

JOHN D. TRIEU (SBN 189198)
LAW OFFICES OF JOHN D. TRIEU, APC
9211 BOLSA AVE., SUITE 222
WESTMINSTER, CA 92683
TELEPHONE NO.: 714.892.2154
FACSIMILE NO.: 714.893.6710
E-MAIL: JOHN@TRIEULAW.COM

Attorneys for PLAINTIFFS, DUNG CHAU and THUY PHUNG

SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

DUNG CHAU, an individual; THUY PHUNG,
an individual

Plaintiffs,

vs.

VERIFY DEBT SOLUTIONS, INC., an
unknown business entity; and DOES 1 through
50, inclusive,

Defendants.

Case No.: 30-2025-01465826-CU-OE-CJC

Assigned For All Purposes To: Judge Andre De La Cruz

Dept:

COMPLAINT FOR:

- 1. FAILURE TO PAY OVERTIME WAGES**
- 2. FAILURE TO PAY MINIMUM WAGES**
- 3. FAILURE TO PERMIT MEAL PERIODS**
- 4. FAILURE TO PERMIT REST PERIODS**
- 5. FAILURE TO PROVIDE PROPER
ITEMIZED STATEMENTS**
- 6. FAILURE TO PAY WAGES DUE UPON
TERMINATION OF EMPLOYMENT**
- 7. VIOLATION OF THE PRIVATE
ATTORNEYS GENERAL ACT OF 2004**

DEMAND FOR JURY TRIAL

All allegations in this Complaint are based upon information and belief except for those allegations, which pertain to the PLAINTIFFS named herein and PLAINTIFFS' counsel. Each allegation in this Complaint either has evidentiary support or is likely to have evidentiary support after a reasonable opportunity for further investigation and discovery.

1 **I. INTRODUCTION**

2 1. This is an individual and representative wage and hour action.

3 2. By this action, PLAINTIFFS, DUNG (pronounced as “**Young**”) CHAU and THUY
4 PHUNG (“PLAINTIFFS”), are seeking damages, statutory and civil penalties and attorneys’ fees
5 pursuant to the claims alleged in this Complaint against Defendant, VERIFY DEBT SOLUTIONS, INC.
6 (“DEFENDANT”).

7 3. DEFENDANT is a financial consulting firm offering custom debt relief programs and
8 personalized financial guidance located at 16842 Von Karman Ave., Suite 175, Irvine, CA 92618 and
9 are covered under IWC Wage Order No. 4-2001 for the “Professional, Clerical, Mechanical, and Similar
10 Occupations Industry”.

11 4. PLAINTIFFS also file this action as a representative on behalf of other current and
12 former aggrieved employees of DEFENDANT, pursuant to Labor Code §§ 2698, et seq., of the Private
13 Attorneys General Act of 2004 (“PAGA”) seeking penalties, attorneys’ fees, and injunctive relief.

14 5. For at least three years prior to the filing of this action, DEFENDANT consistently
15 maintained and enforced against PLAINTIFFS and DEFENDANT’s non-exempt employees, among
16 others, the following unlawful practices and policies, in violation of California state wage and hour
17 laws:

18 (a) DEFENDANT had a consistent policy of requiring PLAINTIFFS and
19 DEFENDANT’S non-exempt employees to work more than eight (8) hours in
20 any given day and/or more than forty (40) hours in any given week, and not
21 paying overtime compensation pursuant to applicable California Labor Code
22 requirements.

23 (b) DEFENDANT had a consistent policy of not paying PLAINTIFFS and
24 DEFENDANT’S non-exempt employees minimum wages and/or overtime
25 compensation for all hours worked pursuant to applicable California Labor Code
26 requirements.

- 1 (c) DEFENDANT had a consistent policy of requiring PLAINTIFFS and
2 DEFENDANT'S non-exempt employees to work at least five (5) hours without
3 a lawful meal period and failing to pay employees one (1) hour of pay at their
4 correct regular rate of compensation for each workday that the meal period is not
5 provided, as required by California state wage and hour laws.
- 6 (d) DEFENDANT had a consistent policy of failing to provide PLAINTIFFS and
7 DEFENDANT'S non-exempt employees rest periods of at least (10) minutes for
8 every shift over 3.5 hours and/or 7 hours worked or major fraction thereof and
9 failing to pay PLAINTIFFS one (1) hour of pay at their correct regular rate of
10 compensation for each workday that the rest period is not provided, as required
11 by California state wage and hour laws.
- 12 (e) DEFENDANT had a consistent policy of failing to pay commission wages
13 accurately.
- 14 (f) DEFENDANT has had a consistent policy of failing to include all wages earned
15 including commission wages into the regular rate of pay for purposes of
16 calculating and paying overtime wages that benefited defendants while resulting
17 in underpayment of wages including overtime pay to PLAINTIFFS and
18 DEFENDANT'S non-exempt employees;
- 19 (g) DEFENDANT has had a consistent policy of failing to include all wages earned
20 including commission wages into the regular rate of pay for purposes of
21 calculating and paying meal and rest premiums (one additional hour of pay)
22 benefited DEFENDANT while resulting in underpayment of wages to
23 PLAINTIFFS and DEFENDANT'S non-exempt employees;
- 24 (h) With respect to PLAINTIFFS and DEFENDANT'S non-exempt employees who
25 either were discharged, laid off, or resigned, DEFENDANT failed to pay them
26 in accordance with the requirements of Labor Code sections 201, 202, 203; and
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(i) DEFENDANT failed to maintain accurate records of PLAINTIFFS' and DEFENDANT'S non-exempt employees earned hourly and commission wages and work periods;

