

Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Elyssa Martinez (State Bar No. 355589)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 fax
nick@ferrarovega.com / lauren@ferrarovega.com

Attorneys for Plaintiff Osama Alshoul

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
12/30/2024 11:54:08 AM

Clerk of the Superior Court
By C. Hines, Deputy Clerk

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

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

Plaintiffs,

vs.

DISCOVERY PRACTICE MANAGEMENT,
INC.; CASA PALMERA CARE CENTER,
LLC; CLIFFSIDE MALIBU; CLIFFSIDE
MALIBU 1; CLIFFSIDE MALIBU II;
CLIFFSIDE MALIBU 3; CLIFFSIDE MALIBU
OUTPATIENT SERVICES; AUTHENTIC
RECOVERY, LLC and DOES 1 through 50,
inclusive,

Defendants.

Case No. 24CU031313C

**REPRESENTATIVE ACTION
COMPLAINT**

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

1 Plaintiff OSAMA ALSHOUL, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this REPRESENTATIVE
3 ACTION COMPLAINT against Defendants DISCOVERY PRACTICE MANAGEMENT, INC.;
4 CASA PALMERA CARE CENTER, LLC; CLIFFSIDE MALIBU; CLIFFSIDE MALIBU 1;
5 CLIFFSIDE MALIBU II; CLIFFSIDE MALIBU 3; CLIFFSIDE MALIBU OUTPATIENT
6 SERVICES; AUTHENTIC RECOVERY, LLC and DOES 1 through 50, inclusive and DOES 1
7 through 50, inclusive (collectively “Defendants”), alleging as follows:

8 **INTRODUCTION**

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

11 2. Defendants unlawfully required Plaintiff and the aggrieved employees to sign unlawful
12 agreements such as non-compete agreements in violation of Labor Code sections 232 and 432.5.

13 3. Defendants failed to pay Plaintiff and the aggrieved employees all minimum and
14 overtime wages due to unlawful policies and practices of requiring Plaintiff and the aggrieved
15 employees to work off-the-clock.

16 4. Defendants underpaid the aggrieved employees’ wages by failing to include all forms
17 of remuneration, including bonuses, commissions, and shift differentials into the regular rate of pay
18 calculation for overtime, sick pay, and premiums.

19 5. Defendants failed to provide, authorize, and/or permit Plaintiff and the aggrieved
20 employees to take compliant meal and rest periods to which they were entitled.

21 6. Defendants failed to reimburse Plaintiff and the aggrieved employees for necessary
22 expenses incurred in furtherance of the aggrieved employee’s job duties, including their work
23 uniforms.

24 7. As set forth in the PAGA notice, Defendants failed to pay all owed wages to Plaintiff
25 and the aggrieved employees in violation of California law. Defendants’ employment policies,
26 practices, and payroll administration systems enabled and facilitated these violations on a company-
27 wide basis with respect to the aggrieved employees.

1 **JURISDICTION & VENUE**

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

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

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

10 11. Venue is proper in this Court under Code of Civil Procedure sections 393(a), 395,
11 and/or 395.5 because, upon information and belief, Defendants conducted business and committed
12 some of the alleged violations in this County.

13 **PARTIES**

14 **A. Plaintiff Osama Alshoul**

15 12. Plaintiff Alshoul is an individual over 18 years of age who worked for Defendants in
16 California as a non-exempt employee from about April 2024 to September 2024. Plaintiff worked as
17 a Cook.

18 13. The State of California, via the Labor and Workforce Development Agency
19 (“LWDA”), is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9
20 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff files suit is always the real party
21 in interest.”]) To the extent permitted by law, including pursuant *Balderas v. Fresh Start Harvesting,*
22 *Inc.*, Court of Appeals Case No. B326759 (2nd App. Dist.) ____ Cal. App. 5th ____ (Mar. 20, 2024,
23 *as modified* Apr. 18, 2024), the PAGA claim is brought exclusively as a representative action and does
24 not include arbitrable claims.

25 **B. Defendants**

26 14. Defendant Discovery Practice Management, Inc. is a California corporation that
27 maintains operations and conducts business throughout the State of California, including in this
28

county. Defendant does business as Discovery Behavioral Health, Discovery Mood & Anxiety Program, and Center for Discovery Eating Disorder Treatment.

