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FILED

JUL 16 2025

SHASTA COUNTY SUPERIOR COURT
BY: E. WIECHMAN, DEPUTY CLERK

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SHASTA

DESTINY JOHANSON, individually, and
on behalf of other members of the general
public similarly situated, and as an
aggrieved employee pursuant to the Private
Attorneys General Act ("PAGA"),

Plaintiff,

vs.

NORTH STATE GROCERY, INC., a
California corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No.: 206490

**FIRST AMENDED CLASS ACTION
COMPLAINT & ENFORCEMENT
ACTION UNDER THE PRIVATE
ATTORNEYS GENERAL ACT,
CALIFORNIA LABOR CODE §§ 2698, *ET
SEQ.***

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages);
- (3) Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods);
- (4) Violation of California Labor Code §§ 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods);
- (5) Violation of California Labor Code §§ 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records);
- (6) Violation of California Labor Code §§ 201 and 202 (Wages Not Timely Paid Upon Termination);
- (7) Violation of California Labor Code § 204 (Failure to Timely Pay Wages During Employment);
- (8) Violation of California Labor Code § 2802 (Unreimbursed Business Expenses);
- (9) Civil Penalties for Violations of California Labor Code, Pursuant to PAGA, §§ 2698, *et seq.*

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- (10) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unlawful Business Practices); and
- (11) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices)

Jury Trial Demanded

1 Plaintiff Destiny Johanson, individually and on behalf of all other members of the
2 public similarly situated, and as an aggrieved employee and on behalf of all aggrieved
3 employees, alleges as follows:

4 JURISDICTION AND VENUE

5 1. This class action is brought pursuant to California Code of Civil Procedure
6 section 382 and California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil
7 penalties and any other available relief on behalf of Plaintiff, the State of California, and other
8 current and former employees who worked for Defendants in California as non-exempt,
9 hourly paid employees and received at least one wage statement and against whom one or
10 more violations of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any
11 provision regulating hours and days of work in the applicable Industrial Welfare Commission
12 (“IWC”) Wage Order were committed, as set forth in this complaint. The monetary damages,
13 penalties, and restitution sought by Plaintiff exceed the minimal jurisdiction limits of the
14 Superior Court and will be established according to proof at trial. This Court has jurisdiction
15 over this action pursuant to the California Constitution, Article VI, section 10. The statutes
16 under which this action is brought do not specify any other basis for jurisdiction. Plaintiff’s
17 share of damages, penalties, and other relief sought in this action does not exceed \$75,000.

18 2. This Court has jurisdiction over Defendants because Defendants are either
19 citizens of California, have sufficient minimum contacts in California, or otherwise
20 intentionally avail themselves of the California market so as to render the exercise of
21 jurisdiction over them by the California courts consistent with traditional notions of fair play
22 and substantial justice. There is no basis for federal diversity jurisdiction in this action
23 because there is no complete diversity, and this case falls within the statutory exceptions to
24 “minimal diversity” jurisdiction under the Class Action Fairness Act, 28 U.S.C. § 1332(d)(4).
25 Upon information and belief, two-thirds or more of the class members and Defendants are
26 citizens of California and/or (a) two-thirds of the class members and Defendants are citizens
27 of California; (b) the alleged wage and hour violations occurred in California; (c) significant
28 relief is being sought against Defendants whose violations of California wage and hour laws

1 form a significant basis for Plaintiff's claims; and (d) no other class action has been filed
2 within the past three (3) years on behalf of the same proposed class against Defendants
3 asserting the same or similar factual allegations.

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

11 **THE PARTIES**

12 4. Plaintiff Destiny Johanson is a resident of Gerber, in Tehama County,
13 California. Defendants employed Plaintiff as an hourly paid, non-exempt employee from
14 approximately April 2024 to August 2024. Plaintiff worked for Defendants as a Cashier at
15 their Holiday Market grocery store location in Cottonwood, California. During her
16 employment, Plaintiff typically worked eight (8) hours or more per day and four (4) to five (5)
17 days per week. Plaintiff's primary job duties included, without limitation, attending to
18 customers, cashiering, and cleaning and organizing the cash register area.

19 5. NORTH STATE GROCERY, INC. was and is, upon information and belief, a
20 California corporation, and at all times hereinafter mentioned, an employer whose employees
21 are engaged throughout this county and the State of California.

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

26 7. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
27 were the partners, agents, owners, or managers of NORTH STATE GROCERY, INC. at all
28 relevant times.

8. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts and omissions alleged herein was performed by, or is attributable to, NORTH STATE GROCERY, INC. and/or DOES 1 through 10 (collectively, “Defendants” or “NORTH STATE”), each acting as the agent, employee, alter ego, and/or joint venturer of, or working in concert with, each of the other co-Defendants and was acting within the course and scope of such agency, employment, joint venture, or concerted activity with legal authority to act on the others’ behalf. The acts of any and all Defendants were in accordance with, and represent, the official policy of Defendants.

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

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

GENERAL ALLEGATIONS

11. Defendants manage a grocery store chain in Northern California operating through their Holiday Market and Sav-Mor store brands, with approximately 20 locations in California. Upon information and belief, Defendants maintain a single, centralized Human Resources (“HR”) department at their company headquarters in Cottonwood, California, which is responsible for the recruiting and hiring of new employees, and communicating and implementing Defendants’ company-wide policies, including timekeeping policies and meal and rest period policies, to employees throughout California.

12. In particular, Plaintiff and class members, on information and belief, received the same standardized documents and/or written policies. Upon information and belief, the usage of standardized documents and/or written policies, including new-hire documents, indicate that Defendants dictated policies at the corporate level and implemented them company-wide, regardless of their employees' assigned locations or positions. Upon

1 information and belief, Defendants set forth uniform policies and procedures in several
2 documents provided at an employee's time of hire.

3 13. Upon information and belief, Defendants maintain a centralized Payroll
4 department at their company headquarters in Cottonwood, California, which processes payroll
5 for all non-exempt, hourly paid employees working for Defendants at their various locations
6 in California, including Plaintiff and class members. Based upon information and belief,
7 Defendants issue the same formatted wage statements to all non-exempt, hourly paid
8 employees in California, irrespective of their work locations. Upon information and belief,
9 Defendants process payroll for departing employees in the same manner throughout the State
10 of California, regardless of the manner in which each employee's employment ends.

11 14. Defendants continue to employ non-exempt or hourly paid employees in
12 California.

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

17 16. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and class
18 members were not paid for all hours worked because all hours worked were not recorded.