6. PLAINTIFFS bring this action pursuant to California Labor Code sections 201, 202, 203, 204.11, 218, 218.6, 221, 224, 226, 226.2, 226.7, 247.5 351, 353, 511, 512, 558, 558.1, 1174, 1182.11-1182.13, 1194, 1197, 1197.1, 1198, 2698, 2699, among others, and California Code of Regulations, Title 8, section 11050 *et seq.*, seeking unpaid meal and rest period compensation, penalties, injunctive, and other equitable relief, and reasonable attorneys' fees and costs.

II. PARTIES

A. PLAINTIFFS

7. At all times relevant, PLAINTIFFS are former non-exempt employees of DEFENDANT and are residents of the County of Orange, State of California. PLAINTIFFS worked for DEFENDANT from approximately February 26, 2024 to June 17, 2024 (Ms. Chau) and from March 2024 to June 3, 2024 (Ms. Phung) as "Debt Specialists". As part of their duties, PLAINTIFFS engaged in interviewing clients and assessing client financial situations, analyzing debt options, reviewing credit report, and providing debt settlement solutions. PLAINTIFFS were paid a base hourly rate and monthly commission wages.

B. DEFENDANT

8. PLAINTIFS are informed and believe, and thereon allege, that VERIFY DEBT SOLUTIONS, INC. ("VERIFY DEBT") is an unknown business entity domiciled within the State of California, with its principal place of business and doing business at **16842 Von Karman Ave., Suite 175, Irvine, CA 92618** and is a type of business covered under IWC Wage Order No. 4-2001 covering the "Professional, Clerical, Mechanical, and Similar Occupations Industry". The IWC Orders are codified at Title 8, California Code of Regulations, Section 11040, *et seq.*

9. The true names and capacities, whether individual, corporate, associate, or otherwise, of DEFENDANT sued herein as DOES 1 to 50, inclusive, are currently unknown to PLAINTIFS, who therefore sues DEFENDANT by such fictitious names under California Code of Civil Procedure § 474.

1 PLAINTIFFS are informed and believes, and based thereon alleges, that each of the DEFENDANT
2 designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to
3 herein. PLAINTIFFS will seek leave of court to amend this Complaint to reflect the true names and
4 capacities of the DEFENDANT designated hereinafter as DOES when such identities become known.

5 10. PLAINTIFFS are informed and believes, and based thereon alleges, that each Defendant
6 acted in all respects pertinent to this action as the agent of the other DEFENDANT, carried out a joint
7 scheme, venture, business plan or policy in all respects pertinent hereto, and the acts of each defendant
8 are legally attributable to the other DEFENDANT. Furthermore, DEFENDANT in all respects acted as
9 the employer and/or joint employer of PLAINTIFFS.

10 11. Venue as to each Defendant is proper in this judicial district, pursuant to California Code
11 of Civil Procedure § 395. On information and belief, DEFENDANT operates and is doing business in
12 Orange County, and each Defendant is within the jurisdiction of this Court for service of process
13 purposes. The unlawful acts alleged herein have a direct effect on PLAINTIFFS and those similarly
14 situated within the State of California.

15 **III. GENERAL ALLEGATIONS**

16 12. PLAINTIFFS and other employees of DEFENDANT are and were employed as non-
17 exempt employees within the meaning of the California Labor Code and the implementing rules and
18 regulations of IWC California Wage Orders.

19 13. PLAINTIFFS and DEFENDANT'S non-exempt employees were paid a base hourly rate
20 of pay of \$15.00 an hour at least for the year 2024 which was below the California minimum wage rate
21 of \$16.00 an hour and were not paid for hours worked when working more than eight (8) hours in any
22 given day and/or more than forty (40) hours in any given week.

23 14. PLAINTIFFS and DEFENDANT'S non-exempt employees were also paid commission
24 wages in addition to their base hourly rate which were paid on the 20th day of each month. The wages
25 were for commission wages earned for the prior month's work. However, PLAINTIFFS often were
26 not paid the full amount of earned commission wages during and at the end of employment.

1 15. DEFENDANT failed to calculate commission wages into the regular rate of pay in order
2 to pay overtime compensation for each pay period. The regular rate of pay should have included
3 different kinds of remuneration including hourly wages, salary, and commissions.

