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Attorneys for Plaintiff NORMA MORALES, as representative of the State of California and the Labor and Workforce Development Agency, and on behalf of herself and Aggrieved Employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

NORMA MORALES, on behalf of herself and
all other Aggrieved Employees,

Plaintiff,

v.

SBM MANAGEMENT SERVICES, LP, a
Delaware Limited Partnership; SBM
FACILITY SERVICES, LLC; a Delaware
Limited Liability Company; and DOES 1-50,
Inclusive,

Defendants,

Case No.

COMPLAINT 25CV005712

1. Civil Penalties under the Private Attorneys
General Act (PAGA)

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1 Plaintiff, NORMA MORALES, (“Plaintiff”), as a representative of the State of California
2 and the Labor and Workforce Development Agency (LWDA), and on behalf of herself and other
3 current or former Aggrieved Employees, complains and alleges as follows:

4 **INTRODUCTION**

5 1. This is a representative action brought by Plaintiff, as a representative of the State
6 of California and the LWDA, and on behalf of herself and other Aggrieved Employees, to collect
7 civil penalties for Defendants’ Labor Code violations.

8 2. Defendants and employers, SBM MANAGEMENT SERVICES, LP and SBM
9 FACILITY SERVICES, LLC (collectively “Defendants”), violated numerous wage and hour
10 laws with respect to Plaintiff and other Aggrieved Employees by failing to provide, for example:
11 accurate and itemized wages statements, payment for all hours worked (including regular wages
12 and overtime), failure to provide a minimum wage, lawful meal periods, lawful rest periods,
13 timely payment during employment, failure to reimburse for expenses incurred during the course
14 and scope of employment, and payment upon separation of employment.

15 **PARTIES**

16 **The Plaintiff**

17 3. Plaintiff, NORMA MORALES (hereinafter, “Plaintiff”) is, and at all times
18 mentioned herein, was, a resident of the State of California, residing in Alameda County.

19 4. Aggrieved Employees are all former and/or current non-exempt employees
20 holding various positions and employed by Defendants within California during the relevant time
21 period who were subject to at least one or more of Labor Code violations set forth in the PAGA
22 Notice dated December 11, 2024 and attached hereto as **Exhibit A** (“Aggrieved Employees”) and
23 incorporated herein by reference.

24 **The Defendants**

25 5. Defendant SBM MANAGEMENT SERVICES, LP (hereinafter, “SBM
26 MANAGEMENT”) is a Delaware limited partnership registered in California and doing business
27 in California, and at all relevant times mentioned herein, existing, doing business and employing
28 individuals in the County of Sacramento, State of California. Plaintiff is informed and believes

1 that SMB MANAGERMENTS's operates at least one location in Sacramento County located at
2 5241 Arnold Avenue, McClellan, California 95652.

3 6. Defendant SBM FACILITIES SERVICES, LLC (hereinafter, "SBM
4 FACILITIES"), is a Delaware limited liability company registered in California and doing
5 business in California, which, at all relevant times mentioned herein, existing, doing business and
6 employing individuals in the County of Sacramento, State of California. Plaintiff is informed and
7 believes that SBM FACILITIES operates at least one location in Sacramento County located at
8 5241 Arnold Avenue, McClellan, California 95652.

9 7. Defendants SBM MANAGEMENT and SBM FACILITIES are collectively
10 referred to herein as "Defendants."

11 8. Plaintiff is informed and thereon alleges that Defendants exercised control over
12 Plaintiff and Aggrieved Employees' wages, hours, and/or working conditions.

13 9. The true names and capacities, whether individual, corporate, associate, or
14 otherwise of Defendants named herein as DOES 1-50, inclusive, are unknown to Plaintiff at this
15 time and therefore said Defendants are sued by such fictitious names. Plaintiff will seek leave to
16 amend this Complaint to insert the true names and capacities of said Defendants when the same
17 become known to Plaintiff. Plaintiff is informed and believes and thereupon alleges that each of
18 the fictitiously-named Defendants are responsible for the wrongful acts alleged herein and is
19 therefore liable to Plaintiff as alleged hereinafter.