19 17. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
20 should have known that Plaintiff and class members were entitled to receive certain wages for
21 overtime compensation and that they were not receiving certain wages for overtime
22 compensation.

23 18. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
24 should have known that Plaintiff and class members were entitled to receive at least minimum
25 wages for compensation and that they were not receiving at least minimum wages for work
26 that was required to be done off-the-clock. In violation of the California Labor Code, Plaintiff
27 and class members were not paid at least minimum wages for work done off-the-clock.

28 19. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or

1 should have known that Plaintiff and class members were entitled to meal periods in
2 accordance with the California Labor Code and applicable IWC Wage Order or payment of
3 one (1) additional hour of pay at their regular rates of pay when they were not provided with
4 timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and class members
5 were not provided with all meal periods or payment of one (1) additional hour of pay at their
6 regular rates of pay when they did not receive a timely, uninterrupted, thirty (30) minute meal
7 period.

8 20. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
9 should have known that Plaintiff and class members were entitled to rest periods in
10 accordance with the California Labor Code and applicable IWC Wage Order or payment of
11 one (1) additional hour of pay at their regular rates of pay when they were not authorized and
12 permitted to take a compliant rest period and that Plaintiff and class members were not
13 authorized and permitted to take compliant rest periods or provided with payment of one (1)
14 additional hour of pay at their regular rates of pay when they were not authorized and
15 permitted to take a compliant rest period.

16 21. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
17 should have known that Plaintiff and class members were entitled to receive complete and
18 accurate wage statements in accordance with California law. In violation of the California
19 Labor Code, Plaintiff and class members were not provided complete and accurate wage
20 statements.

21 22. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
22 should have known that they had a duty to maintain accurate and complete payroll records in
23 accordance with the California Labor Code and applicable IWC Wage Order, but willfully,
24 knowingly, and intentionally failed to do so.

25 23. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
26 should have known that Plaintiff and class members were entitled to timely payment of all
27 wages earned upon termination of employment. In violation of the California Labor Code,
28 Plaintiff and class members did not receive payment of all wages due, including, but not

1 limited to, overtime wages, minimum wages, and/or meal and rest period premiums, within
2 permissible time periods.

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

8 25. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
9 should have known that Plaintiff and class members were entitled to suitable seating and/or
10 were entitled to sit when it did not interfere with the performance of their duties and also have
11 seats nearby to use during a lull in tasks that do require moving about or standing. In
12 violation of the California Labor Code and applicable IWC Wage Order, Defendants failed to
13 provide Plaintiff and class members with suitable seating.

14 26. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that Plaintiff and class members were entitled to receive full
16 reimbursement for all business-related expenses and costs they incurred during the course and
17 scope of their employment and that they did not receive full reimbursement of applicable
18 business-related expenses and costs incurred.

19 27. Plaintiff is informed and believes, and thereon alleges, that at all times herein
20 mentioned, Defendants knew or should have known that they had a duty to compensate
21 Plaintiff and class members for all hours worked, and that Defendants had the financial ability
22 to pay such compensation, but willfully, knowingly, and intentionally failed to do so, and
23 falsely represented to Plaintiff and class members that they were properly denied wages, all in
24 order to increase Defendants' profits.

25 **PAGA REPRESENTATIVE ALLEGATIONS**

26 28. At all times herein set forth, PAGA provides that any provision of law under
27 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
28 assessed and collected by the Labor and Workforce Development Agency ("LWDA") for

1 violations of the California Labor Code and applicable IWC Wage Order may, as an
2 alternative, be recovered by aggrieved employees in a civil action brought on behalf of
3 themselves and other current or former employees pursuant to procedures outlined in
4 California Labor Code section 2699.3.

5 29. PAGA defines an “aggrieved employee” in Labor Code section 2699(c)(1) as
6 “any person who was employed by the alleged violator and personally suffered each of the
7 violations alleged.”

8 30. Plaintiff and other current and former employees of Defendants are “aggrieved
9 employees” as defined by Labor Code section 2699(c)(1) in that they are all Defendants’
10 current or former employees and each of the alleged violations were committed against them.

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

- 14 (a) The aggrieved employee or representative shall give written notice by
15 online filing with the LWDA and by certified mail to the employer of
16 the specific provisions of the California Labor Code alleged to have
17 been violated, including the facts and theories to support the alleged
18 violation.
- 19 (b) An aggrieved employee’s notice filed with the LWDA pursuant to
20 2699.3(a) and any employer response to that notice shall be
21 accompanied by a filing fee of seventy-five dollars (\$75).
- 22 (c) The LWDA shall notify the employer and the aggrieved employee or
23 representative by certified mail that it does not intend to investigate the
24 alleged violation (“LWDA Notice”) within sixty (60) calendar days of
25 the postmark date of the aggrieved employee’s notice. Upon receipt of
26 the LWDA Notice, or if no LWDA Notice is provided within sixty-five
27 (65) calendar days of the postmark date of the aggrieved employee’s
28 notice, the aggrieved employee may commence a civil action pursuant

1 to California Labor Code section 2699 to recover civil penalties.

2 32. Pursuant to California Labor Code sections 2699.3(c), aggrieved employees,
3 through Plaintiff, may pursue a civil action arising under PAGA for violations of any
4 provision other than those listed in Section 2699.5 after the following requirements have been
5 met:

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

23 33. On December 3, 2024, Plaintiff provided written notice by online filing to the
24 LWDA and by Certified Mail to Defendants of the specific provisions of the California Labor
25 Code alleged to have been violated, including facts and theories to support the alleged
26 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
27 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
28 LWDA PAGA Administrator confirmed receipt of Plaintiff's written notice and assigned

1 Plaintiff PAGA Case Number LWDA-CM-1064840-24. A true and correct copy of Plaintiff's
2 written notice to the LWDA and Defendants is attached hereto as "Exhibit 1."

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

6 35. Thus, Plaintiff has satisfied the administrative prerequisites under California
7 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
8 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516,
9 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

10 36. Labor Code section 558(a) provides "[a]ny employer or other person acting on
11 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
12 provision regulating hours and days of work in any order of the Industrial Welfare
13 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
14 dollars (\$50) for each underpaid employee for each pay period for which the employee was
15 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
16 underpaid employee for each pay period for which the employee was underpaid" Labor
17 Code section 558(c) provides "[t]he civil penalties provided for in this section are in addition
18 to any other civil or criminal penalty provided by law."

