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Superior Court of California,
County of San Diego

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Clerk of the Superior Court
By D. Cortez ,Deputy Clerk

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

BEBE IBVISAYI LASHLEY, on behalf of
others similarly situated and the State of
California under the Private Attorneys General
Act,

Plaintiffs,

vs.

ROBBINS RESEARCH INTERNATIONAL,
INC., and DOES 1 through 50, inclusive,

Defendants.

Case No. 25CU007101C

**REPRESENTATIVE ACTION
COMPLAINT**

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

1 Plaintiff BEBE IBVISAYI LASHLEY, on behalf of all others similarly situated and the State
2 of California under the Private Attorneys General Act (“Plaintiff”) brings this REPRESENTATIVE
3 ACTION COMPLAINT against Defendants ROBBINS RESEARCH INTERNATIONAL, INC., and
4 DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

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

8 2. Defendant misclassified Plaintiff and the aggrieved employees as exempt when they
9 did not meet the requirements. As such, Defendant failed to lawfully compensate Plaintiff and the
10 aggrieved employees for all hours worked, and at the regular rate of pay for overtime, meal and rest
11 premiums, vacation, and sick pay as required by California Law.

12 3. Defendant unlawfully required Plaintiff and the aggrieved employees to sign an illegal
13 agreement in violation of Labor Code section 432.5.

14 4. Defendant employment policies, practices, and payroll administration systems enabled
15 and facilitated these violations on a company-wide basis with respect to the aggrieved employees.

16 5. As a result, Defendant is liable to Plaintiff and aggrieved employees for the underlying
17 wages, interest, and penalties including waiting time, late payment of wages, and wage statement
18 penalties in the amounts according to proof.

19 **JURISDICTION & VENUE**

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

22 7. The monetary damages and restitution sought exceed the minimal jurisdiction limits of
23 the Superior Court.

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

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

PARTIES

A. Plaintiff Bebe Ibvisayi Lashley

10. Plaintiff Ibisayi Lashley is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about November 2020 to August 2024. Plaintiff worked as a National Coaching Coordinator.

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

B. Defendants

12. Defendant Robbins Research International, Inc., is a Nevada corporation that maintains operations and conducts business throughout the State of California, including in this county.

13. 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.

14. 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.

15. 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.

16. 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

17. Defendant misclassified Plaintiff and aggrieved employees as exempt employees when they did not meet the requirements of the California Wage Order 4 and Labor section 515(a).

18. Specifically, Plaintiff and the aggrieved employees were misclassified as exempt employees because they were exempt from overtime and other applicable categories throughout their entire employment without regard to the conditions required by Wage Order 4. Specifically, Plaintiff and the aggrieved employees' earnings failed to satisfy both conditions required to satisfy the exemption.

19. For example, though Plaintiff's earnings exceeded one and one-half times the minimum wage, more than half of her compensation did not represent commissions. On information and belief, the aggrieved employees suffered similar violations. An illustrative example of this violation is shown in Plaintiff's wage statement for the pay period from 07/16/2024 to 07/31/2024. During this pay period, Plaintiff worked 86.67 hours and earned a commission. However, Plaintiff only received \$165 in commission earnings for this pay period. Defendant should have (but failed to) ensure that "... ***more than half of that employee's compensation represents commission***". Therefore, Defendant misclassified Plaintiff and, on information and belief, other aggrieved employees as exempt because they failed to meet both of the conditions required for an exempt employee.

20. Defendant failed to lawfully pay Plaintiff and aggrieved employees at the lawful minimum wage for all hours worked due to their misclassification as exempt employees. Specifically, Plaintiff and the aggrieved employees routinely worked overtime and double-time hours each pay period without compensation for those actual hours worked. Instead, Defendant elected to pay Plaintiff and the aggrieved employees a Salary and commission.

1 21. For example, Plaintiff and the aggrieved employees were entitled to payment for all
2 hours worked each time they did not satisfy the exemption conditions. To the extent Defendant failed
3 to compensate Plaintiff and the aggrieved employees for all hours worked, this resulted in unpaid
4 minimum wages.

5 22. Defendant failed to pay Plaintiff and the aggrieved employees overtime wages at the
6 lawful rate of pay as required by Labor Code section 510, resulting in unpaid overtime wages.

