In addition, Defendants' company-wide timekeeping
2 system prevented Plaintiff and other non-party Aggrieved Employees from recording all hours
3 worked when their meal periods were shortened or interrupted, because the system locked out
4 Plaintiff and other non-party Aggrieved Employees once they clocked out for a meal period,
5 and would not permit them to clock back in from a meal period until 30 minutes had elapsed.
6 Thus, Defendants' timekeeping system prevented Plaintiff and other non-party Aggrieved
7 Employees from recording all hours worked when their meal periods were shortened or
8 interrupted.

9 71. Defendants knew or should have known that as a result of these company-wide
10 practices and/or policies, Plaintiff and other non-party Aggrieved Employees were performing
11 their assigned duties off-the-clock outside of their shifts and during meal periods, and were
12 suffered or permitted to perform work for which they were not paid. Because Plaintiff and
13 other non-party Aggrieved Employees worked shifts of eight (8) hours or more a day, or forty
14 (40) hours a week or more, some of this off-the-clock work qualified for overtime premium
15 pay. Therefore, Plaintiff and other non-party Aggrieved Employees were not paid overtime
16 wages for all of the overtime hours they actually worked.

17 72. Moreover, Defendants did not pay Plaintiff and other non-party Aggrieved
18 Employees the correct overtime rate for the recorded overtime hours that they generated. In
19 addition to an hourly wage, Defendants paid Plaintiff and other non-party Aggrieved
20 Employees commissions, incentive pay, nondiscretionary bonuses, and/or other forms of
21 remuneration. However, in violation of the California Labor Code, Defendants failed to
22 incorporate all compensation, including commissions, incentive pay, nondiscretionary
23 bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for
24 purposes of calculating the overtime wage rate. Therefore, during times when Plaintiff and
25 other non-party Aggrieved Employees worked overtime and received these other forms of
26 pay, Defendants failed to pay all overtime wages by paying a lower overtime rate than
27 required.

28 73. For example, Defendants paid Plaintiff and other non-party Aggrieved

1 Employees commissions, which were listed on Plaintiff's and other aggrieved employees'
2 wage statements as "Commission." During pay periods that Plaintiff and other non-party
3 Aggrieved Employees were paid overtime wages, Defendants did not incorporate the
4 commissions and/or incentive pay into Plaintiff's and other non-party Aggrieved Employees'
5 regular rate of pay and, as a result, paid them at incorrect and lower rates of pay for overtime
6 hours worked. Specifically, Defendants paid Plaintiff and other non-party Aggrieved
7 Employees 1.5 times their hourly rate of pay instead of 1.5 times their regular rate of pay.
8 Defendants' failure to properly calculate the overtime rates of pay based on all remuneration
9 paid has resulted in an underpayment of overtime wages to Plaintiff and other non-party
10 Aggrieved Employees on a company-wide basis.

11 74. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
12 the balance of overtime compensation as required by California law, violates the provisions of
13 California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved
14 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
15 558 and/or 2699(a), (f), and (k).

16 **FAILURE TO PAY MINIMUM WAGES**

17 **VIOLATION OF LABOR CODE SECTIONS 1182.12, 1194, 1197, AND 1198**

18 75. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
19 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment
20 of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in
21 IWC Wage Order No. 7-2001 as "the time during which an employee is subject to the control
22 of an employer, and includes all the time the employee is suffered or permitted to work,
23 whether or not required to do so." Cal. Code Regs. tit. 8, § 11070(2)(G) (defining "Hours
24 Worked").

25 76. As set forth above, as a result of Defendants' policy of limiting the amount of
26 overtime employees could accrue, Defendants required Plaintiff and other non-party
27 Aggrieved Employees to perform work off-the-clock after their scheduled shifts such as
28 attending meetings and completing online training modules.

1 77. As also stated, due to Defendants' policies and/or practices of understaffing
2 their dealerships while assigning heavy workloads, including pressuring employees to meet
3 service quotas, and failing to adhere to a schedule for meal periods, Plaintiff and other non-
4 party Aggrieved Employees were impeded from taking all uninterrupted meal periods to
5 which they were entitled and were required to work off-the-clock during meal periods, have
6 their meal periods interrupted, and/or were otherwise not relieved of all duties during unpaid
7 meal periods. Moreover, as also stated, Defendants had a company-wide policy and/or
8 practice of requiring that Plaintiff and other non-party Aggrieved Employees carry a
9 company-issued radio to respond to requests at all times, including during meal periods.