15. Defendant Casa Palmera Care Center, LLC is a California limited liability company that maintains operations and conducts business throughout the State of California, including in this county.

16. Defendant Cliffside Malibu is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

17. Defendant Cliffside Malibu 1 is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

18. Defendant Cliffside Malibu II is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

19. Defendant Cliffside Malibu 3 is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

20. Defendant Cliffside Malibu Outpatient Services is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

21. Defendant Authentic Recovery, LLC is a California limited liability company that maintains operations and conducts business throughout the State of California, including in this county.

22. The true names and capacities, whether individual, corporate, or otherwise, of the parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued by such fictitious names under Code of Civil Procedure section 474. Upon information and belief, each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their true names and capacities once ascertained.

23. Upon information and belief, Defendants in this action are employers, co-employers, joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised

control over the wages, hours, and working conditions of the employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

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

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

GENERAL ALLEGATIONS

26. Defendants violated Labor Code sections 232 and 432.5 with respect to Plaintiff and other aggrieved employees by requiring that they agree to unlawful terms or conditions in writing during their employment.

27. Specifically, Defendants violated Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees agree to non-competition agreements restricting their ability to accept certain work on behalf of themselves or other employers.

28. Non-competition agreements are illegal under California law. Business and Professions Code 16600 provides that “every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void.”

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

30. Plaintiff and other aggrieved employees were routinely required to clock out for seemingly compliant meal periods, despite their ability to actually take one.

31. Plaintiff and the aggrieved employees routinely worked through their unpaid meal periods as a result of understaffing and in order to keep up with their workload.

32. Each time Plaintiff and the aggrieved employees worked through all or part of their unpaid meal periods, this resulted in off-the-clock work and unpaid minimum wages.

1 33. Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the
2 lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages.

3 34. As described above, Defendants engaged in an unlawful policy and practice of
4 requiring off-the-clock work. To the extent that this unlawful practice resulted in unpaid hours worked
5 over eight (8) hours in a day or forty (40) hours in a week this resulted in unpaid overtime.

6 35. Further, Defendants failed to pay Plaintiff and the aggrieved employees overtime
7 wages at the “regular rate of pay” for overtime hours worked, resulting in unpaid overtime wages.

8 36. Defendants failed to include non-discretionary remuneration including bonuses and
9 shift differentials in the overtime rate. Defendants unlawfully paid overtime to Plaintiff and the
10 aggrieved employees at 1.5x their straight hourly rate.

11 37. For each overtime hour worked during the period in which Plaintiff and the aggrieved
12 employees earned the additional forms of remuneration, Defendants should have (but failed to) pay
13 overtime “at a rate no less than one and one-half times the regular rate of pay for an employee” and
14 “twice the regular rate of pay” for double time hours as required by the plain language of Labor Code
15 section 510(a) and the IWC Wage Orders. Defendants committed the same “regular rate of pay” and
16 overtime violations against Plaintiff and the aggrieved employees as a matter of common payroll
17 administration and company policy in a manner susceptible to common proof.

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

20 39. Due to Defendants’ unlawful practice requiring off-the-clock work, Defendants failed
21 to provide Plaintiff and the aggrieved employees with all the sick leave hours they were owed based
22 on accrual. Therefore, Plaintiff and the aggrieved employees were underpaid sick leave whenever
23 Defendants would require off-the-clock work.

24 40. Further, Defendants failed to pay Plaintiff and the aggrieved employees sick leave at
25 the lawful statutory rate inclusive of all earnings. For each pay period Plaintiff and the aggrieved
26 employees earned additional forms of remuneration in the same period they earned paid sick leave,
27 Defendants should have (but failed to) include the additional remuneration payment in Plaintiff’s paid
28 sick leave, resulting in underpaid sick leave wages.

1 41. The failure to calculate and pay sick leave at one of the lawful rates set forth in Labor
2 Code § 246(l)(1)-(3) and 247 *et seq.* was applied as a matter of common policy and practice to
3 aggrieved employees in those periods where they earned additional payments, commissions, bonuses,
4 or other forms of non-excludable remuneration, such as the bonuses and shift differentials and also
5 received paid sick leave.

6 42. Plaintiff and the aggrieved employees routinely experienced missed, late, short, and
7 interrupted meal periods due to understaffing and in order to keep up with the high demands of the
8 job.