7 23. As discussed above, Plaintiff and the aggrieved employees were not paid for all hours
8 worked. Plaintiff and the aggrieved employees often worked over 40 hours in a week completing
9 mandatory virtual events scheduled by Defendant and working additional hours on the weekends.

10 24. Defendant failed to comply with California's paid sick leave laws with respect to the
11 aggrieved employees. Defendant failed to provide Plaintiff and the aggrieved employees any paid sick
12 leave as they were misclassified as exempt employees.

13 25. Further, Defendant maintained an unlawful policy and practice of failing to pay all
14 accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting
15 in forfeiture of vested vacation time and wages.

16 26. Defendant failed to provide compliant meal periods to Plaintiff and the aggrieved
17 employees. First, Plaintiff and the aggrieved employees routinely experienced missed, late, short, and
18 interrupted meal periods in order to keep up with the high demands of the job. Specifically, Defendant
19 put a lot of pressure on Plaintiff and the aggrieved employees to obtain sales. Plaintiff and the
20 aggrieved employees were required to call the client no later than 5 minutes after obtaining a lead and
21 were unable to leave their desk to take a compliant meal period. This resulted in missed meal periods
22 in violation of Labor Code 512.

23 27. Second, Defendant failed to properly track Plaintiff's and the aggrieved employees'
24 meal periods as they were not required to clock out as a result of their misclassification. Each time
25 Plaintiff and the aggrieved employees experienced a noncompliant meal period, they were owed a
26 meal period premium. As a matter of policy and practice, Plaintiff and the aggrieved employees were
27 not provided meal period premiums in lieu of missed meal periods as required by Labor Code section
28 226.7.

1 28. Similarly, and as a matter of common policy and practice, Defendant failed to provide
2 all rest periods to which Plaintiff and the aggrieved employees were entitled. As mentioned above, the
3 nature of the work Plaintiff and the aggrieved employees did often require them to continue working
4 without any time to take a complaint break.

5 29. Due to Defendant's misclassification of Plaintiff and the aggrieved employees, they
6 were not provided rest periods. When Plaintiff and other aggrieved employees experienced these
7 missed and interrupted rest periods, Defendants failed to pay rest period premiums at the regular rate
8 as required by Labor Code section 226.7.

9 30. Defendant required Plaintiff and the aggrieved employees to incur costs for work-
10 related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and
11 the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and
12 as a matter of policy and practice.

13 31. Specifically, Defendant required Plaintiff and the aggrieved employees to utilize their
14 personal cell phones to complete necessary work tasks, such as to communicate with co-workers and
15 management regarding scheduling. Plaintiff and the aggrieved employees were required to download
16 an app called Slack in order to communicate and attend meetings with management.

17 32. Additionally, Plaintiff and the aggrieved employees were also required to use their
18 internet when working from home. Plaintiff and the aggrieved employees were not fully reimbursed
19 for the expenses associated with cell phone usage and internet. Instead, Plaintiff and the aggrieved
20 employees bore the cost of these requirements, without full reimbursement.

21 33. Due to Defendant's misclassification of Plaintiff and the aggrieved employees
22 Defendant violated Labor Code section 204 and 204b by failing to pay all wages, sick leave, and
23 premiums owed on the regular days scheduled each pay period within seven calendar days if the close
24 of the payroll period.

25 34. Defendant's failure to pay all wages each period or upon separation of employment,
26 rendered the payments untimely and subject to civil penalties for the violations committed against the
27 aggrieved employees under Labor Code sections 201 through 203.

1 35. Defendant failed to provide accurate itemized wage statements to the aggrieved
2 employees each pay period.

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

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

13 38. Defendant violated Labor Code section 226(a)(2) by failing to accurately list
14 employees’ “total hours worked,” as the wage statements did not accurately include the
15 uncompensated time Plaintiff and other aggrieved employees worked due to Defendant’s
16 misclassification of Plaintiff and the aggrieved employees.

17 39. Due to the misclassification, Defendant failed to maintain accurate records as required
18 under Labor Code section 1174.