4 16. DEFENDANT also failed to calculate commission into the regular rate of pay in order
5 to pay meal and rest premiums (one additional hour of pay) when it failed to provide noncompliant
6 meal and rest periods during each pay period. (Ferra v. Loews Hollywood Hotel, LLC (2021) 11
7 Cal.5th 858.)

8 17. Once commission wages were calculated and paid on the 20th of each month,
9 DEFENDANT did not provide another payment to its employees based on the increase in the
10 regular rate of pay in order to pay for past overtime hours and meal premiums which were paid at
11 a lower base hourly rate and lower regular rate of pay.

12 18. Upon information and belief, during the relevant time frame, DEFENDANT maintained
13 and enforced a busy customer sales and services schedule that encouraged and required PLAINTIFFS
14 and DEFENDANT’S non-exempt employees to be on duty and working without being permitted to
15 take lawful meal periods and rest breaks. DEFENDANT’s sales and services demands often required
16 PLAINTIFFS and DEFENDANT’ non-exempt employees to interrupt, shorten or miss their lawful
17 meal periods of thirty (30) uninterrupted minutes and were not relieved of all duty.

18 19. PLAINTIFFS and DEFENDANT’S non-exempt employees never received a second
19 meal period when they worked a shift that lasted longer than ten (10) hours, and did not receive one
20 hour of pay since DEFENDANT never informed them of this law.

21 20. PLAINTIFFS and DEFENDANT’S non-exempt employees never signed a meal break
22 waiver form or on duty agreement.

23 21. PLAINTIFFS and DEFENDANT’S non-exempt employees were sometimes paid a
24 meal break premium for a missed, shortened or late meal period which was not paid at the correct
25 minimum wage or correct regular rate of pay as their commission wages were not calculated into the
26 regular rate of pay.

1 22. Neither PLAINTIFFS nor DEFENDANT’S non-exempt employees ever received a rest
2 break premium for a missed, shortened or late rest period.

3 23. As a result of these illegal policies and practices, DEFENDANT engaged in and enforced
4 the following additional unlawful practices and policies against PLAINTIFFS:

5 (a) failing to pay PLAINTIFFS and DEFENDANT’S non-exempt employees who
6 were discharged, in accordance with the requirements of Labor Code §§ 201, 202,
7 203; and

8 (b) failing to maintain accurate records of PLAINTIFFS’ and DEFENDANT’S non-
9 exempt employees earned wages and work periods in violation of Labor Code §§
10 226 and 1174(d) and Section 7 of the applicable IWC Wage Orders.

11 24. On information and belief, PLAINTIFFS allege that DEFENDANT’S actions as
12 described throughout this Complaint were willful.

13 25. DEFENDANT have made it difficult to account with precision for the unlawfully
14 withheld meal and rest period compensation owed to PLAINTIFFS, during the liability period,
15 because they did not implement and preserve a record-keeping method as required for non-exempt
16 employees by California Labor Code sections 226, 1174(d), and section 7 of the California Wage
17 Orders. DEFENDANT have failed to comply with Labor Code section 226(a) by accurately reporting
18 total hours worked by PLAINTIFFS and DEFENDANT’ non-exempt employees. PLAINTIFFS and
19 DEFENDANT’ non-exempt employees are therefore entitled to penalties not to exceed \$4,000
20 pursuant to Labor Code section 226(b).

21 **FIRST CAUSE OF ACTION**

22 **FOR FAILURE TO PAY OVERTIME WAGES**

23 **[CALIFORNIA LABOR CODE §§ 510, 1194 and 1198]**

24 **(Against All DEFENDANTS)**

25 26. PLAINTIFFS re-allege and incorporate by reference, the paragraphs previously
26 alleged in this Complaint.

27 27. Labor Code §§ 510, 1194 and 1198 provide that employees in California shall not
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1 be employed more than eight hours in any work day, and/or more than forty hours in any
2 workweek, or work a seventh (7th) day in a work week unless they receive additional compensation
3 beyond their regular wages in amounts specified by law.

4 28. Labor Code § 1194 provides that an employee who has not been paid overtime
5 compensation as required by Section 1198 may recover the unpaid balance of the full amount of
6 such overtime compensation, together with costs of suit, as well as liquidated damages in an
7 amount equal to the overtime compensation unlawfully withheld, and interest thereon, in a civil
8 action. The action may be maintained directly against the employer in his name without first filing
9 a claim with the Department of Labor Standards and Enforcement.

10 29. At all times relevant hereto, IWC Wage Order No. 4-2001 applied, and applies, to
11 PLAINTIFFS's employment with DEFENDANT.

12 30. At all times relevant hereto, IWC Wage Order No. 4-2001 (3)(A) provides for
13 payment of overtime wages equal to one and one-half times an employee's regular rate of pay for
14 all hours worked over 8 hours a day and/or forty (40) hours in a work week.