9 43. Plaintiff's time records reveal facial violations showing he regularly missed his meal
10 period. However, Plaintiff's accompanying wage statements show Defendants failed to pay all
11 accompanying meal period premiums.

12 44. For example, Plaintiff's time records show he experienced missed meal periods on
13 April 5, 2024 and April 8, 2024. Plaintiff worked over eight hours on April 5th and over seven hours
14 on April 8th. Yet, Defendants failed to pay Plaintiff a single meal period premium during the pay
15 periods from March 25, 2024 to April 7, 2024 and April 8, 2024 to April 21, 2024.

16 45. Similarly, Defendants further failed to pay Plaintiff and the aggrieved employees meal
17 period premiums on the days they experienced late and short meal periods.

18 46. For example, on April 9, 10, 13, 22, 28, and 29, 2024 Plaintiff received short meal
19 periods (meal periods less than thirty minutes). Further, on April 9 and 13, 2024 received late meal
20 periods (meal periods that started after the fifth hour of work of work). Therefore, Plaintiff was
21 entitled to meal periods premiums on each of these days. Yet, Defendants failed to pay a single meal
22 period premium during the corresponding pay periods as demonstrated by Plaintiff's wage statements
23 from these respective pay periods.

24 47. To the extent Plaintiff and the aggrieved employees clocked out for a compliant meal
25 period, Plaintiff and the aggrieved employees were regularly required to work through all or part of
26 this time, resulting in non-compliant meal periods.

27 48. As a matter of common policy and practice, Defendants failed to pay Plaintiff and the
28 aggrieved employees all owed meal period premiums.

1 49. To the extent that Defendants paid any meal period premiums, these premiums were
2 underpaid because Defendants as a matter of common policy and practice failed to pay these at the
3 regular rate of compensation because the premiums did not factor in bonuses, shift differentials, or
4 other forms of remuneration. Instead, Defendants paid Plaintiff and the aggrieved employees at their
5 base hourly rate or an otherwise deficient rate.

6 50. Similarly, as a matter of common policy and practice, Defendants failed to provide all
7 rest periods to which Plaintiff and the aggrieved employees were entitled.

8 51. Due to the high demands of the job and understaffing, Plaintiff and the aggrieved
9 employees were often required to continue working without any time to take a compliant break.

10 52. As a matter of common policy and practice, Defendants failed to pay all owed rest
11 period premiums.

12 53. To the extent that Defendants paid any rest period premiums, the premiums were not
13 paid at the regular rate of compensation because the premium did not factor in bonuses, shift
14 differentials, or other forms of remuneration, instead electing to pay Plaintiff and the aggrieved
15 employees at their base hourly rate or an otherwise deficient rate.

16 54. Defendants required Plaintiff and the aggrieved employees to incur costs for work-
17 related purposes without full reimbursement.

18 55. Specifically, Defendants required Plaintiff and the aggrieved employees to buy, wear,
19 and maintain uniforms for which they were not reimbursed.

20 56. Plaintiff and the aggrieved employees were required to purchase black pants and black
21 shoes as a condition of his employment with Defendants, without being reimbursed for these necessary
22 business expenses, in direct violation of California Labor Code § 2802.

23 57. Plaintiff estimates these out-of-pocket expenses amounted to approximately seventy-
24 five dollars. On information and belief, Defendants imposed the same unlawful requirement on other
25 aggrieved employees, who similarly incurred and were not reimbursed for uniform-related expenses.

26 58. Thus, Plaintiff and the aggrieved employees were forced to personally bear the
27 financial burden of uniforms required by the Defendants.
28

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

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

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

62. Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees' "total hours worked," as the wage statements did not accurately include the uncompensated time Plaintiff and other aggrieved employees worked due to Defendants' policy and practice of requiring off-the-clock work.

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

FIRST CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

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

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

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

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

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

10 68. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
11 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
12 and Workforce Development Agency or any of its departments, divisions, commissions, boards,
13 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil
14 action brought by an aggrieved employee on behalf of the employee and other current or former
15 employees against whom a violation of the same provision was committed pursuant to the procedures
16 specified in Section 2699.3. “

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

20 70. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
21 penalties under the PAGA.