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

22 41. Specifically, Defendant required that Plaintiff and the aggrieved employees agree to
23 work as employees but misclassified them as exempt employees. Defendant only paid Plaintiff and
24 the aggrieved employees for 8 hours a day or 40 hours a week without additional compensation for
25 their time worked. Defendants imposed work requirements on Plaintiff and the aggrieved employees
26 that subjected them to perform uncompensated work.

42. Because of the policies and practices set forth in the PAGA notice, including the failure to accurately account for all 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)

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

44. 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.*:

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

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

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

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

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

4 49. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
5 penalties under the PAGA.

6 50. On or about **December 4, 2024**, Plaintiff paid the requisite PAGA filing fee and
7 provided written notice (by online electronic filing with the LWDA and by certified mail to
8 Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support
9 the alleged violations.

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

13 52. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
14 written PAGA notice from the LWDA.

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

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

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

25 a. **Misclassification of Employment.** Violation of Labor Code § 515(a) and Wage
26 Order 4.

27 b. **Unpaid Hours Worked/Minimum Wage.** Violation of Labor Code §§ 1194,
28 1197, 1198; IWC Wage Orders.

- c. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- d. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- e. ***Unpaid Vacation Wages.*** Violation of Labor Code § 227.3.
- f. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- g. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- h. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- i. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- j. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- k. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- l. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.
- m. ***Unlawful Employment Condition.*** Violation of Labor Code § 432.5.

56. 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;

- 1 d. For Plaintiff and counsel of record to be provided with all enforcement capability as if
2 the action were brought by the State of California or the California Division of Labor
3 Enforcement;
4 e. For recovery of all civil penalties and other recoverable amounts under the PAGA;
5 f. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
6 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
7 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
8 g. For such other relief the Court deems just and proper.

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10 Dated: February 10, 2025

Ferraro Vega Employment Lawyers, Inc.

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12 Nicholas J. Ferraro

13 Xavier L. Woodford

14 Attorneys for Plaintiff Bebe Ibisayi Lashley
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EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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December 4, 2024

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

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

Robbins Research International, Inc.
9051 Mira Mesa Blvd., Suite 261229
San Diego, California 92126

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

Dear LWDA Officer and Company Representatives:

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

ROBBINS RESEARCH INTERNATIONAL, INC.

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(s). 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 National Coaching Coordinator from about November 2020 to August 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 -

Misclassification of Employment

Violation of Labor Code § 515(a) and Wage Order 4

Defendants violated Labor Code § 515(a) and Wage Order 4 with respect to the aggrieved employees.

Labor Code § 515(a) states that the Industrial Welfare Commission may establish exemptions from the requirement that an overtime rate of compensation be paid pursuant to Sections 510 and 511 for executive, administrative, and professional employees, if the employee is primarily engaged in the duties that meet the test of the exemption, customarily and regularly exercises discretion and independent judgment in performing those duties, and earns a monthly salary equivalent to no less than two times the state minimum wage for full-time employment.

In California and under Wage Order 4, Section 3(D) states, “Provisions of subsections (A), (B), and (C) above shall not apply to any employee whose earnings exceed one and one-half (1 ½) times the minimum wage if more than half of that employee’s compensation represents commissions.”

Defendants misclassified Plaintiff and the aggrieved employees because they were exempt from overtime wages and other applicable categories throughout their entire employment without regard to the above-mentioned conditions. Specifically, Plaintiff and the aggrieved employees’ earnings failed to satisfy both conditions required to satisfy the exemption.

For example, though Plaintiff’s earnings exceeded one and one-half times the minimum wage, more than half of her compensation did not represent commissions. On information and belief, the aggrieved employees suffered similar violations. An illustrative example of this is shown below:

EARNINGS		*Not included in Totals		^Hrs/Units = Units (Units not included in Totals)	
Description	Rate	Hrs/Units	Dollars	YTD Hrs/Unit	YTD Dollars
Commission			165.00	0.00	12,730.00
Salary	24.0376	86.67	2,083.34	992.04	23,846.28
GTL			1.13	0.00	15.82
*WFH Reimb			25.00	0.00	350.00
Bonus/Incentive			0.00	0.00	1,500.00
Sick			0.00	32.00	769.20
Birthday			0.00	8.00	192.30
Personal			0.00	8.00	192.30

Extract of Plaintiff’s Wage Statements for the pay period between 7/16/2024 to 7/31/2024.