15 31. At all times relevant hereto, IWC Wage Order No. 4-2001 (3)(A) provides for
16 payment of overtime wage equal to one and one-half (1 ½) times an employee's regular rate of
17 pay for all hours worked over eight (8) hours up to and including twelve (12) hours in any workday,
18 and for the first eight (8) hours on the seventh (7th) consecutive day of work in a work week.

19 32. At all times relevant hereto, IWC Wage Order No. 4-2001 (3)(A) provides for
20 payment of overtime wage equal to double the employee's regular rate of pay for all hours worked
21 over twelve (12) hours in any workday, and for all hours worked over eight (8) hours on the
22 seventh (7th) consecutive day of work in a work week.

23 33. DEFENDANT, and each of them, have intentionally and improperly failed to pay
24 wages for all hours worked including failing to pay earned commission wages and overtime wages
25 at the accurate regular rate of pay, that resulted in an underpayment of wages to PLAINTIFFS and
26 DEFENDANT'S non-exempt employees while benefiting DEFENDANT and to avoid payment of
27 overtime wages and other benefits in violation of California Code of Regulations and the
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1 guidelines set forth by the Division of Labor Standards and Enforcement.

2 34. At all times relevant hereto, from time to time, PLAINTIFFS and DEFENDANT'S
3 non-exempt employees have worked more than eight (8) hours in a workday, and/or more than
4 forty (40) hours in a workweek, as an employee of DEFENDANT.

5 35. At all times relevant hereto, from time to time, PLAINTIFFS and DEFENDANT'S
6 non-exempt employees have worked more than twelve (12) hours in a workday, and/or more than
7 eight (8) hours on the seventh (7th) consecutive workday in a workweek.

8 36. At all times relevant hereto, the DEFENDANT, and each of them, failed to pay to
9 PLAINTIFFS and DEFENDANT'S non-exempt employees overtime compensation at the correct
10 regular rate of pay for the hours they have worked in excess of the maximum hours permissible
11 by law as required by Labor Code §§ 1194, 1197 and 1198 and the provisions of IWC order No.
12 5-2001, Cal. Code of Regulations Title 8 § 11050.

13 37. By virtue of the DEFENDANT'S unlawful failure to pay additional compensation
14 at the correct regular rate of pay to PLAINTIFFS and DEFENDANT'S non-exempt employees
15 for overtime hours, PLAINTIFFS and DEFENDANT'S non-exempt employees have suffered,
16 damages in amounts which are presently unknown to PLAINTIFFS, but which exceed the
17 jurisdictional limits of this Court and which will be ascertained according to proof at trial.

18 38. DEFENDANT, and each of them, acted intentionally, oppressively and maliciously
19 toward PLAINTIFFS and DEFENDANT' non-exempt employees with a conscious disregard of
20 the PLAINTIFFS' rights, or the consequences suffered by PLAINTIFFS, with the intent of
21 depriving PLAINTIFFS of property and legal rights and otherwise causing PLAINTIFFS injury.

22 39. PLAINTIFFS request recovery of overtime compensation according to proof,
23 interest, attorneys' fees and costs pursuant to Labor Code §§ 218.5 and 1194(a), as well as the
24 assessment of any statutory penalties against these DEFENDANT, and each of them, and any
25 additional sums as provided by the Labor Code and/or other statutes.

26 40. Further, PLAINTIFFS are entitled to seek and recover reasonable attorneys' fees
27 and costs pursuant to Labor Code §§ 210 and 1194.

SECOND CAUSE OF ACTION
FOR FAILURE TO PAY MINIMUM WAGES

[CALIFORNIA LABOR CODE §§ 1182.11-1182.13, 1194(a), 1194.2, 1197, 1197.1 (Unpaid
Minimum Wages) and Wage Order 4-2001
CALIFORNIA CODE OF REGULATION, Title 8, §11050]]
(Against All Defendants)

41. PLAINTIFFS incorporate by reference and re-allege as if fully stated herein the material allegations set out in the paragraphs above.

42. At all relevant times, California Labor Code §§ 1182.11-1182.13, 1194, 1197, and 1197.1 provide that the minimum wage for employees fixed by the Industrial Welfare Commission is the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful.

43. Wage Order No. 4, issued by the Industrial Welfare Commission, regulates wages and other working conditions in California for employees in the Professional, Technical, Clerical, Mechanical and Similar Occupations. It provides that “Every 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” (IWC Wage Order No. 4 Section (4)(B).)

44. During the relevant time period, PLAINTIFFS and DEFENDANT’S non-exempt employees were typically paid a base hourly rate of pay of 15.00 an hour in the year 2024, below the then legal minimum wage of \$16.00 for 2024. This payment scheme resulted in a daily wage less than the legal minimum wage and failed to compensate PLAINTIFFS and DEFENDANT’S non-exempt employees for daily overtime and double-time to which they were entitled.

45. DEFENDANT has failed to pay minimum wage to PLAINTIFFS as required, pursuant to California Labor Code §§ 1194, 1197, and 1197.1, by failing to pay an hourly rate below the California minimum wage rate.