22 71. On or about **October 22, 2024**, Plaintiff paid the requisite PAGA filing fee and
23 provided written notice (by online electronic filing with the LWDA and by certified mail to
24 Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support
25 the alleged violations.

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

73. To date, neither Plaintiff nor Plaintiff's counsel has received a response to Plaintiff's written PAGA notice from the LWDA.

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

75. Now that at least 65 days have passed from Plaintiff notifying Defendants of these violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

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

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

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

k. ***Unlawful Employment Condition.*** Violation of Labor Code § 432.5.

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

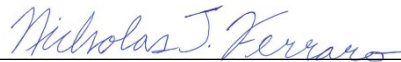
PRAYER

Plaintiff prays for judgment as follows:

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

Dated: December 30, 2024

Ferraro Vega Employment Lawyers, Inc.



Nicholas J. Ferraro

Attorneys for Plaintiff Osama Alshoul

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

October 22, 2024

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

VIA CERTIFIED U.S. MAIL
- Electronic Return Receipt -

Discovery Practice Management, Inc.
18401 Von Karman, Suite 500
Irvine, CA 92612

Casa Palmera Care Center, LLC
18401 Von Karman, Suite 500
Irvine, CA 92612

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

Additional Entities Listed on Last Page

Dear LWDA Officer and Company Representatives:

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

**DISCOVERY PRACTICE MANAGEMENT, INC.
(DBA DISCOVERY BEHAVIORAL HEALTH; DBA DISCOVERY MOOD &
ANXIETY PROGRAM; DBA CENTER FOR DISCOVERY EATING DISORDER
TREATMENT); CASA PALMERA CARE CENTER, LLC; CLIFFSIDE MALIBU;
CLIFFSIDE MALIBU 1; CLIFFSIDE MALIBU II; CLIFFSIDE MALIBU 3;
CLIFFSIDE MALIBU OUTPATIENT SERVICES; AUTHENTIC RECOVERY,
LLC; DISCOVERY MOOD & ANXIETY PROGRAM; CENTER FOR
DISCOVERY EATING DISORDER TREATMENT; DISCOVERY
BEHAVIORAL HEALTH**

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

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

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

- BACKGROUND -

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

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

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

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

- PAGA CLAIMS -

Unlawful Employment Condition **Violation of Labor Code § 432.5**

Defendants violated Labor Code section 432.5 with respect to Plaintiff and other aggrieved employees by requiring that they agree to an unlawful term or condition in writing during their employment.

Labor Code section 432.5 states that “[n]o employer, or agent, manager, superintendent, or officer thereof, shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law.”

Section 3. Non-Competition

During the Term, I will not engage in, be employed by, perform services for, participate in the ownership, management, control or operation of, or otherwise be connected with, either directly or indirectly, any Competing Business. For purposes of this Section 3, I will not be considered to be connected with any Competing Business solely on account of: my ownership of less than two percent (2%) of the outstanding capital stock or other equity interests in any Competing Business.

Section 4. Non-Solicitation

- 4.1 During the Term and at all time thereafter, I agree (except on behalf of or with prior, express written authorization signed by the Company's Chief Executive Officer) that I will not induce, or attempt to induce, any employee, consultant, or independent contractor of the Company or its affiliates to leave such employment or relationship to engage in, be employed by, perform services for, participate in or otherwise be connected with, either directly or indirectly, any Competing Business, through the use of Confidential Information or trade secrets.
- 4.2 During the Term and at all time thereafter, I agree (except on behalf of or with prior, express written authorization signed by the Company's Chief Executive Officer) that I will not directly or indirectly, solicit on behalf of myself or any other individual or entity, through the use of Confidential Information or trade secrets, any business from any customer of the Company.

Defendants' Non-Competition Agreement

Non-competition agreements are illegal under California law. Business and Professions Code 16600 provides that “every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void.” Defendants required that Plaintiff and the aggrieved employees sign non-competition agreements restricting their ability to accept certain work on behalf of themselves or other employers. As such, Defendants violated California Labor Code section 432.5 by requiring that Plaintiff and the aggrieved employees sign non-competition agreements prohibited by California law.

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

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Plaintiff and other aggrieved employees were routinely required to clock out for meal periods yet were compelled to continue working through those meal periods due to the demands of the job. Especially on the days when the Defendants understaffed shifts, Plaintiff and the aggrieved employees worked through their meal periods without compensation. As a result of this unlawful practice, Plaintiff and the aggrieved employees were systematically deprived of earned wages.