20 10. Plaintiff is informed and believes, and based thereupon alleges, that at all times
21 relevant hereto, Defendants, and each of them, were the agents, employees, managing agents,
22 supervisors, conspirators, parent corporation, joint employers, successors, alter ego, and/or joint
23 ventures of the other Defendants, and each of them, and in doing the things alleged herein, were
24 acting at least in part within the course and scope of said agency, employment, conspiracy, joint
25 employment, alter ego status, and/or joint venture and with the permission and consent of each of
26 the other Defendants.

27 11. Plaintiff is informed and believes, and based thereupon alleges, that Defendants,
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1 and each of them, including those Defendants named DOES 1-50, acted in concert with one
2 another to commit the wrongful acts alleged therein, and aided, abetted, incited, compelled,
3 and/or coerced one another in the wrongful acts alleged herein, and/or attempted to do so.
4 Plaintiff is further informed and believes, and based thereupon alleges, that the Defendants, and
5 each of them, including those Defendants named as DOES 1-50, formed and executed a
6 conspiracy or common plan pursuant to which they would commit the unlawful acts alleged
7 herein, with all such acts alleged herein done as part of and pursuant to said conspiracy, intended
8 to and actually causing Plaintiff harm.

9 12. Whenever and wherever reference is made in this Complaint to any act or failure
10 to act by a defendant or co-defendant, such allegations and references shall also be deemed to
11 mean the acts and/or failures to act by each defendant acting individually, jointly and severally.

12 **JURISDICTION AND VENUE**

13 13. Venue is proper in Sacramento County because Defendants either maintain its
14 locations and/or transacts business in this county, the obligations and liability primarily arise in
15 this county, and work was primarily performed by Plaintiff and other Aggrieved Employees in
16 this county.
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18 14. The California Superior Court has jurisdiction over this matter. PAGA penalties
19 cannot be aggregated to meet the minimum jurisdictional amount required for diversity removal.
20 Further, there is no federal question at issue as the issues herein are based solely on California
21 statutes and law, including, but not limited to, the California Labor Code, Industrial Welfare
22 Commission Wage Orders, California Code of Civil Procedure, and California Rules of Court.

23 **GENERAL ALLEGATIONS**

24 15. Defendants are in the business of providing building maintenance services.
25 Defendants employed Plaintiff and Aggrieved Employees in California during the relevant PAGA
26 period. Aggrieved Employees are all former and/or current non-exempt employees holding
27 various positions and employed by Defendants within California during the relevant time period
28 who were subject to at least one or more Labor Code violations set forth in the PAGA Notice

dated December 11, 2024 and attached hereto as **Exhibit A**

16. Plaintiff was employed by Defendants as a janitor from approximately August 28, 2023 to about July 19, 2024. Plaintiff's primary duties include performing janitorial and cleaning services, vacuuming, sweeping, mopping, and dusting offices.

17. The position required Plaintiff to work more than 8 hours a day and/or 40 hours per week without lawful compensation. Plaintiff and Aggrieved Employees were regularly not paid for minimum wage or overtime pay for all compensable time worked, including off-the-clock work.

18. Plaintiff and Aggrieved Employees were also not paid their correct overtime wages at their correct regular rate of pay because Defendants failed to factor non-discretionary bonuses and compensation such as "Program Bonus" into Plaintiff and Aggrieved Employees' regular rate of pay for purposes of calculating overtime.

19. Plaintiff and Aggrieved Employees were subject to not having all of their compensable work time recorded. Not all of Plaintiff and Aggrieved Employees' compensable work time spent under the control of Defendants was accounted for and compensated. Plaintiff is informed and believes that Defendants (1) adjusted clock in and clock out times to the disadvantage of Plaintiff and other Aggrieved Employees by rounding up clock-in times when Plaintiff and Aggrieved Employees clocked-in before the scheduled start of their respective shifts and rounded down clock-out times when Plaintiff and Aggrieved Employees worked past the scheduled end time for their shifts, as well as (2) requiring Plaintiff and Aggrieved Employees to continue working when ostensibly on duty-free meal periods, or requiring them to return to work before the end of their thirty-minute meal periods but prohibiting them from clocking back in until the legally required thirty-minute mark.