46. Pursuant to those sections, PLAINTIFFS and DEFENDANT’S non-exempt

employees are entitled to recover the unpaid balance of their minimum wage compensation as well as interest, costs, and attorney's fees, and liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

47. Pursuant to California Labor Code §§ 1197.1, PLAINTIFFS are entitled to recover a penalty of \$100.00 for the initial failure to timely pay each employee minimum wages, and \$250.00 for each subsequent failure to pay each employee minimum wages.

48. Pursuant to California Labor Code § 1194.2, PLAINTIFFS are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

49. Finally, PLAINTIFFS are entitled to seek and recover reasonable attorneys' fees and costs pursuant to Labor Code §§ 218.5, 210 and 1194.

THIRD CAUSE OF ACTION

FOR FAILURE TO PERMIT MEAL PERIODS

**[CALIFORNIA LABOR CODE §§ 226.7 and 512, and
CALIFORNIA CODE OF REGULATION, Title 8, §11050]**

(Against All DEFENDANTS)

50. PLAINTIFFS re-allege and incorporate by reference, as though fully set forth herein, the paragraphs previously alleged in this Complaint.

51. Labor Code §§ 226.7 and 512 and Cal. Code of Regulations, Title 8, § 11050(11)(A), provides that no employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than thirty (30) minutes.

52. Pursuant to Labor Code § 512, no employer shall employ an employee for a work period of more than five (5) hours without providing a meal break of not less than thirty (30) minutes in which the employee is relieved of all of his or her duties. An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes, 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.

1 53. Despite said requirements of the IWC wage orders applicable to PLAINTIFFS’
2 employment by DEFENDANT and Labor Code § 512 and Labor Code § 226.7, PLAINTIFFS were not
3 authorized to have second meal periods and was not relieved of all duties during any meal periods they
4 did take.

5 54. During the relevant time period, DEFENDANT failed to provide PLAINTIFFS first and
6 second uninterrupted meal periods of not less than thirty (30) minutes pursuant to the IWC wage orders
7 applicable to her employment by DEFENDANT. DEFENDANT implemented and enforced policies
8 and practices which pressured or required PLAINTIFFS and DEFENDANT’s non-exempt employees
9 to work during their meal periods, to forego their meal periods, and/or to return to work from meal
10 periods prior to thirty (30) uninterrupted minutes. As a proximate result of the violations, PLAINTIFFS
11 and DEFENDANT’s non-exempt employees have been damaged in an amount according to proof at
12 time of trial.

13 55. Labor Code § 226.7 and Cal. Code of Regulations, Title 8, § 11050(11)(B), provides that
14 if an employer fails to provide an employee a meal period in accordance with this section, the employer
15 shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each
16 workday that the meal period is not provided. Defendant failed to pay PLAINTIFFS and its non-exempt
17 employees the correct premium amount by failing to calculate commission wages into calculating the
18 regular rate of pay.

19 56. DEFENDANT, and each of them, have intentionally and improperly denied meal periods
20 to PLAINTIFFS in violation of Labor Code §§ 226.7 and 512 and Cal. Code of Regulations, Title 8, §
21 11050(11)(A) and other regulations and statutes.

22 57. At all times relevant hereto, PLAINTIFFS has worked more than five (5) hours in a
23 workday.

24 58. At all times relevant hereto, the DEFENDANT, and each of them, failed to authorize
25 and permit meal periods and prevented the taking of meal periods as required by Labor Code §§
26 226.7 and 512 and Cal. Code of Regulations, Title 8, §11050(11)(A).

27 59. By virtue of the DEFENDANT’s unlawful failure to provide meal periods and
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1 prevention of same to PLAINTIFFS, PLAINTIFFS have suffered damages in amounts which are
2 presently unknown to PLAINTIFFS but which exceed the jurisdictional limits of this Court and
3 which will be ascertained according to proof at trial.

4 60. PLAINTIFFS request recovery of meal period compensation pursuant to Labor Code
5 §§ 226.7 and Cal. Code of Regulations, Title 8, §11050(11)(D), as well as the assessment of any
6 statutory penalties against these DEFENDANT, and each of them, in a sum as provided by the Labor
7 Code and/or other statutes. Further, the PLAINTIFFS are entitled to seek and recover reasonable
8 attorneys' fees and costs pursuant to Labor Code §§ 218.5 and 1194.

9 **FOURTH CAUSE OF ACTION**
10 **FOR FAILURE TO PERMIT REST PERIODS**
11 **[CALIFORNIA LABOR CODE §§ 226.7 and 512]**
12 **(Against All DEFENDANTS)**

13 61. PLAINTIFFS re-allege and incorporate by reference the paragraphs previously
14 alleged in this Complaint.

15 62. Labor Code §§ 226.7 and Cal. Code of Regulations, Title 8, § 11050(12)(A),
16 provides that employers authorize and permit all employees to take rest periods at the rate of ten
17 (10) minutes net rest time per 3.5 hours worked.