10 78. Furthermore, as stated, in order to prevent employees from accruing meal
11 period premiums, upon information and belief, Defendants' managers pressured Plaintiff and
12 other non-party Aggrieved Employees to clock out for meal periods and/or adjusted employee
13 time records to reflect compliant meal periods, even when meal periods were missed, short,
14 and/or interrupted. In addition, as stated, Defendants' company-wide timekeeping system
15 prevented Plaintiff and other non-party Aggrieved Employees from entering time worked
16 during meal periods because the system locked out Plaintiff and other non-party Aggrieved
17 Employees for a full 30 minutes. Thus, Defendants failed to pay Plaintiff and other non-party
18 Aggrieved Employees for actual hours worked during unpaid meal periods because these
19 hours were not always correctly recorded.

20 79. Defendants did not pay minimum wages for all hours worked by Plaintiff and
21 other non-party Aggrieved Employees. To the extent that these off-the-clock hours did not
22 qualify for overtime premium payment, Defendants did not pay at least minimum wages for
23 those hours worked off-the-clock in violation of California Labor Code sections 1182.12,
24 1194, 1197, and 1198.

25 80. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
26 minimum wages violates California Labor Code sections 1182.12, 1194, 1197, and 1198.
27 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
28 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

FAILURE TO PROVIDE AND RECORD MEAL PERIODS
VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198

81. At all relevant times herein set forth, the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and non-party Aggrieved Employees' employment by Defendants.

82. At all relevant times herein set forth, California Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012).

83. At all relevant times herein set forth, California Labor Code sections 226.7, 512(a), 516, and 1198 provide that no employer shall require an employee to work during any meal period mandated by an applicable order of the IWC.

84. At all relevant times herein set forth, Labor Code sections 226.7, 512(a), 1198, and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

85. As stated, Defendants had, and continue to have, company-wide policies and/or practices of understaffing while assigning heavy workloads, including pressuring employees to meet service quotas, which has resulted in a lack of meal period coverage and prevented Plaintiff and other non-party Aggrieved Employees from taking all timely, uninterrupted meal periods to which they were entitled. Further, as stated, Defendants had a company-wide practice and/or policy of failing to adhere to a schedule for meal periods, which further caused

1 Plaintiff and other non-party Aggrieved Employees to not be relieved of their duties for
2 compliant meal periods. Moreover, as stated, Defendants had a company-wide policy and/or
3 practice of requiring that Plaintiff and other non-party Aggrieved Employees carry a
4 company-issued radio to respond to requests at all times, including during meal periods.

5 86. As a result, Plaintiff and other non-party Aggrieved Employees had to work
6 through all or part of their meal periods, had their meal periods interrupted, and/or had to wait
7 extended periods of time before taking meal periods. For example, as stated, Plaintiff
8 sometimes worked straight through his meal periods to complete his assigned tasks. As also
9 stated, Plaintiff would regularly have his meal periods interrupted by customers who needed
10 assistance and by calls from Defendants on his company-issued radio regarding work-related
11 issues. Further, Plaintiff took his meal periods late, after the fifth hour of work,
12 approximately three (3) times per week.

13 87. Additionally, as stated, on information and belief, because Defendants frowned
14 upon employees accruing meal period premiums, Defendants' management pressured Plaintiff
15 and other non-party Aggrieved Employees to clock out for meal periods and/or adjusted
16 employee time records to reflect compliant meal periods, even when they did not receive a
17 compliant meal period. Moreover, as stated, Defendants' company-wide timekeeping system
18 prevented Plaintiff and other non-party Aggrieved Employees from recording when their meal
19 periods were shortened or interrupted, because the system locked out Plaintiff and other non-
20 party Aggrieved Employees once they clocked out for a meal period, and would not permit
21 them to clock back in from a meal period before 30 minutes had elapsed.

22 88. Further, Defendants did not provide Plaintiff and other non-party Aggrieved
23 Employees with second 30-minute meal periods on days that they worked in excess of ten (10)
24 hours in one day. During his employment, Plaintiff worked shifts in excess of ten (10) or
25 more hours per day but was not provided a second 30-minute meal period. Plaintiff and other
26 non-party Aggrieved Employees did not sign valid meal period waivers on days that they were
27 entitled to meal periods and were not relieved of all duties.

28 89. At all times herein mentioned, Defendants knew or should have known that, as

1 a result of these policies, Plaintiff and other non-party Aggrieved Employees were prevented
2 from being relieved of all duties and required to perform some of their assigned duties during
3 meal periods. Defendants further knew or should have known that Defendants did not pay
4 Plaintiff and other non-party Aggrieved Employees meal period premiums when meal periods
5 were missed, shortened, interrupted, and/or late.