20. Based on information and belief, Plaintiff believes she and Aggrieved Employees were also not being reimbursed for all necessary expenses incurred in the performance of their job duties. Specifically, Defendants required Plaintiff and Aggrieved Employees, regardless of classification, to use their personal cellular telephones to communicate with colleagues and

1 supervisors in the course of performing their respective duties but failed to reimburse them for
2 use of the personal cellular devices nor the consumption of their personal data plan.

3 21. Defendants failed to authorize and permit all required meal and rest periods for
4 Plaintiff and Aggrieved Employees because, upon information and belief, Defendants maintained
5 unlawful meal/rest period policies and practices. In order to curtail labor costs, Defendants
6 regularly did not staff enough employees to provide sufficient coverage to maintain their business
7 operations so Plaintiff and Aggrieved Employees could not both complete their assigned daily
8 duties and take complete, timely and uninterrupted meal and rest breaks. Defendants prioritized
9 completion of daily duties and customer satisfaction ahead of meal and rest period compliance.
10 Defendants failed to provide Plaintiff and Aggrieved Employees with an additional hour of
11 premium pay at the regular rate of pay for each meal/rest period violation, as required by Labor
12 Code section 226.7.

13 22. As a result of the violations described above, Plaintiff and Aggrieved Employees
14 experienced collateral or derivative violations. Specifically, Defendants failed to provide Plaintiff
15 and Aggrieved Employees accurate itemized wage statements in writing in compliance with
16 Labor Code section 226 and failed to compensate Plaintiff and Aggrieved Employees for all
17 wages owed at the time employment with Defendant had ended.

18 23. Pursuant to Labor Code section 2699, subdivision (a), any provision of the Labor
19 Code that provides for a civil penalty to be assessed and collected by the LWDA or any of its
20 departments, divisions, commissions, boards, agencies or employees for violation of the code
21 may, as an alternative, be recovered through a civil action brought by an aggrieved employee on
22 behalf of himself and other current or former employees pursuant to the procedures specified in
23 Labor Code section 2699.3.

24 24. For all provisions of the Labor Code except those for which a civil penalty is
25 specifically provided, Labor Code section 2699, subdivision (f) imposes upon Defendant a
26 penalty of one hundred dollars (\$100.00) for each Aggrieved Employee per pay period for the
27 initial violation, and two hundred dollars (\$200.00) for each Aggrieved Employee per pay period
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1 for each subsequent pay period if certain conditions are met.

2 25. Defendants' conduct during the PAGA period with respect to Plaintiff and
3 Aggrieved Employees violates numerous Labor Code sections as detailed herein.

4 26. Plaintiff alleges that Defendants have engaged in a systematic pattern of wage and
5 hour violations under the California Labor Code and IWC Wage Orders.

6 27. At all relevant times herein, Defendants employed Plaintiff and Aggrieved
7 Employees who were subject to the employment policies described herein, in whole or in part,
8 and therefore suffered at least one or more of the violations set forth herein.

9 28. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew
10 or should have known that Plaintiff and Aggrieved Employees were entitled to receive wages for
11 all hours worked, including the applicable minimum, regular, and overtime wages, and that they
12 were not receiving all wages earned for work that was required to be performed. In violation of
13 the Labor Code and IWC Wage Orders, Defendants failed to pay Plaintiff and Aggrieved
14 Employees for all hours worked. Accordingly, Defendants failed to pay Plaintiff and Aggrieved
15 Employees all earned minimum, regular, and/or overtime compensation.