19 37. Defendants, at all times relevant to this complaint, were employers or persons
20 acting on behalf of an employer(s) who violated Plaintiff's and other aggrieved employees'
21 rights by violating various sections of the California Labor Code as set forth above.

22 38. As set forth below, Defendants have violated numerous provisions of both the
23 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
24 Order.

25 39. Pursuant to PAGA, and in particular, California Labor Code sections 1194.5,
26 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public
27 interest as a private attorney general, seeks assessment and collection of civil penalties and
28 injunctive relief for herself, all other aggrieved employees, and the State of California against

Defendants for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

CLASS ACTION ALLEGATIONS

40. Plaintiff brings this action on her own behalf, as well as on behalf of each and all other persons similarly situated, and thus seeks class certification under California Code of Civil Procedure section 382.

41. All claims alleged herein arise under California law for which Plaintiff seeks relief authorized by California law.

42. Plaintiff's proposed class consists of and is defined as follows:

All persons who worked for Defendants as non-exempt, hourly paid employees in California, at any time from February 2, 2023, until the date of trial ("Class").

43. Plaintiff's proposed subclass consists of and is defined as follows:

All persons who worked for Defendants as non-exempt, hourly paid employees in California and who received at least one wage statement within one (1) year prior to the filing of the initial complaint until the date of trial ("Subclass").

44. Members of the Class and Subclass are referred to herein as "class members."

45. Plaintiff reserves the right to redefine the Class and Subclass and to add additional subclasses as appropriate based on further investigation, discovery, and specific theories of liability.

46. There are common questions of law and fact as to class members that predominate over questions affecting only individual members, including, but not limited to:

- (a) Whether Defendants required Plaintiff and class members to work over eight (8) hours per day, over twelve (12) hours per day, or over forty (40) hours per week and failed to pay all legally required overtime compensation to Plaintiff and class members;
- (b) Whether Defendants failed to pay Plaintiff and class members at least minimum wages for all hours worked;
- (c) Whether Defendants failed to provide Plaintiff and class members with

meal periods;

(d) Whether Defendants failed to authorize and permit Plaintiff and class members to take rest periods;

(e) Whether Defendants provided Plaintiff and class members with complete and accurate wage statements as required by California Labor Code section 226(a);

(f) Whether Defendants maintained accurate payroll records as required by California Labor Code section 1174(d);

(g) Whether Defendants failed to pay earned overtime wages, minimum wages, and/or meal and rest period premiums due to Plaintiff and class members upon their discharge;

(h) Whether Defendants failed to timely pay overtime wages, minimum wages, and/or meal and rest period premiums due to Plaintiff and class members during their employment;

(i) Whether Defendants failed to provide Plaintiff and class members with suitable seating;

(j) Whether Defendants failed to reimburse Plaintiff and class members for necessary and required business-related expenditures and/or losses incurred by them in the scope of their employment;

(k) Whether Defendants engaged in unlawful and unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*; and

(l) The appropriate amount of damages, restitution, or monetary penalties resulting from Defendants' violations of California law.

47. There is a well-defined community of interest in the litigation and the class members are readily ascertainable:

(a) Numerosity: The class members are so numerous that joinder of all members would be unfeasible and impractical. The membership of the

entire class is unknown to Plaintiff at this time; however, the class is estimated to be greater than one hundred (100) individuals and the identity of such membership is readily ascertainable by inspection of Defendants' employment records.

(b) Typicality: Plaintiff is qualified to, and will, fairly and adequately protect the interests of each class member with whom she has a well-defined community of interest, and Plaintiff's claims (or defenses, if any) are typical of all class members as demonstrated herein.

(c) Adequacy: Plaintiff is qualified to, and will, fairly and adequately protect the interests of each class member with whom she has a well-defined community of interest and typicality of claims, as demonstrated herein. Plaintiff acknowledges that she has an obligation to make known to the Court any relationship, conflicts or differences with any class member. Plaintiff's attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Plaintiff has incurred, and throughout the duration of this action, will continue to incur costs and attorneys' fees that have been, are, and will be necessarily expended for the prosecution of this action for the substantial benefit of each class member.

(d) Superiority: The nature of this action makes the use of class action adjudication superior to other methods. A class action will achieve economies of time, effort, and expense as compared with separate lawsuits, and will avoid inconsistent outcomes because the same issues can be adjudicated in the same manner and at the same time for the entire class.

(e) Public Policy Considerations: Employers in the State of California violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect

1 retaliation. Former employees are fearful of bringing actions because
2 they believe their former employers might damage their future
3 endeavors through negative references and/or other means. Class
4 actions provide the class members who are not named in the complaint
5 with a type of anonymity that allows for the vindication of their rights
6 while simultaneously protecting their privacy.

7 **FIRST CAUSE OF ACTION**

8 **Violation of California Labor Code §§ 510 and 1198—Unpaid Overtime**
9 **(Against all Defendants)**

10 48. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
11 and every allegation set forth above.

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

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

21 51. Specifically, the applicable IWC Wage Order provides that Defendants are and
22 were required to pay Plaintiff and class members working more than eight (8) hours in a day
23 or more than forty (40) hours in a workweek, at the rate of time and one-half (1 ½) for all
24 hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a
25 workweek.

26 52. The applicable IWC Wage Order further provides that Defendants are and were
27 required to pay Plaintiff and class members working more than twelve (12) hours in a day,
28 overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s

1 regular rate of pay includes all remuneration for employment paid to, or on behalf of, the
2 employee, including nondiscretionary bonuses and incentive pay.

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

9 54. During the relevant time period, Defendants willfully failed to pay all overtime
10 wages owed to Plaintiff and class members. During the relevant time period, Plaintiff and
11 class members were not paid overtime premiums for all of the hours they worked in excess of
12 eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40)
13 hours in a week, because all hours worked were not recorded.

14 55. First, during the relevant period, upon information and belief, Defendants had a
15 policy and/or practice of discouraging and impeding Plaintiff and class members from
16 recording hours worked that were outside of their scheduled shifts, in order to limit the
17 amount of overtime employees could accrue. On information and belief, this policy of
18 limiting overtime, coupled with Defendants' practices of understaffing and/or single-staffing
19 (*see infra*), led Plaintiff and class members to work off-the-clock before their shifts. For
20 example, approximately once per week, after reporting to work on time, Plaintiff and class
21 members were forced to wait up to five (5) minutes until a manager or keyholder employee
22 arrived at the store and unlocked the doors in the morning before they could clock in for their
23 shifts. Moreover, during the relevant time period, Defendants only provided Plaintiff and
24 class members with a single timekeeping machine at their stores to clock in, thus forcing
25 Plaintiff and class members to wait in line off-the-clock and under Defendants' control, time
26 for which they were paid. For example, Plaintiff would be ready to clock in for the start of
27 her shift, but was required to wait in a line of about four (4) employees and wait up to three
28 (3) minutes to clock in. Thus, Defendants failed to track all of the time that employees spent

1 performing work-related tasks before their shifts, and Plaintiff and class members received no
2 compensation for this time.