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

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Plaintiff and other aggrieved employees were routinely required to clock out for meal periods yet were compelled to continue working through those meal periods due to the demands of the job.

First, to the extent Defendants practice of requiring off-the-clock work, including working through unpaid meal periods, resulted in unpaid hours over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

Second, Defendants failed to pay overtime at the “regular rate of pay.” When Defendant paid aggrieved employees commissions, bonuses, and other forms of remuneration. Defendants failed to include non-discretionary remuneration including bonuses and shift differentials in the overtime rate.

Defendants unlawfully paid overtime to Plaintiff and the aggrieved employees at 1.5x their straight hourly rate. For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendants should have (but failed to) pay overtime “at a rate no less than one and ***one-half times the regular rate of pay*** for an employee” and “twice the regular rate of pay” for double time hours as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

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

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

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

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

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees Defendants maintained a policy that required Plaintiff and the aggrieved employees to clock out and continue working through their lunch breaks whenever job demands and/or chronic understaffing necessitated it. As a result, Defendants failed to properly credit Plaintiff and the aggrieved employees with their full accrued sick leave. Consequently, Plaintiff and the aggrieved employees were systematically underpaid sick pay for all instances in which they were forced to work through their meal periods.

The failure to calculate and pay sick leave at one of the lawful rates set forth in Labor Code § 246(l)(1)-(3) and 247 *et seq.* was applied as a matter of common policy and practice to aggrieved employees in those periods where they earned additional payments, commissions, bonuses, or other forms of non-excludable remuneration, such as the bonuses and shift differentials and also received paid sick leave.

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

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

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

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal. 5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal. 5th 444, 459.

Plaintiff and the aggrieved employees experienced missed, late, short, and interrupted meal periods due to the pressure to keep up with the high demands of the job and understaffing. Nonetheless, Defendants had a policy and practice of not paying meal period premiums for these noncompliant meal periods.

For example, Plaintiff's time records show he regularly missed his meal period. However, Plaintiff's accompanying wage statements show he was not paid for all owed meal period premiums. An illustrative example of these violations is shown below:

Employee Number	Employee Name	Shift Date	Start Shift	Start Meal	End Meal	Start Meal	End Meal	Start Meal	End Meal	Start Meal	End Meal	Start Meal	End Meal	End Shift	Hours Worked	Exceptions
27433	ALSHOUL Shouf	4/2/2024	9:00:00 AM	12:00:00 PM	1:00:00 PM									5:00:00 PM	07:30	
27433	ALSHOUL Shouf	4/3/2024	11:02:00 AM	2:27:00 PM	2:53:00 PM									7:28:00 PM	07:58	
27433	ALSHOUL Shouf	4/5/2024	10:58:00 AM											7:35:00 PM	08:40	
27433	ALSHOUL Shouf	4/6/2024	10:51:00 AM	3:24:00 PM	3:54:00 PM									7:44:00 PM	08:23	
27433	ALSHOUL Shouf	4/7/2024	10:44:00 AM	3:29:00 PM	4:00:00 PM									7:34:00 PM	08:19	
27433	ALSHOUL Shouf	4/8/2024	12:09:00 PM											7:29:00 PM	07:20	

Excerpt from Plaintiff's April 2024 Timecard

Here, Plaintiff experienced missed meal periods on April 5, 2024 and April 8, 2024. Plaintiff worked over eight hours on April 5th and over seven hours on April 8th. Yet, Defendants failed to pay Plaintiff a single meal period premium during the pay periods from March 25, 2024 to April 7, 2024 and April 8, 2024 to April 21, 2024 as shown below:

		Employee Name: OSAMA S ALSHOUL Employee #: 27433 Employee Address: [REDACTED]	Pay Date: 4/12/2024 Pay Period: 3/25/2024 - 4/7/2024 Check #: 909322955 Pay Frequency: Bi-Weekly Pay Rate: 23.0000 Federal Filing Status: Single Federal 2c/Extra Withholding: No/\$0.00 State Filing Status: Single (CA) State Exemptions: 0 (CA)
Employer Name: Discovery Practice Management, Inc. Employer Phone: 714-828-1800 Employer Address: 18401 Von Karman Ave Suite 500 Irvine, CA 92612	Site: 5708 Casa Palmera Del Mar, CA Department: Food Service Job Title: Cook		