16 29. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew
17 or should have known that Plaintiff and Aggrieved Employees were entitled to receive all required
18 meal periods or payment of one (1) additional hour of pay at Plaintiff and Aggrieved Employees'
19 regular rate of pay when they did not receive a timely, uninterrupted off-duty meal period. In
20 violation of the Labor Code and IWC Wage Orders, Defendants had a pattern, practice, and policy
21 of not providing timely meal periods. Defendant failed to pay an additional hour of pay to Plaintiff
22 and Aggrieved Employees for late meal periods. As a result of Defendants' unlawful policy and
23 practice, Plaintiff and Aggrieved Employees did not receive all meal periods or payment of one
24 (1) additional hour of pay at Plaintiff's and Aggrieved Employees' regular rate of pay when they
25 did not receive a timely, uninterrupted 30 minute off-duty meal period.

26 30. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew
27 or should have known that Plaintiff and Aggrieved Employees were entitled to receive all required
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1 rest periods or payment of one (1) additional hour of pay at Plaintiff and Aggrieved Employees'
2 regular rate of pay when they did not receive a timely, uninterrupted off-duty rest period. In
3 violation of the Labor Code and IWC Wage Orders, Defendants had a pattern, practice, and policy
4 of not providing timely rest periods. Defendant failed to pay an additional hour of pay to Plaintiff
5 and Aggrieved Employees for each rest periods were not provided or were interrupted. As a result
6 of Defendants' unlawful policy and practice, Plaintiff and Aggrieved Employees did not receive
7 all required rest periods or payment of one (1) additional hour of pay at Plaintiff's and Aggrieved
8 Employees' regular rate of pay when they did not receive a timely, uninterrupted 10 minute off-
9 duty rest period.

10 31. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew
11 or should have known that Plaintiff and certain Aggrieved Employees were entitled to timely
12 payment of wages due upon separation of employment. In violation of the Labor Code, Plaintiff
13 and certain Aggrieved Employees did not receive payment of all wages due, within permissible
14 time periods, upon separation of employment.

15 32. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew
16 or should have known that Plaintiff and Aggrieved Employees were entitled to receive itemized
17 wage statements that accurately showed their actual hours worked, total hours worked, number
18 of hours worked at each hourly rate, gross and net wages earned, and correct employer
19 information in accordance with California law. As a result of the wage violations specified above,
20 and in violation of the Labor Code, Plaintiff and Aggrieved Employees were not provided with
21 accurate itemized wage statements that accurately reported their gross and net wages earned, total
22 hours worked, each applicable rate of pay in effect during the pay period with the corresponding
23 number of hours worked, and the address of the legal entity that is the employer, among other
24 things.

25 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
26 should have known that Defendants were required to maintain accurate records of the hours
27 worked by Plaintiff and Aggrieved Employees. In violation of the Labor Code, Defendants failed
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1 to maintain accurate records of hours worked by Plaintiff and Aggrieved Employees due to its
2 off-the-clock and/or unfair rounding practices, among other things.

3 **FIRST CAUSE OF ACTION**

4 **(Civil Penalties Under the Private Attorneys General Act,**
5 **Labor Code § 2699 et seq., for Violations of the Labor Code)**

6 34. Plaintiff realleges and incorporates by reference all preceding paragraphs of this
7 Complaint as if set forth in full herein.

8 35. By this Complaint, Plaintiff brings this case as a representative action seeking
9 penalties for herself, the Aggrieved Employees, and the State of California in a representative
10 capacity, as provided by the PAGA, Labor Code sections 2698 *et seq.* Plaintiff is an Aggrieved
11 Employee who was employed by Defendants and subject to at least one of the Labor Code
12 violations set forth in Labor Code section 2699.5. Plaintiff specifically alleged the following in
13 his or her notice to the LWDA and Defendants: violation of Labor Code sections 201, 202, 203,
14 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198
15 and 2802.

16 36. Under Labor Code section 2699.3, subdivision (a), a plaintiff may bring a cause
17 of action under PAGA only after giving the LWDA and the employer notice of the Labor Code
18 sections alleged to have been violated, and after receiving notice from the LWDA of its intention
19 not to investigate, or after 65 days have passed without notice from the LWDA.