3 56. Second, on information and belief, Defendants had, and continue to have, a
4 company-wide policy and/or practice of strictly staffing their locations based on the labor
5 hours allocated by each location's labor or payroll budget set by the corporate office.
6 Defendants' uniform use of labor budgeting resulted in chronic understaffing, such there were
7 too few employees on duty to handle the workload and attend to customers. Also, Defendants
8 have systematically, and on a company-wide basis, understaffed their jobsites by adopting a
9 single-staffing model for some positions, such as cashiers, whereby only one (1) cashier
10 employee was scheduled to work at certain times, thereby failing to provide adequate meal
11 period coverage to permit those employees to take compliant meal periods. Defendants also
12 had a practice of failing to adhere to a schedule for meal periods, which further caused
13 Plaintiff and class members to not be relieved of their duties for compliant meal periods. For
14 example, Plaintiff's meal periods were sometimes interrupted because she was required to
15 attend to customers requesting assistance locating products in the store, due to the lack of
16 coverage. However, Defendants did not compensate Plaintiff and class members for the time
17 they spent working off the clock during unpaid meal periods.

18 57. Third, Defendants' company-wide timekeeping system prevented Plaintiff and
19 class members from recording all hours worked when their meal periods were shortened or
20 interrupted, because the system locked out Plaintiff and class members once they clocked out
21 for a meal period, and would not permit them to clock back in from a meal period until 30
22 minutes elapsed. Thus, Defendants did not record all hours worked during meal periods, and
23 Plaintiff and class members performed work during meal periods for which they were not
24 paid.

25 58. Defendants knew or should have known that, as a result of these company-wide
26 practices and/or policies, Plaintiff and class members were performing their assigned duties
27 off-the-clock outside of their shifts and during meal periods, and were suffered or permitted to
28 perform work for which they were not paid. Because Plaintiff and class members worked

1 shifts of eight (8) hours a day or more, or forty (40) hours a week or more, some of this off-
2 the-clock work qualified for overtime premium pay. Therefore, Plaintiff and class members
3 were not paid overtime wages for all of the overtime hours they actually worked.

4 59. Defendants' failure to pay Plaintiff and class members the balance of overtime
5 compensation, as required by California law, violates the provisions of California Labor Code
6 sections 510 and 1198. Pursuant to California Labor Code section 1194, Plaintiff and class
7 members are entitled to recover from Defendants their unpaid overtime compensation, as well
8 as interest, costs, and attorneys' fees.

9 **SECOND CAUSE OF ACTION**

10 **Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198—Unpaid** 11 **Minimum Wages** 12 **(Against all Defendants)**

13 60. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
14 and every allegation set forth above.

15 61. At all relevant times, California Labor Code sections 1182.12, 1194, 1197,
16 1197.1, and 1198 provide that the minimum wage for employees fixed by the IWC is the
17 minimum wage to be paid to employees, and the payment of a wage less than the minimum so
18 fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 7-2001 as "the
19 time during which an employee is subject to the control of an employer, and includes all the
20 time the employee is suffered or permitted to work, whether or not required to do so." Cal.
21 Code Regs. Tit. 8, § 11070(2)(H) (defining "Hours Worked").

22 62. First, as set forth above, due to Defendants' company-wide practice of
23 restricting overtime accrual by not recording hours worked that were outside of employees'
24 scheduled shifts, Defendants systematically failed to pay Plaintiff and class members for
25 actual hours worked before their scheduled shifts, because these hours were not accurately
26 recorded. Thus, Plaintiff and class members were required to work off-the-clock before their
27 shifts, including, but not limited to, waiting for manager or keyholder employees to arrive and
28 open the grocery store and/or waiting in a line of employees to clock in for the start of their

1 shifts, but were not compensated for this time.

2 63. Second, as also stated above, due to Defendants' company-wide practices of
3 utilizing labor budgets, understaffing and/or single-staffing, assigning heavy workloads,
4 failing to adhere to a schedule for meal periods, and subsequent lack of meal period coverage,
5 Plaintiff and class members were impeded from taking all uninterrupted meal periods to which
6 they were entitled and were required to work during their meal periods, time for which they
7 were not paid. Additionally, as stated, Defendants' company-wide timekeeping system
8 prevented Plaintiff and class members from entering time worked during meal periods because
9 the system locked out Plaintiff and class members for a full 30 minutes. Thus, Defendants did
10 not accurately record all hours worked during meal periods, and Plaintiff and class members
11 performed work during meal periods for which they were not paid.

12 64. Defendants did not pay minimum wages for all hours worked by Plaintiff and
13 class members. To the extent that these off-the-clock hours did not qualify for overtime
14 premium payment, Defendants did not pay at least minimum wages for those hours worked
15 off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and
16 1198.

17 65. Defendants' failure to pay Plaintiff and class members minimum wages violates
18 California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Pursuant to
19 California Labor Code section 1194.2, Plaintiff and class members are entitled to recover from
20 Defendants liquidated damages in an amount equal to the wages unlawfully unpaid and
21 interest thereon.

22 **THIRD CAUSE OF ACTION**

23 **Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198—Meal Period** 24 **Violations** 25 **(Against all Defendants)**

26 66. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
27 and every allegation set forth above.

28 67. At all relevant times herein set forth, California Labor Code section 512(a)

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

7 68. At all relevant times herein set forth, California Labor Code sections 226.7,
8 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
9 meal period mandated by an applicable order of the IWC.

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

16 70. First, during the relevant time period, as stated, Defendants had, and continue
17 to have, company-wide policies and/or practices of understaffing and/or single-staffing certain
18 positions due to labor budgeting and/or limited payroll allocation, which, combined with the
19 assignment of heavy workloads, and failure to adhere to a schedule for meal periods, resulted
20 in a lack of meal period coverage and prevented Plaintiff and class members from taking all
21 timely, uninterrupted meal periods to which they were entitled. For example, as stated,
22 Plaintiff's meal periods were sometimes interrupted because she was required to attend to
23 customers requesting assistance with locating products in the store, due to the lack of
24 coverage. Thus, Plaintiff and class members had to work through all or part of their meal
25 periods, had their meal periods interrupted, and/or had to wait extended periods of time before
26 taking meal periods.