6 90. Furthermore, Defendants engaged in a company-wide practice and/or policy of
7 not paying all meal period premiums owed when compliant meal periods are not provided.
8 Because of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees
9 have not received premium pay for all missed, late, and interrupted meal periods.
10 Alternatively, to the extent that Defendants did pay Plaintiff and other non-party Aggrieved
11 Employees premium pay for missed, late, and interrupted meal periods, Defendants did not
12 pay Plaintiff and other non-party Aggrieved Employees at the correct rate of pay for
13 premiums because Defendants systematically failed to include all compensation, such as
14 commissions, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in
15 the regular rate of pay. Thus, Defendants failed to provide Plaintiff and other non-party
16 Aggrieved Employees compliant meal periods and failed to pay the full meal period premiums
17 due.

18 91. Defendants' conduct violates the applicable IWC Wage Order, and California
19 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved
20 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
21 558 and/or 2699(a), (f), and (k).

22 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**

23 **VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198**

24 92. At all relevant times herein set forth, the applicable IWC Wage Order and
25 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff's and other
26 non-party Aggrieved Employees' employment by Defendants.

27 93. At all relevant times, the applicable IWC Wage Order provides that "[e]very
28 employer shall authorize and permit all employees to take rest periods, which insofar as

1 practicable shall be in the middle of each work period” and that the “rest period time shall be
2 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
3 hours or major fraction thereof” unless the total daily work time is less than three and one-half
4 (3 ½) hours.

5 94. At all relevant times, California Labor Code section 226.7 provides that no
6 employer shall require an employee to work during any rest period mandated by an applicable
7 order of the California IWC. To comply with its obligation to authorize and permit rest
8 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
9 employer must “relinquish any control over how employees spend their break time, and
10 relieve their employees of all duties—including the obligation that an employee remain on
11 call. A rest period, in short, must be a period of rest.” *Augustus v. ABM Security Services,*
12 *Inc.*, 2 Cal. 5th 257, 273 (2016).

13 95. Pursuant to the applicable IWC Wage Order and California Labor Code section
14 226.7(c), Plaintiff and other non-party Aggrieved Employees are entitled to recover from
15 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a
16 required rest period was not authorized and permitted.

17 96. During the relevant time period, Defendants regularly failed to authorize and
18 permit Plaintiff and other non-party Aggrieved Employees to take a ten (10) minute rest
19 period per each four (4) hour period worked or major fraction thereof. As with meal periods,
20 Defendants’ company-wide practices, including understaffing and assigning heavy workloads,
21 and their requirement that employees carry a company-issued radio at all times, including
22 during rest periods, prevented Plaintiff and other non-party Aggrieved Employees from being
23 relieved of all duty to take rest periods. Additionally, Defendants failed to schedule rest
24 periods, which, coupled with Defendants’ failure to provide adequate rest period coverage,
25 further led to Plaintiff and other non-party Aggrieved Employees not being authorized and
26 permitted to take rest periods.

27 97. Furthermore, during the relevant time period, Defendants maintained and
28 implemented a company-wide on-premises rest period policy, which mandated that Plaintiff

1 and other non-party Aggrieved Employees remain on the work premises during their rest
2 periods. Because Plaintiff and other non-party Aggrieved Employees were restricted from
3 leaving the premises during rest periods, they were denied the ability to use their rest periods
4 freely for their own purposes, such as running personal errands. Thus, Defendants effectively
5 maintained control over Plaintiff and other non-party Aggrieved Employees during rest
6 periods.

7 98. As a result of Defendants' practices and policies, Plaintiff and other non-party
8 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
9 excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled.
10 For example, throughout much of his employment, Plaintiff had to forgo his rest periods
11 entirely. Towards the end of his employment, when Plaintiff started taking his periods, they
12 were interrupted by customers or Defendants calling Plaintiff on his company-issued radio to
13 discuss work-related matters.

14 99. Defendants have also engaged in a company-wide practice and/or policy of not
15 paying rest period premiums owed when compliant rest periods are not authorized and
16 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
17 Employees have not received premium pay for all missed rest periods. Alternatively, to the
18 extent that Defendants did pay other Plaintiff and aggrieved employees one (1) additional hour
19 of premium pay for missed rest periods, Defendants did not pay Plaintiff and other non-party
20 Aggrieved Employees at the correct rate of pay for premium wages because Defendants failed
21 to include all forms of compensation, such as commissions, incentive pay, nondiscretionary
22 bonuses, and/or other forms of compensation, in the regular rate of pay. Accordingly,
23 Defendants failed to authorize and permit all compliant rest periods and failed to pay the full
24 rest period premiums due.