20 37. Prior to filing this Complaint, on or about December 11, 2024, Plaintiff gave
21 written notice of the specific provisions alleged to have been violated, including the facts and
22 theories to support the alleged violations, as required by Labor Code section 2699.3 to
23 Defendants. The written notice was given via certified mail to Defendants, and the LWDA by
24 electronically filing the notice via the Department of Industrial Relations website. Plaintiff was
25 given an LWDA case number. True and correct copies of Plaintiff's notices to the LWDA and
26 Defendants are attached hereto as **Exhibit A**.

27 38. The LWDA has not provided Plaintiff with any notice that it intends to investigate
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1 the violations as alleged in Plaintiff's notices, and more than 65 calendar days have elapsed since
2 the postmark date on the latter notice.

3 39. California Labor Code §§2698-2699.5, in relevant part provides, "any provision
4 of this code that provides for a civil penalty to be assessed and collected by the Labor and
5 Workforce Development Agency...for a violation of this code, may, as an alternative, be
6 recovered through a civil action brought by an Aggrieved Employee on behalf of himself or
7 herself and other current or former employees pursuant to the procedures specified in Section
8 2699.3."

9 40. As an Aggrieved Employee, Plaintiff brings this civil action to recover civil
10 penalties for Defendant's Labor Code violations.

11 **First Violation**

12 **(Failure to Provide Meal Periods, in Violation of Labor Code Section 512)**

13 41. Under California Labor Code §512(a), "An employer may not employ an
14 employee for a work period of more than five hours per day without providing the employee with
15 a meal period of not less than 30 minutes, except that if the total work period per day of the
16 employee is no more than six hours, the meal period may be waived by mutual consent of both
17 the employer and employee."

18 42. Defendants violated Labor Code § 512 by failing to provide Plaintiff and
19 Aggrieved Employees who worked shifts of greater than five hours, uninterrupted, complete,
20 and/or timely meal periods within the first five hours of the shifts worked. Defendants,
21 furthermore, did not provide the requisite second meal period after working more than 10 hours.

22 43. Defendants failed to pay Plaintiff one (1) hour of pay at Plaintiff's regular rate of
23 pay for each day Defendants failed to provide a meal period in compliance with section 512.

24 **Second Violation**

25 **(Failure to Provide Rest Periods, in Violation of Labor Code Section 226.7)**

26 44. Under California Labor Code §226.7(b), "An employer shall not require an
27 employee to work during a meal or rest or recovery period mandated pursuant to an applicable
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1 statute, or applicable regulation, standard, or order of the Industrial Welfare Commission”

2 45. Industrial Welfare Commission (IWC) provides, “Every employer shall authorize
3 and permit all employees to take rest periods, which insofar as practicable shall be in the middle
4 of each work period. The authorized rest period time shall be based on the total hours worked
5 daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.”

6 46. Defendants failed to authorize and permit Plaintiff and Aggrieved Employees to
7 take rest periods and mandated by the Wage Order.

8 47. Under §226.7(c), an employer who violates §226.7(b), “...shall pay the employee
9 one additional hour of pay at the employee’s regular rate of compensation for each workday that
10 the meal or rest or recovery period is not provided.”

11 48. Defendants failed to pay Plaintiff and Aggrieved Employees who were not
12 provided rest periods one hour of pay at their regular rate of pay.

13 **Third Violation**

14 **(Failure to Provide Complete and Accurate Wage Statements,**
15 **in Violation of Labor Code Section 226)**

16 49. Under California Labor Code §226(a), an employer is legally obligated to provide
17 its employees, semi-monthly or at the time of payment of wages, “an accurate itemized statement
18 in writing...”

19 50. Plaintiff, on behalf of the State of California and the LWDA, seeks civil penalties
20 for Defendant’s Labor Code violations alleged herein, as well as attorney’s fees and costs, under
21 Labor Code § 2699.