27 71. Second, as stated, Defendants' company-wide timekeeping system prevented
28 Plaintiff and class members from recording when their meal periods were shortened or

1 interrupted, because the system locked out Plaintiff and class members once they clocked out
2 for a meal period, and would not permit them to clock back in from a meal period before 30
3 minutes had elapsed. Plaintiff and class members did not sign valid meal period waivers on
4 days that they were entitled to meal periods and were not relieved of all duties.

5 72. Third, Defendants had a company-wide policy of requiring all newly hired
6 employees to sign blanket meal period waivers at or near their time of hire. Defendants took
7 the position that non-exempt, hourly paid employees had waived their rights to first and/or
8 second meal periods for the entirety of their employment and, on that basis, did not provide
9 them with all meal periods to which they were entitled. Defendants' presumption that meal
10 periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours
11 and/or for shifts in excess of ten (10) hours but less than twelve (12) hours, due to blanket
12 meal period waivers signed at or near the time of hire, discouraged and impeded Plaintiff and
13 class members from taking all meal periods to which they were entitled.

14 73. Furthermore, an employer's obligation to provide a meal period is only
15 "triggered" when the employer "employs an employee for a work period of more than five
16 hours per day." *Brinker*, 53 Cal. 4th at 1039 ("If an employer engages, suffers, or permits
17 anyone to work for a full five hours, its meal break obligation is triggered.").

18 [A]fter the meal break obligation is triggered . . . an employer is put to a
19 choice: it must (1) afford an off-duty meal period; (2) consent to a mutually
20 agreed-upon waiver if one hour or less will end the shift; or (3) obtain
21 written agreement to an on-duty meal period if circumstances permit.
Failure to do one of these will render the employer liable for premium pay.

22 *Id.* (citing Cal. Labor Code § 226.7; Wage Order No. 5, subd. 11(A), (B)). That Defendants
23 required Plaintiff and class members to sign meal period waivers simultaneously at or near
24 their time of hire (as opposed to on a specific work day) renders them invalid and
25 unenforceable, because Defendants' obligation to provide Plaintiff and class members with
26 meal periods did not arise until they had employed them for a full five (5) hours.

27 74. At all times mentioned herein, Defendants knew or should have known that as a
28 result of their policies, Plaintiff and class members were prevented from being relieved of all

1 duties and required to perform some of their assigned duties during meal periods. Defendants
2 further knew or should have known that they did not pay Plaintiff and class members all meal
3 period premiums when meal periods were late, interrupted, shortened, and/or missed.

4 75. Furthermore, Defendants engaged in a company-wide practice and/or policy of
5 not paying all meal period premiums owed when compliant meal periods are not provided.
6 Because of this practice and/or policy, Plaintiff and class members have not received premium
7 pay for all missed, late, and interrupted meal periods. As a result, Defendants failed to
8 provide Plaintiff and class members compliant meal periods in violation of California Labor
9 Code sections 226.7, 512(a), and 516 and failed to pay the full meal period premiums due.

10 76. Defendants' conduct violates the applicable IWC Wage Order, and California
11 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and class members are therefore
12 entitled to recover from Defendants one (1) additional hour of pay at the employee's regular
13 rate of compensation for each work day that the meal period was not provided.

14 **FOURTH CAUSE OF ACTION**

15 **Violation of California Labor Code §§ 226.7, 516, and 1198—Rest Period Violations** 16 **(Against all Defendants)**

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

19 78. At all relevant times herein set forth, the applicable IWC Wage Order and
20 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff's and class
21 members' employment by Defendants.

22 79. At all relevant times, the applicable IWC Wage Order provides that "[e]very
23 employer shall authorize and permit all employees to take rest periods, which insofar as
24 practicable shall be in the middle of each work period" and that the "rest period time shall be
25 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
26 hours or major fraction thereof" unless the total daily work time is less than three and one-half
27 (3 ½) hours.

28 80. At all relevant times, California Labor Code section 226.7 provides that no

1 employer shall require an employee to work during any rest period mandated by an applicable
2 order of the California IWC. To comply with its obligation to authorize and permit rest
3 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
4 employer must “relinquish any control over how employees spend their break time, and
5 relieve their employees of all duties—including the obligation that an employee remain on
6 call. A rest period, in short, must be a period of rest.” *Augustus v. ABM Security Services,*
7 *Inc.*, 2 Cal. 5th 257, 273 (2016). Pursuant to the applicable IWC Wage Order and California
8 Labor Code section 226.7(c), Plaintiff and class members are entitled to recover from
9 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a
10 required rest period was not authorized and permitted.

11 81. During the relevant time period, Defendants regularly failed to authorize and
12 permit Plaintiff and class members to take a ten (10) minute rest period per each four (4) hour
13 period worked or major fraction thereof. As with meal periods, Defendants’ company-wide
14 practices, including labor budgeting and/or limited payroll allocation, understaffing and/or
15 single-staffing certain positions, and assigning heavy workloads, prevented Plaintiff and class
16 members from being relieved of all duty in order to take their rest periods. Defendants also
17 failed to schedule rest periods, which, coupled with Defendants’ failure to provide adequate
18 rest period coverage, further led to Plaintiff and class members not being authorized and
19 permitted to take compliant rest periods.

20 82. Additionally, Defendants had a company-wide practice and/or policy of
21 requiring that Plaintiff and class members carry and respond to company-issued walkie-talkies
22 at all times, including during rest periods. For example, Plaintiff would have her rest periods
23 interrupted because she was required to answer calls from her supervisors or coworkers on her
24 company-issued walkie-talkie to discuss work-related issues.

25 83. Moreover, on information and belief, Defendants maintained a company-wide
26 on-premises rest period policy, which effectively required that Plaintiff and class members
27 remain on Defendants’ premises during their rest periods. Because Plaintiff and class
28 members were restricted from leaving the premises during rest periods, they were denied the

1 ability to use their rest periods freely for their own purposes, such as running personal errands.
2 Thus, Defendants effectively maintained control over Plaintiff and class members during rest
3 periods.

4 84. As a result of Defendants' practices and policies, Plaintiff and class members
5 worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without
6 receiving all uninterrupted 10-minute rest periods to which they were entitled. For example,
7 as stated, Plaintiff had her rest periods interrupted by supervisors and coworkers to discuss
8 work-related issues, due to heavy workload, a lack of rest period coverage, and a requirement
9 that employees carry and respond to a company-issued walkie-talkie at all times.