18 63. Labor Code §§ 226.7 and Cal. Code of Regulations, Title 8, § 11050(12)(D),
19 provides that if an employer fails to provide an employee rest periods in accordance with this
20 section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of
21 compensation for each workday that the rest period is not provided.

22 64. DEFENDANT, and each of them, have intentionally and improperly denied rest
23 periods to PLAINTIFFS in violation of Labor Code §§ 226.7 and 512 and Cal. Code of
24 Regulations, Title 8, § 11050(12)(A).

25 65. During the times relevant hereto, PLAINTIFFS have worked more than four hours
26 in a workday.

27 66. During the times relevant hereto, the DEFENDANT, and each of them, failed to
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1 provide rest periods and actually prevented rest periods as required by Labor Code §§ 226.7 and
2 Cal. Code of Regulations, Title 8, § 11050(12)(A). DEFENDANT failed to relieve PLAINTIFFS
3 of their job duties and failed to relinquish control over how PLAINTIFFS spent time during rest
4 breaks.

5 67. By virtue of the DEFENDANT' unlawful failure to provide rest periods to the
6 PLAINTIFFS has suffered damages in amounts which are presently unknown to the PLAINTIFFS
7 but which exceed the jurisdictional limits of this Court and which will be ascertained according to
8 proof at trial.

9 68. PLAINTIFFS is informed and believes, and based upon that information and belief
10 allege, that DEFENDANT, and each of them, knew or should have known that PLAINTIFFS was
11 entitled to rest periods and purposely elected not to provide rest periods.

12 69. DEFENDANT, and each of them, acted intentionally, oppressively and maliciously
13 toward PLAINTIFFS with a conscious disregard of his rights, or the consequences to
14 PLAINTIFFS, with the intent of depriving PLAINTIFFS of property and legal rights and otherwise
15 causing PLAINTIFFS injury.

16 70. PLAINTIFFS request recovery of rest period compensation pursuant to Labor Code
17 §§ 226.7 and Cal. Code of Regulations, Title 8, § 11050(12)(B), as well as the assessment of any
18 statutory penalties against these DEFENDANT, and each of them, in a sum as provided by the
19 Labor Code and/or other statutes.

20 **FIFTH CAUSE OF ACTION**

21 **FOR FAILURE TO FURNISH PROPER ITEMIZED STATEMENTS**

22 **[CALIFORNIA LABOR CODE § 226]**

23 **(Against All DEFENDANTS)**

24 71. PLAINTIFFS re-allege and incorporate by reference, as though fully set forth
25 herein, the paragraphs previously alleged in this Complaint.

26 72. California Labor Code § 226(a) states that every employer shall, semi-monthly or
27 at the time of each payment of wages, furnish each of his or her employees an accurate itemized
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1 statement in writing showing substantial detailed information, including but not limited to, gross
2 and net wages earned, total hours worked, and all applicable hourly rates and the corresponding
3 number of hours worked at each hourly rate. IWC Wage Order 4 § 7(B) similarly requires
4 employers semimonthly or at the time of each payment of wages to furnish to each employee an
5 accurate itemized statement in writing. These required disclosures of information are essential to
6 enable employees to determine whether they have been paid in compliance with the law.

7 73. Labor Code § 226 requires employers to list on an itemized wage statement “all
8 amounts earned and now owing, not just those amounts actually paid.” *Naranjo v. Spectrum*
9 *Security Services, Inc.*, (2022) 13 Cal.5th 93.

10 74. The employer’s failure to list wages that an employee earned but was not paid
11 “deprives the employee of information needed to evaluate whether the payment is correct, and in
12 so doing results in injury under the terms of the statute.” Extra pay for missed breaks constitutes
13 “wages” that must be reported on statutorily required wage statements during employment and
14 paid within statutory deadlines when an employee leaves the job. *Naranjo v. Spectrum Security*
15 *Services, Inc.*, (2022) 13 Cal.5th 93, 120.

16 75. Throughout the liability period, DEFENDANT intentionally failed to furnish to
17 PLAINTIFFS, upon each payment of wages, proper and lawful itemized statements accurately
18 showing: the commission rate and the amount of sales earned per rate for each pay period,
19 applicable hourly rates in effect during each pay period and the corresponding hours worked at
20 each hourly rate, the calculation of the meal and rest premium pay as well as overtime with the
21 commission wage included in the regular hourly rate amongst other statutory requirements of
22 Labor Code § 226 and the applicable Wage Orders.

23 76. As a result of DEFENDANT’s conduct, PLAINTIFFS have suffered injury in that,
24 among other things, the lack of the required information hindered them from determining the
25 accurate amount of wages owed to them and led them to believe they were not entitled to be paid
26 wages for overtime, missed meal and rest breaks, or for each hour of labor they performed, although
27 they were so entitled. The absence of accurate wage statements has prevented timely challenges
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1 to DEFENDANT' unlawful pay practices, caused difficulty and expense in attempting to
2 reconstruct time and pay records, and resulted in the submission by Defendant of inaccurate
3 information about wages and deductions from wages to state and federal government agencies.
4 PLAINTIFFS' entitlement to state benefits is based upon the total amount of wages earned and
5 deductions from wages as reflected on their wage statements, and they are thereby injured by the
6 DEFENDANT's failure to report the accurate total amount of wages earned during each pay period
7 on each paycheck stub. As a result of DEFENDANT's conduct, PLAINTIFFS have suffered injury
8 because the legal right to receive accurate wage statements was violated and PLAINTIFFS cannot
9 promptly and easily determine from the wage statements alone the correct gross wages, meal and
10 rest premium pay and overtime wages.