22 **Fourth Violation**

23 **(Failure to Pay Minimum Wages)**

24 51. Pursuant to California Labor Code §§ 1194, 1197, and IWC Wage Orders,
25 payment to an employee of less than the applicable minimum wage for all hours worked in a
26 payroll period is unlawful.

27 52. Plaintiff, on behalf of the State of California and the LWDA, seeks civil penalties
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1 for Defendants' Labor Code violations alleged herein, as well as attorney's fees and costs, under
2 Labor Code § 2699.

3 **Fifth Violation**

4 **(Failure to Pay Overtime Wages)**

5 53. Pursuant to California Labor Code §§ 510, 1194, and IWC Wage Orders, an
6 employer is required to compensate employees for all overtime, which is calculated at one and
7 one-half (1½) times the regular rate of pay for all hours worked in excess of eight (8) hours per
8 day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive
9 workday, with double time for all hours worked in excess of twelve (12) hours in any workday
10 and for all hours worked in excess of eight (8) hours on the seventh consecutive day of work in
11 any workweek.

12 54. Plaintiff, on behalf of the State of California and the LWDA, seeks civil penalties
13 for Defendants' Labor Code violations alleged herein, as well as attorney's fees and costs, under
14 Labor Code § 2699.

15 **Sixth Violation**

16 **(Failure to Timely Pay Wages During Employment)**

17 55. Pursuant to California Labor Code § 204, for all labor performed between the 1st
18 and 15th days of any calendar month, an employer is required to pay its employees between the
19 16th and 26th day of the month during which the labor was performed. California Labor Code §
20 204 also provides that for all labor performed between the 16th and 26th days of any calendar
21 month, Defendant was required to pay their employees between the 1st and 15th day of the
22 following calendar month. In addition, California Labor Code § 204 provides that all wages
23 earned for labor in excess of the normal work period shall be paid no later than the payday of the
24 next regular payroll period.

25 56. Plaintiff, on behalf of the State of California and the LWDA, seeks civil penalties
26 for Defendants' Labor Code violations alleged herein, as well as attorney's fees and costs, under
27 Labor Code § 2699.
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1 **Seventh Violation**

2 **(Failure to Pay All Wages Due to Discharged and Quitting Employees)**

3 57. Pursuant to California Labor Code § 201, 202, and 203, Defendants are required
4 to pay all earned and unpaid wages to an employee who is discharged. California Labor Code §
5 201 mandates that if an employer discharges an employee, the employee's wages accrued and
6 unpaid at the time of discharge are due and payable immediately.

7 58. Plaintiff, on behalf of the State of California and the LWDA, seeks civil penalties
8 for Defendants' Labor Code violations alleged herein, as well as attorney's fees and costs, under
9 Labor Code § 2699.

10 **Eighth Violation**

11 **Failure to Reimburse Business Expenses in Violation of Labor Code § 2802**

12 **(Against all Defendants and DOES 1 to 50, inclusive)**

13 59. Labor Code § 2802 provides that an employer shall indemnify his or her employee
14 for all necessary expenditures or losses incurred by the employee in direct consequence of the
15 discharge of his or her duties, or of his or her obedience to the directions of the employer.

16 60. Defendants failed to indemnify and reimburse Plaintiff for all necessary
17 expenditures or losses incurred by Plaintiff in direct consequence of the discharge of Plaintiff's
18 job duties.

19 61. Pursuant to Labor Code § 2802, Plaintiff is entitled to recover business expenses
20 incurred as a result of discharging his or her duties, including interest.

21 62. Plaintiff, on behalf of the State of California and the LWDA, seeks civil penalties
22 for Defendants' Labor Code violations alleged herein, as well as attorney's fees and costs, under
23 Labor Code § 2699.

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PRAYER FOR RELIEF

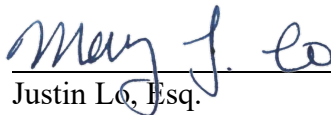
WHEREFORE, Plaintiff prays for the following relief:

1. For penalties in an amount according to proof;
2. For reasonable attorney's fees and costs pursuant to PAGA; and
3. For such other and further relief as this Court may deem just and proper.