10 85. Defendants have also engaged in a systematic, company-wide practice and/or
11 policy of not paying rest period premiums owed when rest periods are not authorized and
12 permitted. Because of this practice and/or policy, Plaintiff and class members have not
13 received premium pay for all missed rest periods. As a result, Defendants denied Plaintiff and
14 class members rest periods and failed to pay them rest period premiums due, in violation of
15 Labor Code sections 226.7 and 516, and the applicable IWC Wage Order.

16 86. Defendants' conduct violates the applicable IWC Wage Order and California
17 Labor Code sections 226.7, 516, and 1198. Plaintiff and class members are therefore entitled
18 to recover from Defendants one (1) additional hour of pay at the employee's regular rate of
19 compensation for each work day that a compliant rest period was not authorized and
20 permitted.

21 **FIFTH CAUSE OF ACTION**

22 **Violation of California Labor Code §§ 226(a), 1174(d), and 1198—Non-Compliant Wage** 23 **Statements and Failure to Maintain Accurate Payroll Records** 24 **(Against all Defendants)**

25 87. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
26 and every allegation set forth above.

27 88. At all relevant times herein set forth, California Labor Code section 226(a)
28 provides that every employer shall furnish each of his or her employees an accurate and

1 complete itemized wage statement in writing, including, but not limited to, the name and
2 address of the legal entity that is the employer, the inclusive dates of the pay period, total
3 hours worked, and all applicable rates of pay.

4 89. At all relevant times, Defendants have knowingly and intentionally provided
5 Plaintiff and Subclass members with uniform, incomplete, and inaccurate wage statements.
6 For example, Defendants issued uniform wage statements to Plaintiff and Subclass members
7 that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all
8 applicable hourly rates in effect during the pay period, including rates of pay for overtime
9 wages, and the corresponding number of hours worked at each hourly rate. Specifically,
10 Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

11 90. Because Defendants did not record the time Plaintiff and Subclass members
12 spent working off the clock and deducted time from their records for meal periods that were
13 interrupted and/or missed (and therefore time for which they should have been paid),
14 Defendants did not list the correct amount of gross wages and net wages earned by Plaintiff
15 and Subclass members in compliance with sections 226(a)(1) and 226(a)(5). For the same
16 reason, Defendants failed to accurately list the total number of hours worked by Plaintiff and
17 Subclass members, in violation of section 226(a)(2), and failed to list the applicable hourly
18 rates of pay in effect during the pay period and the corresponding accurate number of hours
19 worked at each hourly rate, in violation of section 226(a)(9).

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

28 92. California Labor Code section 1174(d) provides that “[e]very person employing

labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments” At all relevant times, and in violation of Labor Code section 1174(d), Defendants willfully failed to maintain accurate payroll records for Plaintiff and Subclass members showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

93. California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, Defendants engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Plaintiff and Subclass members, in violation of section 1198.

94. Plaintiff and Subclass members are entitled to recover from Defendants the greater of their actual damages caused by Defendants’ failure to comply with California Labor Code section 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

SIXTH CAUSE OF ACTION

Violation of California Labor Code §§ 201 and 202—Wages Not Timely Paid Upon Termination (Against all Defendants)

95. Plaintiff incorporates by reference and re-alleges as if fully stated herein each

1 and every allegation set forth above.

2 96. This cause of action is dependent upon, and wholly derivative of, the overtime
3 wages, minimum wages, and/or meal and rest period premiums that that were not timely paid
4 to Plaintiff and those class members no longer employed by Defendants upon their
5 termination.

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

13 98. Defendants willfully failed to pay Plaintiff and class members who are no
14 longer employed by Defendants the earned and unpaid wages set forth above, including but
15 not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, either
16 at the time of discharge, or within seventy-two (72) hours of their leaving Defendants'
17 employ.

18 99. Defendants' failure to pay Plaintiff and class members who are no longer
19 employed by Defendants their wages earned and unpaid at the time of discharge, or within
20 seventy-two (72) hours of their leaving Defendants' employ, violates Labor Code sections 201
21 and 202. Plaintiff and class members are therefore entitled to recover from Defendants the
22 statutory penalty wages for each day they were not paid, at their regular rate of pay, up to a
23 thirty (30) day maximum pursuant to California Labor Code section 203.

24 **SEVENTH CAUSE OF ACTION**

25 **Violation of California Labor Code § 204—Failure to Timely Pay Wages During**
26 **Employment**
27 **(Against all Defendants)**

28 100. Plaintiff incorporates by reference and re-alleges as if fully stated herein each

1 and every allegation set forth above.

2 101. This cause of action is dependent upon, and wholly derivative of, the overtime
3 wages, minimum wages, and/or meal and rest period premiums that were not timely paid to
4 Plaintiff and class members during their employment.

5 102. At all times relevant herein set forth, Labor Code section 204 provides that all
6 wages earned by any person in any employment between the first (1st) and the fifteenth (15th)
7 days, inclusive, of any calendar month, other than those wages due upon termination of an
8 employee, are due and payable between the sixteenth (16th) and the twenty-sixth (26th) day of
9 the month during which the labor was performed.

10 103. At all times relevant herein, Labor Code section 204 provides that all wages
11 earned by any person in any employment between the sixteenth (16th) and the last day,
12 inclusive, of any calendar month, other than those wages due upon termination of an
13 employee, are due and payable between the first (1st) and the tenth (10th) day of the following
14 month.

15 104. At all times relevant herein, Labor Code section 204 provides that all wages
16 earned for labor in excess of the normal work period shall be paid no later than the payday for
17 the next regular payroll period. Alternatively, at all times relevant herein, Labor Code section
18 204 provides that the requirements of this section are deemed satisfied by the payment of
19 wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than
20 seven (7) calendar days following the close of the payroll period.

21 105. During the relevant time period, Defendants willfully failed to pay Plaintiff and
22 class members all wages due including, but not limited to, overtime wages, minimum wages,
23 and/or meal and rest period premiums, within the time periods specified by California Labor
24 Code section 204.

25 106. Defendants' failure to timely pay Plaintiff and class members all wages due
26 violates Labor Code section 204. Plaintiff and class members are therefore entitled to recover
27 from Defendants the statutory penalty wages pursuant to California Labor Code section 210.

28 //

1 **EIGHTH CAUSE OF ACTION**

2 **Violation of California Labor Code § 2802—Unpaid Business-Related Expenses**
3 **(Against all Defendants)**

4 107. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
5 and every allegation set forth above.