11 77. Under Code section 226, subsection (e) and based on DEFENDANT' conduct as
12 alleged herein, PLAINTIFFS are entitled to fifty dollars (\$50) for the initial pay period in which
13 a wage and hour statement violation occurred, and one hundred dollars (\$100) per employee for
14 each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand
15 dollars (\$4,000); plus an award of costs and reasonable attorney's fees.

16 **SIXTH CAUSE OF ACTION**
17 **FOR FAILURE TO PAY ALL WAGES DUE UPON ENDING EMPLOYMENT**
18 **[CALIFORNIA LABOR CODE §§ 201-203]**
19 **(Against All DEFENDANTS)**

20 78. PLAINTIFFS re-allege and incorporates by reference, as though fully set forth
21 herein, the paragraphs previously alleged in this Complaint.

22 79. Labor Code section 201 provides "If an employer discharges an employee, the
23 wages earned and unpaid at the time of discharge are due and payable immediately."

24 80. Labor Code section 202 provides "If an employee not having a written contract for
25 a definite period quits his or her employment, his or her wages shall become due and payable not
26 later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or
27 her intention to quit, in which case the employee is entitled to his or her wages at the time of
28

1 quitting.”

2 81. PLAINTIFFS were discharged from or quit their employment with DEFENDANT
3 within the applicable statute of limitations and DEFENDANT failed and refused, and continue to
4 fail and refuse to pay the final wages due and owing to PLAINTIFFS including commission wages.

5 82. DEFENDANT failed to pay PLAINTIFFS without abatement, all wages as defined
6 by applicable California law. Among other things, PLAINTIFFS were not paid earned commission
7 wages, the correct minimum wage, overtime compensation, meal period and rest breaks premium
8 referred to in this Complaint. DEFENDANT’s failure to pay said wages within the required time
9 was willful within the meaning of Labor Code §§ 201, 202, 203.

10 83. Extra pay for missed breaks constitutes “wages” that must be reported on statutorily
11 required wage statements during employment and paid within statutory deadlines when an
12 employee leaves the job. The extra pay is “designed to compensate for the unlawful deprivation
13 of a guaranteed break” but “also compensates for the work the employee performed during the
14 break period. *Naranjo v. Spectrum Security Services, Inc.*, (2022) 13 Cal.5th 93, 120.

15 84. Therefore, PLAINTIFFS are entitled to one day’s wages for each day they were not
16 timely paid all said wages due, up to a maximum of thirty (30) days’ wages for PLAINTIFFS.
17 Because PLAINTIFFS were never paid the correct minimum wages, overtime wages, and meal
18 and rest premiums and commission wages to which they was entitled, referred to in this
19 Complaint, PLAINTIFFS are entitled to thirty (30) days of wages.

20 **SEVENTH CAUSE OF ACTION**

21 **PENALTIES PURSUANT TO PRIVATE ATTORNEY GENERALS’ ACT**

22 **[Individual and Representative Claim via CALIFORNIA LABOR CODE §§ 2698 and 2699]**

23 **(Against All DEFENDANTS)**

24 85. PLAINTIFFS re-allege and incorporate by reference, as though fully set forth herein, the
25 paragraphs previously alleged in this Complaint.

26 86. As a result of the acts previously alleged, including violations of the sections of the California
27 Labor Code alleged above, PLAINTIFFS seek penalties under Labor Code §§ 2698 and 2699.
28

1 87. From at least **December 16, 2023** through to the present, (the “Civil Penalty Period”),
2 DEFENDANT violated Labor Code Sections 201, 202, 203, 204.11, 218, 218.6, 221, 224, 226, 226.2,
3 226.7, 247.5 351, 353, 511, 512, 558, 558.1, 1174, 1182.11-1182.13, 1194, 1197, 1197.1, 1198 against
4 PLAINTIFFS and other former and current employees in the State of California.