Respectfully Submitted,

Dated: March 12, 2025

WORK LAWYERS PC



Justin Lo, Esq.

May T. To, Esq.

Attorneys for Plaintiff NORMA MORALES and
Aggrieved Employees

EXHIBIT A



NOTICE OF LABOR CODE VIOLATIONS - PAGA
(Labor Code § 2699.3)

DATE December 11, 2024

DELIVERY Online Filing and Certified U.S. Mail

RECIPIENTS California Labor and Workforce Development Agency (“LWDA”)
PAGAfilings@dir.ca.gov

SUBJECT: NORMA MORALES v. SBM MANAGEMENT SERVICES, LP and SBM FACILITY SERVICES, LLC
NOTICE OF LABOR CODE VIOLATIONS UNDER CAL. LABOR CODE §2699.3

To the LWDA and Employers:

This office represents NORMA MORALES (“Ms. Morales,” “Complainant” or “Employee”) with respect to her claims against SBM MANAGEMENT SERVICES, LP (“SBM Management”) and SBM FACILITY SERVICES, LLC (“SBM Facility”) (SBM Management and SBM Facility are collectively referred to herein as “Employers”) for violations of the California Labor Code and IWC Wage Orders. This letter is being sent simultaneously to Employers by certified mail.

SBM Management is a Delaware limited partnership registered to conduct business in the State of California. SBM Facility is a Delaware limited liability company registered to conduct business in the State of California. SBM Facility is the general partner of SBM Management.

Employers employed Ms. Morales from approximately August 28, 2023 to about July 19, 2024. During her employment with Employers, Ms. Morales was employed as a “janitor” at one of Employers’ offices located at 353 Vintage Park, Foster City, CA 94404.

Ms. Morales intends to seek penalties for violations of the California Labor Code which are recoverable under California Labor Code section 2698, et seq., the Private Attorneys General Act of 2004 (“PAGA”). Ms. Morales is seeking penalties on behalf of herself and in a representative capacity on behalf of the State of California, the LWDA, and all current and former non-exempt employees of any of the Employers working within California holding various positions who experienced one or more of the same violations as Ms. Morales as set forth in this notice

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(“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3.

As detailed below, Employers violated various California’s wage and hour laws during Complainant’s employment, including but not limited to violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 227.3, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the applicable Industrial Welfare Commission Wage Orders (“IWC Wage Order”). The claims made on behalf of Complainant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Complainant and Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Complainant and Aggrieved Employees were provided non-discretionary pay of “Program Bonus” that was not incorporated in their regular rate of pay thus causing underpayment of wages and premium payments, including but not limited to rest and meal period premiums and overtime compensation.

First, Employers regularly required Complainant and Aggrieved Employees to work off-the-clock in order to complete their duties and responsibilities. This off-the-clock work included, amongst other things, requiring Complainant and Aggrieved Employees to: (1) respond to Employers and work-related requests and perform work while clocked out for purported meal breaks; (2) perform work before clocking in for the start of their shift; and (3) perform work after clocking out for the end of their shift. Complainant and Aggrieved Employees were not compensated for this off-the-clock work, resulting in a failure to pay minimum wages and straight time wages.

Employers also failed to accurately record the actual time worked by Complainant and Aggrieved Employees including unlawful time rounding. Finally, and as a matter of policy and/or practice, Employers failed to pay overtime to Complainant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration and all compensable work time.

As a result of the foregoing practices, Employers have failed to pay Complainant and Aggrieved Employees all owed wages for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Complainant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to paragraph (20)(A) of the applicable IWC Wage Order; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys’ fees and costs.