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

14 109. During the relevant time period, Defendants required Plaintiff and class
15 members to wear uniforms bearing the Holiday Market company logo, including polo shirts.
16 However, Defendants did not provide their employees with sufficient uniforms to wear for
17 their shifts throughout the week. For example, Defendants only provided Plaintiff with two
18 (2) shirts at the time of hire. Because Defendants failed to provide Plaintiff and class
19 members with an adequate number of uniform items in relation to their scheduled shifts,
20 Plaintiff and class members had to wash their uniforms more frequently than they otherwise
21 do laundry, and incur expenses in doing so. Thus, Defendants failed to maintain uniforms
22 they required Plaintiff and class members to wear during their shifts and forced them to incur
23 the cost of maintaining employee uniforms.

24 110. Defendants could have provided Plaintiff and class members with access to
25 laundering services; or, Defendants could have reimbursed employees for the cost of their
26 laundering expenses or provided a uniform maintenance allowance. Instead, Defendants
27 passed these operating costs onto Plaintiff and class members.

28 111. Defendants’ company-wide policy and/or practice of not reimbursing

1 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
2 and class members violates California Labor Code section 2802. Defendants have
3 intentionally and willfully failed to reimburse Plaintiff and class members for necessary
4 business-related expenses and costs.

5 112. Plaintiff and class members are entitled to recover from Defendants their
6 business-related expenses incurred during the course and scope of their employment, plus
7 interest.

8 **NINTH CAUSE OF ACTION**

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

10 **(Against all Defendants)**

11 113. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
12 and every allegation set forth above.

13 114. California Labor Code §§ 2698, *et seq.* (“PAGA”) permits Plaintiff to recover
14 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
15 section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 1174(d), and
16 1198. Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiff, to
17 recover civil penalties for violations of those Labor Code sections not found in section 2699.5,
18 including sections 226(a), 226.7, 510, 512(a), 516, 1182.12, 1194, 1197, 1197.1, and 2802.

19 115. Defendants’ conduct, as alleged herein, violates numerous sections of the
20 California Labor Code, including, but not limited to, the following:

- 21 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC
22 Wage Order for Defendants’ failure to compensate Plaintiff and other
23 aggrieved employees with all required overtime pay, as alleged herein;
- 24 (b) Violation of Labor Code sections 1182.12, 1194, 1197, 1197.1, and
25 1198, and the applicable IWC Wage Order for Defendants’ failure to
26 compensate Plaintiff and other aggrieved employees with at least
27 minimum wages for all hours worked, as alleged herein;
- 28 (c) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the

1 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
2 and other aggrieved employees with meal periods, as alleged herein;

3 (d) Violation of Labor Code sections 226.7, 516, and 1198, and the
4 applicable IWC Wage Order for Defendants' failure to authorize and
5 permit Plaintiff and other aggrieved employees to take rest periods, as
6 alleged herein;

7 (e) Violation of Labor Code sections 226(a) and 1198, and the applicable
8 IWC Wage Order for failure to provide accurate and complete wage
9 statements to Plaintiff and other aggrieved employees, as alleged herein;

10 (f) Violation of Labor Code sections 1174(d) and 1198, and the applicable
11 IWC Wage Order for failure to maintain payroll records, as alleged
12 herein;

13 (g) Violation of Labor Code sections 201 and 202 for failure to pay all
14 earned wages upon termination, as alleged herein;

15 (h) Violation of Labor Code section 204 for failure to pay all earned wages
16 during employment, as alleged herein;

17 (i) Violation of Labor Code section 1198 and the applicable IWC Wage
18 Order for failure to provide suitable seating, as set forth below; and

19 (j) Violation of Labor Code section 2802 for failure to reimburse Plaintiff
20 and other aggrieved employees for all business expenses necessarily
21 incurred, as alleged herein.

22 116. At all relevant times herein, California Labor Code section 1198 makes it
23 illegal to employ an employee under conditions of labor that are prohibited by the applicable
24 IWC Wage Order. California Labor Code section 1198 requires that “. . . the standard
25 conditions of labor fixed by the commission shall be the . . . standard conditions of labor for
26 employees. The employment of any employee . . . under conditions of labor prohibited by the
27 order is unlawful.”

28 117. California Code of Regulations, Title 8, section 11070(14)(A) provides that

1 “[a]ll working employees shall be provided with suitable seats when the nature of the work
2 reasonably permits the use of seats.”

3 118. Defendants’ California stores are generally similar in their layout and design
4 and there was, and continues to be, space behind cash wraps to allow for the presence and use
5 of a seat or stool by Plaintiff and other aggrieved employees (with reasonable or no
6 modification to these work areas) during the performance of their work duties. Defendants
7 could have provided Plaintiff and other aggrieved employees with a seat or stool at their cash
8 wraps, but instead denied employees seating and forced Plaintiff and other aggrieved
9 employees to stand throughout the day.

10 119. Plaintiff and other aggrieved employees spent a substantial portion of their day
11 behind or at these cash wraps. The nature of the work of an employee performing cashier
12 duties can reasonably be accomplished from a seated position. However, as set forth herein,
13 Defendants systematically, and on a company-wide basis, do not provide seats or stools at or
14 near the cash wraps, forcing Plaintiff and other aggrieved employees to stand throughout their
15 work shifts.

16 120. Defendants violated California Labor Code section 1198 and California Code
17 of Regulations, Title 8, section 11070(14)(A) because Plaintiff and other aggrieved employees
18 were not allowed to sit, even when the nature of their work would reasonably permit the use
19 of seats, nor were they provided with suitable seats. Defendants’ management did not inform
20 Plaintiff and other aggrieved employees that they were allowed to sit down, provide any
21 means for them to sit down, or mention any policy regarding sitting.

22 121. As a result of Defendants’ company-wide policy and/or practice of prohibiting
23 employees from sitting during their shifts and company-wide failure to provide suitable
24 seating, Plaintiff and other aggrieved employees were forced to stand during shifts and denied
25 seats. Defendants’ failure to provide suitable seating to Plaintiff and other aggrieved
26 employees violates California Labor Code section 1198 and IWC Wage Order No. 7-2001,
27 subdivision 14(A). Plaintiff and other aggrieved employees are therefore entitled to recover
28 civil penalties pursuant to Labor Code sections 2699(a), (f), and (k).