25 100. Defendants' conduct violates the applicable IWC Wage Order and California
26 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved
27 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
28 558 and/or 2699(a), (f), and (k).

FAILURE TO PROVIDE AND MAINTAIN COMPLIANT WAGE STATEMENTS
VIOLATION OF LABOR CODE SECTIONS 226(a), 1174(d), AND 1198

101. At all relevant times herein, California Labor Code section 226(a) provides that every employer shall furnish each of his or her employees an accurate and complete itemized wage statement in writing, including, but not limited to, the name and address of the legal entity that is the employer, the inclusive dates of the pay period, total hours worked, and all applicable rates of pay.

102. During the relevant time period, Defendants have knowingly and intentionally provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and inaccurate wage statements. For example, Defendants issued uniform wage statements to Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages and/or meal and rest period premiums, and the corresponding number of hours worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

103. Because Defendants did not record the time Plaintiff and other non-party Aggrieved Employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), Defendants did not list the correct amount of gross wages and net wages earned by Plaintiff and other non-party Aggrieved Employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, Defendants failed to accurately list the total number of hours worked by Plaintiff and other non-party Aggrieved Employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

104. Furthermore, because Defendants did not calculate Plaintiff's and other non-party Aggrieved Employees' regular rate of pay correctly for purposes of paying overtime wages and/or meal and rest period premiums, Defendants did not list the correct amount of

gross wages in compliance with section 226(a)(1) and did not list the correct amount of net wages in violation of section 226(a)(5). Defendants also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages and/or meal and rest period premiums, in violation of section 226(a)(9).

105. The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

106. California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, 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” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), Defendants willfully failed to maintain accurate payroll records for Plaintiff and other non-party Aggrieved Employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

107. California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under

conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, Defendants engaged in company-wide practices and/or policies of failing to record actual hours worked (including falsifying time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken), and thereby failed to keep accurate records of work period start and end times for Plaintiff and other non-party Aggrieved Employees, in violation of section 1198. Furthermore, in light of Defendants’ failure to provide Plaintiff and other non-party Aggrieved Employees with second 30-minute meal periods to which they were entitled, Defendants kept no records of meal start and end times for second meal periods.

108. Defendants’ conduct violates California Labor Code sections 226(a), 1174(d), and 1198. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

FAILURE TO PAY WAGES DURING EMPLOYMENT

VIOLATION OF LABOR CODE SECTION 204

109. At all relevant times herein set forth, California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed. Labor Code section 204 further provides that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

110. At all relevant times herein, California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, at all relevant times herein, Labor Code section 204 provides that the requirements of this section are deemed satisfied by

1 the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not
2 more than seven (7) calendar days following the close of the payroll period.

3 111. During the relevant time period, Defendants willfully failed to pay Plaintiff and
4 other non-party Aggrieved Employees all wages due to them within any time period specified
5 by California Labor Code sections 204 including, but not limited to, overtime wages,
6 minimum wages, and/or meal and rest period premiums.

7 112. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
8 recover civil penalties pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

9 **FAILURE TO PAY WAGES UPON TERMINATION**

10 **VIOLATION OF LABOR CODE SECTIONS 201 AND 202**

11 113. At all times relevant herein set forth, Labor Code sections 201 and 202 provide
12 that if an employer discharges an employee, the wages earned and unpaid at the time of
13 discharge are due and payable immediately, and that if an employee voluntarily leaves his or
14 her employment, his or her wages shall become due and payable not later than seventy-two
15 (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of
16 his or her intention to quit, in which case the employee is entitled to his or her wages at the
17 time of quitting.

18 114. On information and belief, Defendants has a company-wide practice or policy
19 of paying departing employees their final wages on the next regular pay cycle, instead of
20 adhering to the time requirements set forth in Labor Code sections 201 and 202. For example,
21 Plaintiff was terminated on March 15, 2024; however, he did not receive his final pay until a
22 few days later. Thus, Defendants failed to pay Plaintiff and other non-party Aggrieved
23 Employees their final wages immediately, in violation of California Labor Code section 201.