During this pay period, Plaintiff worked 86.67 hours and earned a commission. However, Plaintiff only received \$165 in commission earnings for this pay period. Defendants should have (but failed to) ensure that “... ***more than half of that employee’s compensation represents commission***”. Therefore, Defendants misclassified Plaintiff and, on information and belief, other aggrieved employees as exempt because they failed to meet both of the above-mentioned conditions.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code § 515(a) and Wage Order 4 along with all other civil penalties permitted by law.

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. As mentioned above in the “Misclassification of Employment” section, Plaintiff and the aggrieved employees were misclassified as exempt employees. Plaintiff and the aggrieved employees routinely worked overtime and double-time hours each pay period without compensation for those hours worked. Instead, Defendants elected to pay Plaintiff and the aggrieved employees a Salary and commission.

Plaintiff and the aggrieved employees were entitled to payment for all hours worked each time they did not satisfy the exemption conditions. To the extent Defendants failed to compensate Plaintiff and the aggrieved employees for all hours worked, this resulted in unpaid minimum 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.

As discussed above, Plaintiff and the aggrieved employees were not paid for all hours worked. Plaintiff and the aggrieved employees often worked over 40 hours in a week completing mandatory virtual events scheduled by Defendants and working additional hours on weekends.

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 failed to provide Plaintiff and the aggrieved employees the correct amount of paid sick leave as they were misclassified as exempt employees.

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 Vacation Wages **Violation of Labor Code § 227.3**

Defendants violated Labor Code section 227.3 with respect to the aggrieved employees.

Labor Code section 227.3 requires “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; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination.”

Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and 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 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.

First, Plaintiff and the aggrieved employees routinely experienced missed, late, short, and interrupted meal periods in order to keep up with the high demands of the job. Specifically, Defendants put a lot of pressure on Plaintiff and the aggrieved employees to obtain sales. Plaintiff and the aggrieved employees were required to call the client no later than 5 minutes after obtaining a lead and were unable to leave their desk to take a compliant meal period. This resulted in missed meal periods in violation of Labor Code 512.

Second, Defendants failed to properly track Plaintiff's and the aggrieved employees' meal periods as they were not required to clock out as a result of their misclassification. Each time Plaintiff and the aggrieved employees experienced a noncompliant meal period, they were owed a meal period premium. As a matter of policy and practice, Plaintiff and the aggrieved

employees were not provided meal period premiums in lieu of missed meal periods as required by Labor Code section 226.7.

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.

As a matter of common policy and practice, Defendants failed to provide all rest periods to which Plaintiff and the aggrieved employees were entitled. As mentioned above, the nature of the work Plaintiff and the aggrieved employees did often required them to continue working without any time to take a compliant break.

Due to Defendants' misclassification of Plaintiff and the aggrieved employees, they were not provided rest periods. When Plaintiff and other aggrieved employees experienced these missed and interrupted rest periods, Defendants failed to pay rest period premiums at the regular rate as required by Labor Code section 226.7.

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.

Due to Defendants’ misclassification of Plaintiff and the aggrieved employees, it also 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, sick leave, 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 pay day.

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.

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' misclassification of Plaintiff and the aggrieved employees.

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.

Defendants required Plaintiff and the aggrieved employees to utilize their personal cell phones to complete necessary work tasks, such as to communicate with co-workers and management regarding scheduling. Plaintiff and the aggrieved employees were required to download an app called Slack in order to communicate and attend meetings with management.

Additionally, Plaintiff and the aggrieved employees were also required to use their internet when working from home. Plaintiff and the aggrieved employees were not fully reimbursed for the expenses associated with cell phone usage and internet. Instead, Plaintiff and the aggrieved employees bore the cost of these requirements, without full reimbursement.

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.

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.”

Defendants required Plaintiff and the aggrieved employees to work as employees but misclassified them as exempt employees. Defendants only paid Plaintiff and the aggrieved

employees for 8 hours a day or 40 hours a week without additional compensation for their time worked. Defendants imposed work requirements on Plaintiff and the aggrieved employees that subjected them to perform uncompensated work.

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(k)(1)

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(k)(1).

- 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,



Xavier L. Woodford

Cc Plaintiff Bebe Ibvisayi Lashley

Heather Diem – HR Representative
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