	Current 3/25/2024 - 4/7/2024			YTD As of 4/7/2024	
	Hours/Units	Rate	Amount	Hours/Units	Amount
Earnings	40.8332		\$954.88	40.8332	\$954.88
Regular	39.4665	23.0000	\$907.73	39.4665	\$907.73
Overtime	1.3667	34.5000	\$47.15	1.3667	\$47.15
Memo Information			\$1.06		\$1.06
EAP			\$1.06		\$1.06
Taxes			\$134.94		\$134.94
Fed W/H			\$39.33		\$39.33
FICA EE			\$59.20		\$59.20
Fed MWT EE			\$13.85		\$13.85
CA W/H			\$12.06		\$12.06
CA DTEE			\$10.50		\$10.50
	Routing #	Account #	Amount		Amount
Net Pay			\$819.94		\$819.94
Check			\$819.94		

Accruals & Balances			
Vacation - Hours Balance:	3.08 Hours	Vacation - Hours Accrued:	3.08 Hours
Sick - Hours Balance:	1.36 Hours	Sick - Hours Accrued:	1.36 Hours
U-Day Balance:	1.00 Days - 8 Hour	U-Day Accrued:	1.00 Days - 8 Hour

Excerpt from Plaintiff's 4/12/2024 Wage Statement



Employer Name: Discovery Practice Management, Inc
Employer Phone: 714-828-1800
Employer Address: 18401 Von Karman Ave Suite 500 Irvine, CA 92612

Employee Name: OSAMA S ALSHOUL
Employee #: 27433
Employee Address: [REDACTED]
Site: 5708 Casa Palmera Del Mar, CA
Department: Food Service
Job Title: Cook

Pay Date: 4/26/2024
Pay Period: 4/8/2024 - 4/21/2024
Deposit Advice #: 764096593
Pay Frequency: Bi-Weekly
Pay Rate: 23.0000
Federal Filing Status: Single
Federal 2c/Extra Withholding: No/\$0.00
State Filing Status: Single (CA)
State Exemptions: 0 (CA)

	Current 4/8/2024 - 4/21/2024			YTD As of 4/21/2024	
	Hours/Units	Rate	Amount	Hours/Units	Amount
Earnings	80.1500		\$1,852.84	120.9832	\$2,807.72
Regular	79.3335	23.0000	\$1,824.67	118.8000	\$2,732.40
Overtime	0.8165	34.5000	\$28.17	2.1832	\$75.32
Memo Information					\$1.08
EAP					\$1.00
Taxes			\$358.57		\$493.51
Fed W/H			\$146.03		\$185.36
FICA EE			\$114.88		\$174.08
Fed MWT EE			\$26.86		\$40.71
CA W/H			\$50.42		\$62.48
CADT EE			\$20.38		\$30.88
	Routing #	Account #	Amount		Amount
Net Pay			\$1,494.27		\$2,314.21
Direct Deposit	[REDACTED]	XXXXXXXX[REDACTED]	\$1,494.27		
Accruals & Balances					
Vacation - Hours Balance:	6.16 Hours	Vacation - Hours Accrued:	3.08 Hours		
Sick - Hours Balance:	4.03 Hours	Sick - Hours Accrued:	2.67 Hours		
U-Day Balance:	1.00 Days - 8 Hour				

Excerpt from Plaintiff's 4/26/2024 Wage Statement

As a matter of common policy and practice the aggrieved employees experienced similar violations.

In a similar manner, Defendants failed to pay Plaintiff and the aggrieved employees meal period premiums on the days they experienced late and short meal periods.