5 88. PLAINTIFFS, as "aggrieved employees" within the meaning of California Labor Code
6 sections 2698 et seq., acting on behalf of themselves, and other former and current non-exempt employees of
7 DEFENDANT, bring this action to recover the civil penalties provided for under the Labor Code Private
8 Attorney General Act of 2004 (hereafter, "PAGA")

9 89. Labor Code Sections 2699(a) and (g) authorize an aggrieved employee, on behalf of
10 themselves and other similarly aggrieved current or former employees, to bring a civil action to recover civil
11 penalties pursuant to the procedures specified in Labor Code Section 2699.3 without having to obtain a
12 formal class certification from the court.
13

14 90. As prescribed by the Labor Code, PLAINTIFFS gave written notice by letter dated **December**
15 **16, 2023**, via certified U.S. Mail, to DEFENDANT and to the LWDA via online submission of PLAINTIFFS’
16 allegations of DEFENDANT’ violations of the Labor Code. (See Lab. Code § 2699.3(a)(1).) It has been more
17 than 65 days since notice was provided to the LWDA and PLAINTIFFS have not been notified that the LWDA
18 intends to investigate this matter. Therefore, PLAINTIFFS may proceed and may include in the Complaint a
19 claim for penalties pursuant to Labor Code §§ 2699, et seq.

20 91. Pursuant to Labor Code Sections 2699(a) and (f), PLAINTIFFS are entitled to recover civil
21 penalties for DEFENDANT’ violations of Labor Code Sections 201, 202, 203, 204.11, 221, 224, 226, 226.2,
22 226.7, 226.8, 247.5, 351, 432, 510, 558, 1174, 1194, 1197, and 1198.5:

23 92. As Labor Code § 558 authorizes the award of a civil penalty for violating Labor Code §§ 500-
24 556 (which includes both meal and rest period premiums and overtime) that include “an amount sufficient to
25 recover underpaid wage,” PLAINTIFFS other former and current employees are entitled to recover these
26 wages as a penalty in a private lawsuit under PAGA in addition to civil penalties.
27
28

93. PLAINTIFFS further demand reasonable attorney's fees, costs of suit, and interest pursuant to California Labor Code §§ 2699(g)(1).

PRAAYER

WHEREFORE, the PLAINTIFFS DEMAND a JURY TRIAL and prays for judgment as follows:

ON THE FIRST CAUSE OF ACTION:

- (a) For compensatory damages;
- (b) For interest on any compensatory damages;
- (c) For statutory penalties and attorneys fees; and
- (d) Waiting period wages and penalties.

ON THE SECOND CAUSE OF ACTION:

- (a) For compensatory damages;
- (b) For liquidated damages;
- (c) For interest on any compensatory damages; and
- (d) For statutory penalties and attorneys fees.

ON THE THIRD CAUSE OF ACTION:

- (a) For statutory penalties, including one hour of pay for each workday that a meal period was not provided;
- (b) For interest of 7% on any compensatory damages for unpaid premium wages owed under Labor Code § 226.7. *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal.5th 93;
- (c) For attorneys' fees and costs as allowed by the Court.

ON THE FOURTH CAUSE OF ACTION:

- (a) For statutory penalties, including one hour of pay for each workday in which a legally compliant rest period was not provided;
- (b) For interest of 7% on any compensatory damages for unpaid premium wages owed under Labor Code § 226.7. *Naranjo v. Spectrum Security*

Services, Inc. (2022) 13 Cal.5th 93;

(c) For attorneys' fees and costs as allowed by the Court.

ON THE FIFTH CAUSE OF ACTION:

(a) For statutory penalties;

(b) For interest on any compensatory damages;

(c) For attorneys' fees and costs. *Betancourt v. OS Restaurant Services, LLC* (2022) 83 Cal.App.5th 132

ON THE SIXTH CAUSE OF ACTION:

(a) For compensatory damages;

(b) For interest on any compensatory damages;

(c) For statutory penalties and attorneys' fees; *Betancourt v. OS Restaurant Services, LLC* (2022) 83 Cal.App.5th 132 and;

(d) Waiting period wages and penalties.

ON THE SEVENTH CAUSE OF ACTION:

(a) That DEFENDANT be ordered to pay civil penalties pursuant to violations of Labor Code §§ 2698 and 2699, in the amount of \$100 per employee per pay period or \$200 per employee per pay period to be allocated 65% to the LWDA and 35% to the affected employees.

(b) That DEFENDANT be ordered to pay civil penalties pursuant to violations of Labor Code §§ 500-556 (which includes both meal and rest period premiums and overtime) that include an amount sufficient to recover underpaid wages to the affected employees.

ON ALL CAUSES OF ACTION:

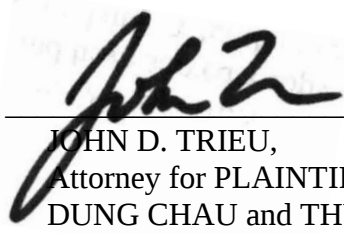
(a) For reasonable attorneys' fees;

(b) For costs of suit and,

(c) For such other and further relief as this Court may deem just and proper.

1 Dated: March 10, 2025

LAW OFFICES OF JOHN D. TRIEU, APC

2
3 By: 

4 JOHN D. TRIEU,
5 Attorney for PLAINTIFFS,
6 DUNG CHAU and THUY PHUNG

7 **DEMAND FOR JURY TRIAL**

8 PLAINTIFFS hereby demands trial of the claims by jury to the extent authorized by law.
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