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2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

Employers required Complainant and Aggrieved Employees to work more than five (5) hours per day but were not provided with uninterrupted, full, and complete 30-minute meal periods. Further, Complainant and Aggrieved Employees were not provided with a second uninterrupted, full, and complete 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Complainant and Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. On the occasions that Complainant and Aggrieved Employees did take a meal period, their meal periods were frequently interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Complainant and Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels, affecting all non-exempt/hourly employees, failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Complainant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Complainant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Complainant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; and (6) Employers' policy and culture prevented Complainant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on completing job requirements over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Accordingly, Employers violated of the applicable IWC Wage Order and California Labor Code sections 226.7(a), 512(a) and 1198.

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties of the applicable IWC Wage Order; penalties pursuant to California Labor Code California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

Employers failed to authorize and permit Complainant and Aggrieved Employees to take legally compliant 10-minute rest periods. Employers failed to provide Complainant and Aggrieved Employees any rest periods at all and/or required Complainant and Aggrieved Employees to work through rest periods. Complainant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction

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thereof. Further, Complainant and Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Complainant and Aggrieved Employees were never completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Complainant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels, affecting all hourly-non-exempt employees, failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Complainant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Complainant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Complainant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Complainant and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during rest periods, which included responding to in person verbal interruptions; and (7) Employers' policy and culture prevented Complainant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Complainant and Aggrieved Employees did not receive one (1) extra hour of pay at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7(a), and 1198.

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to the applicable IWC Wage Order; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

As to each pay period, Employers have failed to timely pay all wages earned because Complainant and Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PAY ALL WAGES DUE TO DISCHARGED AND QUTTING EMPLOYEES.

As to each pay period, Employers have failed to timely pay all wages earned because Complainant Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 201(a), 202(a) and 203(a).

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

6. FAILURE TO PROVIDE COMPLETE AND ACCURATE ITEMIZED WAGE STATEMENTS

As a result of the practices described above, the wage statements provided to Complainant and Aggrieved Employees do not reflect the actual hours worked or all compensable time worked as the time worked was either not recorded, inaccurately recorded, and/or detrimentally rounded, the correct name and address of the legal employing entity, and the correct rates of pay. In addition, the wage statements failed to include all meal and rest period premiums. Accordingly, Employers violated California Labor Code section 226(a).

Complainant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

7. FAILURE TO MAINTAIN ACCURATE RECORDS

As described above, Employers have failed to maintain accurate records relating to Complainant and Aggrieved Employees including their work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 1198.5 and 1174(d).

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant the applicable IWC Wage Order; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

8. FAILURE TO REIMBURSE NECESSARY EXPENDITURES.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Complainant and Aggrieved

Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. Complainant and Aggrieved Employees were required to use their personal cellular telephones to communicate with fellow co-workers and supervisors regarding their job duties. Complainant and Aggrieved Employees were required to drive their personal vehicles to locations outside the usual scope of their place of employment without reimbursement to begin their overtime shift and/or other shifts. Complainant and Aggrieved Employees were required to wash and maintain Employers' uniforms without reimbursement nor were they compensated with wages for the time spent maintaining Employers' 410 uniforms.

Accordingly, Employers violated IWC Order and California Labor Code sections 2800 and 2802.

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order; and attorneys' fees and costs.

9. FAILURE TO PAY VACATION TIME

Pursuant to California Labor Code section 227.3, ". . . whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served." During the relevant time period, Employers failed to pay Complainant and other Aggrieved Employees for all earned and unused and accrued vacation time at their final rate of pay at the time of termination of their employment. Accordingly, Employers have violated California Labor Code section 227.3.

Complainant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; California Labor Code section 227 penalties; and attorneys' fees and costs.

10. FAILURE TO PAY SICK TIME

Pursuant to California Labor Code section 246(l), all sick pay must be paid at the regular rate of pay. Employers have failed to pay Complainant and Aggrieved Employees their sick pay at the correct rate of pay. Accordingly, Employers have violated California Labor Code section 246(l).

Complainant and Aggrieved Employees will therefore seek PAGA penalties pursuant to Labor Code section 2699; California Labor Code section 227 penalties; relief under California Labor Code 248.5, and attorneys' fees and costs.

Sincerely,


JUSTIN LO ESQ.

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Notice to Employers via Certified Mail

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