Employee Number	Employee Name	Shift Date	Start Shift	Start Meal	End Meal	Start Meal	End Meal	Start Meal	End Meal	Start Meal	End Meal	Start Meal	End Meal	End Shift	Hours Worked
27433	ALSHOUL, Shoul	4/9/2024	10:51:00 AM	4:17:00 PM	4:45:00 PM									7:41:00 PM	08:20
27433	ALSHOUL, Shoul	4/10/2024	10:41:00 AM	3:26:00 PM	3:55:00 PM									7:25:00 PM	08:08
27433	ALSHOUL, Shoul	4/13/2024	10:54:00 AM	4:30:00 PM	4:59:00 PM									7:31:00 PM	08:06
27433	ALSHOUL, Shoul	4/22/2024	11:01:00 AM	3:31:00 PM	4:00:00 PM									7:29:00 PM	07:57
27433	ALSHOUL, Shoul	4/28/2024	10:52:00 AM	3:33:00 PM	3:54:00 PM									7:30:00 PM	08:13
27433	ALSHOUL, Shoul	4/29/2024	10:51:00 AM	2:38:00 PM	3:07:00 PM									7:44:00 PM	08:17

Excerpt from Plaintiff's April 2024 Timecard

For example, on April 9, 10, 13, 22, 28, and 29, 2024 Plaintiff received short meal periods (meal periods less than thirty minutes). Further, on April 9 and 13, 2024 received late meal periods (meal periods that started after the fifth hour of work of work). Therefore, Plaintiff was entitled to meal periods premiums on each of these days. Yet, Defendants failed to do so as demonstrated by Plaintiff's wage statements from these respective pay periods; see below:

DISCOVERY
Behavioral Health

Employee Name: OSAMA S ALSHOUL
Employee #: 27433
Employee Address: [REDACTED]
Site: 5708 Casa Palmera Del Mar, CA
Department: Food Service
Job Title: Cook

Pay Date: 4/26/2024
Pay Period: 4/8/2024 - 4/21/2024
Deposit Advice #: 764066503
Pay Frequency: Bi-Weekly
Pay Rate: 23.0000
Federal Filing Status: Single
Federal 2c/Extra Withholding: No/\$0.00
State Filing Status: Single (CA)
State Exemptions: 0 (CA)

Employer Name: Discovery Practice Management, Inc
Employer Phone: 714-626-1800
Employer Address: 18401 Von Karman Ave Suite 500 Irvine, CA 92612

	Current 4/8/2024 - 4/21/2024			YTD As of 4/21/2024	
	Hours/Units	Rate	Amount	Hours/Units	Amount
Earnings	80.1500		\$1,852.84	120.9832	\$2,807.72
Regular	79.3335	23.0000	\$1,824.67	118.8000	\$2,732.40
Overtime	0.8165	34.5000	\$28.17	2.1832	\$75.32
Memo Information					\$1.06
EAP					\$1.06
Taxes			\$358.57		\$493.51
Fed W/H			\$146.03		\$185.36
FICA EE			\$114.88		\$174.08
Fed MWT EE			\$26.86		\$40.71
CA W/H			\$50.42		\$62.48
CA DT EE			\$20.36		\$30.88
	Routing #	Account #	Amount		Amount
Net Pay			\$1,494.27		\$2,314.21
Direct Deposit			\$1,494.27		
Accruals & Balances					
Vacation - Hours Balance:	6.16 Hours	Vacation - Hours Accrued:	3.08 Hours		
Sick - Hours Balance:	4.03 Hours	Sick - Hours Accrued:	2.67 Hours		
U-Day Balance:	1.00 Days - 8 Hour				

Excerpt from Plaintiff's 4/26/2024 Wage Statement

DISCOVERY
Behavioral Health

Employee Name: OSAMA S ALSHOUL
Employee #: 27433
Employee Address: [REDACTED]
Site: 5708 Casa Palmera Del Mar, CA
Department: Food Service
Job Title: Cook

Pay Date: 5/10/2024
Pay Period: 4/22/2024 - 5/5/2024
Deposit Advice #: 770221838
Pay Frequency: Bi-Weekly
Pay Rate: 23.0000
Federal Filing Status: Single
Federal 2c/Extra Withholding: No/\$0.00
State Filing Status: Single (CA)
State Exemptions: 0 (CA)

Employer Name: Discovery Practice Management, Inc
Employer Phone: 714-626-1800
Employer Address: 18401 Von Karman Ave Suite 500 Irvine, CA 92612