24 115. In addition, Defendants willfully failed to pay Plaintiff and other non-party
25 Aggrieved Employees who are no longer employed by Defendants the earned and unpaid
26 wages set forth above, including but not limited to, overtime wages, minimum wages, and/or
27 meal and rest period premiums, either at the time of discharge, or within seventy-two (72)
28 hours of their leaving Defendants' employ.

116. Defendants' failure to pay Plaintiff and those non-party Aggrieved Employees who are no longer employed by Defendants their wages earned and unpaid at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

COMPELLING PATRONIZATION
VIOLATION OF LABOR CODE SECTION 450

117. At all relevant times herein, California Labor Code section 450 provides that an employer may not "compel or coerce any employee, or applicant for employment, to patronize his or her employer, or any other person, in the purchase of anything of value." An employer violates section 450 by forcing an employee to patronize the employer's business in the purchase of a company-provided good.

118. During the relevant time period, Defendants had a company-wide policy of not providing all necessary uniform items to Plaintiff and other non-party Aggrieved Employees. For example, during his employment, Plaintiff was scheduled to work outside, sometimes in the cold temperatures, but was not provided a uniform jacket to wear and keep warm. Defendants informed Plaintiff and other non-party Aggrieved Employees that any jackets they wore for their shifts were required to have the company logo on them. As a result, Plaintiff spent approximately \$65 to purchase a jacket and a beanie hat from Defendants with a "Ford" logo on them to wear to work during colder months. Thus, Defendants failed to provide necessary uniform items to employees forcing employees to purchase additional uniform items.

119. Defendants conduct of compelling and/or coercing Plaintiff and other non-party Aggrieved Employees to purchase goods, services, or anything of value, is in violation of California Labor Code section 450. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (k).

1 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

2 **VIOLATION OF LABOR CODE SECTION 2802**

3 120. At all times herein set forth, California Labor Code section 2802 provides that
4 an employer must reimburse employees for all necessary expenditures and losses incurred by
5 the employee in the performance of his or her job. The purpose of Labor Code section 2802 is
6 to prevent employers from passing off their cost of doing business and operating expenses on
7 to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144
8 (2014). The applicable wage order, IWC Wage Order No. 7-2001 provides that: “[w]hen tools
9 or equipment are required by the employer or are necessary to the performance of a job, such
10 tools and equipment shall be provided and maintained by the employer, except that an
11 employee whose wages are at least two (2) times the minimum wage provided herein may be
12 required to provide and maintain hand tools and equipment customarily required by the trade
13 or craft.” IWC Wage Order No. 7-2001 further provides that: “[w]hen uniforms are required
14 by the employer to be worn by the employee as a condition of employment, such uniforms
15 shall be provided and maintained by the employer.”

16 121. First, during the relevant time period, Defendants, on a company-wide basis,
17 required Plaintiff and other non-party Aggrieved Employees to use their personal mobile
18 devices, including, but not limited to, cellular phones and/or mobile data, to carry out their job
19 duties but failed to reimburse them for the costs of their work-related mobile device and/or
20 mobile data expenses. For example, Plaintiff was required to download the “MyKaarma”
21 mobile application to communicate with customers regarding the status of their vehicles.
22 Plaintiff regularly used his mobile data to utilize the aforementioned mobile application.
23 Plaintiff and other non-party Aggrieved Employees were not compensated for the cost of the
24 mobile data used to download and access the application. Further, Plaintiff used his personal
25 cellular phone to make work-related phone calls to set up repairs with automobile body shops
26 and to check on status of repairs. Finally, Plaintiff used his personal cellular phone to take
27 photos of vehicles to document repairs or damages for record keeping. Although Defendants
28 required Plaintiff and other non-party Aggrieved Employees to use their personal mobile

1 devices and mobile data to carry out their work-related duties, Defendants failed to fully
2 reimburse them for their costs incurred.

3 122. Second, during the relevant time period, Defendants required Plaintiff and other
4 non-party Aggrieved Employees to purchase supplies and equipment necessary for the
5 performance of their duties, but failed to reimburse them for their out-of-pocket costs. For
6 example, Plaintiff spent about \$100 on pens, markers, highlighters, and sticky notes; \$20 on a
7 fan needed for use outside during the summer months; and \$30 on a heater for use during the
8 winter because Defendants failed to provide employees with sufficient tools and equipment to
9 operate properly and/or meet management's expectations. As a result, Plaintiff was required
10 to purchase his own tools and equipment in order to complete his daily tasks. Although
11 Defendants required Plaintiff and other non-party Aggrieved Employees to purchase supplies
12 and equipment to carry out their work-related responsibilities, Defendants failed to reimburse
13 them for their out-of-pocket costs to purchase necessary supplies and equipment.