	Current 4/22/2024 - 5/5/2024			YTD As of 5/5/2024	
	Hours/Units	Rate	Amount	Hours/Units	Amount
Earnings	81.5000		\$1,894.24	202.4832	\$4,701.96
Regular	79.7835	23.0000	\$1,835.02	198.5835	\$4,567.42
Overtime	1.7165	34.5000	\$59.22	3.8997	\$134.54
Memo Information			\$1.06		\$2.12
EAP			\$1.06		\$2.12
Taxes			\$369.90		\$663.41
Fed W/H			\$151.00		\$336.36
FICA EE			\$117.44		\$291.52
Fed MWT EE			\$27.47		\$66.18
CA W/H			\$53.15		\$115.63
CA DT EE			\$20.84		\$51.72
	Routing #	Account #	Amount		Amount
Net Pay			\$1,524.34		\$3,638.55
Direct Deposit			\$1,524.34		
Accruals & Balances					
Vacation - Hours Balance:	9.24 Hours	Vacation - Hours Accrued:	3.08 Hours		
Sick - Hours Balance:	0.75 Hours	Sick - Hours Accrued:	2.72 Hours		
U-Day Balance:	1.00 Days - 8 Hour				

Excerpt from Plaintiff's 4/26/2024 Wage Statement

Further, Plaintiff and other aggrieved employees were routinely required to clock out for meal periods, but required to keep working in order to make it appear as if a compliant meal period had been taken. The plaintiff and the aggrieved employees were not compensated meal period premiums on these occasions.

To the extent Defendants paid meal period premiums in the same pay period that the aggrieved employees earned bonuses, shift differentials, or other forms of non-excludable

remuneration, Plaintiff believes and alleges that Defendant underpaid these premiums by failing to factor all forms of non-discretionary income into the regular rate of compensation.

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

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

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

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

Because of issues such as understaffing and the high demands of the job, which also prevented Plaintiff and other aggrieved employees from taking compliant meal periods, Defendants had a policy and practice of denying these employees their entitled rest periods. Despite these conditions, Defendants also refused to pay rest period premiums owed to Plaintiff and other aggrieved employees, violating labor laws designed to protect workers.

To the extent Defendants paid rest period premiums in the same pay period that the aggrieved employees earned bonuses, shift differentials, or other forms of non-excludable remuneration, Plaintiff believes and alleges that Defendant underpaid these premiums by failing to factor all forms of non-discretionary income into the regular rate of compensation.

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

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

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

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

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

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

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

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

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

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing

employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

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

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

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

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

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

Defendant violated Labor Code section 226(a)(2) by failing to accurately list employees’ “total hours worked,” as the wage statements did not accurately include the uncompensated time Plaintiff and other aggrieved employees worked due to Defendant’s policy and practice of requiring off-the-clock work.

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or

should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

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

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

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

Labor Code section 2802 requires an employer to “indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

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

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. For example, Defendants required Plaintiff and the aggrieved employees to buy, wear, and maintain uniforms for which they were not reimbursed. Thus, Plaintiff and the aggrieved employees were forced to personally bear the financial burden of uniforms required by the Defendants.

Specifically, Plaintiff was required to purchase black pants and black shoes as a condition of his employment with Defendants, without being reimbursed for these necessary business expenses, in direct violation of California Labor Code § 2802. Plaintiff estimates that these out-of-pocket expenses amounted to approximately seventy-five dollars. On information and belief, Defendants imposed the same unlawful requirement on other aggrieved employees, who similarly incurred and were not reimbursed for uniform-related expenses.

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

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

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

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

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

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

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

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

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants’ written employment and payroll policies and handbooks; the aggrieved employees’ personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

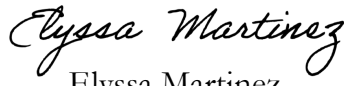
If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

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

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

Sincerely,


Elyssa Martinez

J.J.

Cc Plaintiff Osama Alshoul

Defendants Human Resources Representative
Jesse Rios - jessorios@discoverybh.com

ADDITIONAL ADDRESSES

Cliffside Malibu

18401 Von Karman, Suite 500
Irvine, CA 92612

Authentic Recovery, LLC

18401 Von Karman, Suite 500
Irvine, CA 92612

Cliffside Malibu 1

18401 Von Karman, Suite 500
Irvine, CA 92612

Cliffside Malibu II

18401 Von Karman, Suite 500
Irvine, CA 92612

Cliffside Malibu 3

18401 Von Karman, Suite 500
Irvine, CA 92612

Cliffside Malibu Outpatient Services

18401 Von Karman, Suite 500
Irvine, CA 92612