14 123. Third, during the relevant time period, Defendants required Plaintiff and other
15 non-party Aggrieved Employees to wear uniforms shirts bearing the "Ford" company logo.
16 However, Defendants only provided Plaintiff with two (2) shirts at the time of hire. As stated,
17 Plaintiff and other non-party Aggrieved Employees sometimes worked outdoors in cold
18 temperatures, but Defendants only permitted them to wear clothing with company logo. As a
19 result, Plaintiff spent approximately \$65 to purchase a jacket and beanie hat that were
20 permissible to wear while on duty, but was not reimbursed for his costs. Moreover, because
21 Defendants failed to provide their employees with an adequate number of uniform shirts in
22 relation to their scheduled shifts and for the tasks they were required to perform, Plaintiff and
23 other non-party Aggrieved Employees were required to wash their uniform items more
24 frequently than other clothing and/or separately from their regular clothing, thus incurring
25 additional laundry expenses for the upkeep of their uniforms. Thus, Defendants failed to
26 provide and maintain uniforms they required Plaintiff and other non-party Aggrieved
27 Employees to wear during their shifts and forced them to incur the costs of purchasing and
28 maintaining employee uniforms.

1 124. Defendants could have provided Plaintiff and other non-party Aggrieved
2 Employees with the actual equipment for use on the job, such as company mobile devices,
3 supplies and equipment, and adequate uniform items, as well as access to laundering services;
4 or Defendants could have reimbursed employees for the costs of their mobile device usage,
5 supply expenses, uniform purchases, and laundering expenses or provided a uniform
6 maintenance allowance. Instead, Defendants passed these operating costs onto Plaintiff and
7 other non-party Aggrieved Employees.

8 125. Defendants' company-wide policy and/or practice of not reimbursing
9 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
10 and other non-party Aggrieved Employees violates California Labor Code section 2802.
11 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
12 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

13 **REQUEST FOR JURY TRIAL**

14 Plaintiff requests a trial by jury.

15 **PRAYER FOR RELIEF**

16 Plaintiff, on behalf of all other non-party Aggrieved Employees, prays for relief and
17 judgment against Defendants, jointly and severally, as follows:

18 1. For civil penalties and attorneys' fees in excess of twenty-five thousand dollars
19 (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a different
20 amount.

21 **As to the First Cause of Action**

22 2. That the Court declare, adjudge and decree that Defendants violated the
23 following California Labor Code provisions as to Plaintiff and other non-party Aggrieved
24 Employees: 510 and 1198 (by failing to pay all overtime compensation); 226.7, 510, and 1198
25 (by failing to include all forms of remuneration in the regular rate of pay for purposes of
26 paying overtime wages and/or meal and rest period premiums); 1182.12, 1194, 1197, and
27 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516,
28 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and

1 permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage
2 statements and maintain accurate payroll records); 204 (by failing to timely pay all earned
3 wages during employment); 201 and 202 (by failing to timely pay all earned wages upon
4 termination); 450 (by compelling and/or coercing employees to patronize employer's
5 business); and 2802 (by failing to reimburse business expenses);

6 3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 256,
7 558, 1174.5, 2699(a), (f), and (k), for violations of California Labor Code sections 201, 202,
8 204, 226(a), 226.7, 450, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802;

9 4. For injunctive relief pursuant to California Labor Code sections 1194.5 and/or
10 2699(k) to bring Defendants into compliance with the requirements of California Labor Code
11 sections 201, 202, 204, 226(a), 226.7, 450, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197,
12 1198, and 2802;

13 5. For attorneys' fees and costs pursuant to California Labor Code section
14 2699(k)(1), and any and all other relevant statutes, for Defendants' violations of California
15 Labor Code sections 201, 202, 204, 226(a), 226.7, 450, 510, 512(a), 516, 1174(d), 1182.12,
16 1194, 1197, 1198, and 2802;

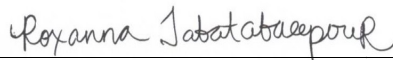
17 6. For pre-judgment and post-judgment interest as provided by law; and

18 7. For such other and further relief as the Court may deem equitable and
19 appropriate.

20 Dated: November 18, 2024

Respectfully submitted,

21 Capstone Law APC

22
23 By: 

24 Roxanna Tabatabaeepour

25 Ryan Tish

Alexander Wallin

26 Attorneys for Plaintiff Christopher Safi
27
28