1 122. California Code of Regulations, Title 8, section 11070(14)(B) provides that
2 “[w]hen employees are not engaged in the active duties of their employment and the nature of
3 the work requires standing, an adequate number of suitable seats shall be placed in reasonable
4 proximity to the work area and employees shall be permitted to use such seats when it does
5 not interfere with the performance of their duties.”

6 123. During the relevant time period, Defendants violated California Labor Code
7 section 1198 and California Code of Regulations, Title 8, section 11070(14)(B), because
8 Plaintiff and other aggrieved employees were not allowed to sit, even during lulls in their
9 work duties, nor were they provided with suitable seats in reasonable proximity to their work
10 areas.

11 124. Defendants’ California stores are generally similar in their layout and design
12 and there was, and continues to be, space near their work areas (with reasonable or no
13 modification to these work areas) to allow for the presence and use of a seat or stool by
14 Plaintiff and other aggrieved employees during lulls in operation. Defendants could have
15 provided Plaintiff and other aggrieved employees with a seat or stool in their work areas, but
16 instead denied, and continue to deny, employees seating, forcing them to stand throughout the
17 day.

18 125. Defendants did not provide Plaintiff and other aggrieved employees with seats
19 or stools in reasonable proximity to their work areas to allow them to use seats when it would
20 not interfere with the performance of their duties for times when they were not engaged in
21 active duties that require standing. In other words, to the extent Plaintiff and other aggrieved
22 employees engaged in duties in which the nature of the work required standing, Defendants
23 denied them the use of seats nearby during lulls in their work duties. Moreover, Defendants
24 did not inform Plaintiff and other aggrieved employees of their rights to a seat or stool under
25 California law.

26 126. As a result of Defendants’ company-wide policy and/or practice of prohibiting
27 employees from sitting at any time, even when they were not engaged in active duties
28 requiring standing, and company-wide failure to provide seats in reasonable proximity to their

1 work areas, Plaintiff and other aggrieved employees were forced to stand during shifts and
2 denied seats. Defendants' failure to provide suitable seating to aggrieved employees violates
3 California Labor Code section 1198 and IWC Wage Order No. 7-2001, subdivision 14(B).
4 Plaintiff and other aggrieved employees are therefore entitled to recover civil penalties
5 pursuant to Labor Code sections 2699(a), (f), and (k).

6 **TENTH CAUSE OF ACTION**

7 **Violation of California Business & Professions Code §§ 17200, *et seq.* –**

8 **Unlawful Business Practices**

9 **(Against all Defendants)**

10 127. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
11 and every allegation set forth above.

12 128. Defendants are "persons" as defined by California Business & Professions
13 Code section 17201, as they are corporations, firms, partnerships, joint stock companies,
14 and/or associations.

15 129. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,
16 unlawful and harmful to Plaintiff, class members, and to the general public. Plaintiff has
17 suffered injury in fact and has lost money as a result of Defendants' unlawful business
18 practices. Plaintiff seeks to enforce important rights affecting the public interest within the
19 meaning of Code of Civil Procedure section 1021.5.

20 130. Defendants' activities, as alleged herein, are violations of California law, and
21 constitute unlawful business acts and practices in violation of California Business &
22 Professions Code sections 17200, *et seq.*

23 131. A violation of California Business & Professions Code sections 17200, *et seq.*
24 may be predicated on the violation of any state or federal law. In the instant case, Defendants'
25 policies and practices have violated state law in at least the following respects:

- 26 (a) Requiring non-exempt, hourly paid employees, including Plaintiff and
27 class members, to work overtime without paying them proper
28 compensation in violation of California Labor Code sections 510 and

- 1198, and the applicable IWC Wage Order, as alleged herein;
- (b) Failing to pay at least minimum wage to Plaintiff and class members in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, and the applicable IWC Wage Order, as alleged herein;
- (c) Failing to provide all meal periods to Plaintiff and class members in violation of California Labor Code sections 226.7, 512(a), 516, and 1198, and the applicable IWC Wage Order, as alleged herein;
- (d) Failing to authorize and permit Plaintiff and class members to take all rest periods in violation of California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order, as alleged herein;
- (e) Failing to provide Plaintiff and class members with accurate wage statements and failing to maintain accurate payroll records in violation of California Labor Code sections 226(a), 1174(d), and 1198, and the applicable IWC Wage Order, as alleged herein;
- (f) Failing to timely pay all earned wages to Plaintiff and class members in violation of California Labor Code section 204, as alleged herein; and
- (g) Failing to reimburse Plaintiff and class members for all business expenses necessarily incurred in violation of California Labor Code section 2802, as alleged herein.

132. As a result of the violations of California law herein described, Defendants unlawfully gained an unfair advantage over other businesses. Plaintiff and class members have suffered pecuniary loss by Defendants' unlawful business acts and practices alleged herein.

133. Pursuant to California Business & Professions Code sections 17200, *et seq.*, Plaintiff and class members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences four years prior to the filing of the initial complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to

1 Plaintiff and class members; and an award of attorneys' fees pursuant to California Code of
2 Civil Procedure section 1021.5 and other applicable laws; and an award of costs.

3 **ELEVENTH CAUSE OF ACTION**

4 **Violation of California Business & Professions Code §§ 17200, *et seq.* –**

5 **Unfair Business Practices**

6 **(Against all Defendants)**

7 134. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
8 and every allegation set forth above.

9 135. Defendants are "persons" as defined by California Business & Professions
10 Code section 17201, as they are corporations, firms, partnerships, joint stock companies,
11 and/or associations.

12 136. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,
13 and harmful to Plaintiff, class members, and to the general public. Plaintiff has suffered
14 injury in fact and has lost money as a result of Defendants' unfair business practices. Plaintiff
15 seeks to enforce important rights affecting the public interest within the meaning of Code of
16 Civil Procedure section 1021.5.

17 137. Defendants' activities, namely Defendants' company-wide practice and/or
18 policy of not paying Plaintiff and class members all meal and rest period premiums due to
19 them under California Labor Code section 226.7, deprived Plaintiff and class members of the
20 compensation guarantee and enhanced enforcement implemented by section 226.7. The
21 statutory remedy provided by section 226.7 is a "'dual-purpose' remedy intended primarily to
22 compensate employees, and secondarily to shape employer conduct." *Safeway, Inc. v.*
23 *Superior Court*, 238 Cal. App. 4th 1138, 1149 (2015). The statutory benefits of section 226.7
24 were guaranteed to Plaintiff and class members as part of their employment with Defendants,
25 and thus Defendants' practice and/or policy of denying these statutory benefits constitutes an
26 unfair business practice in violation of California Business & Professions Code sections
27 17200, *et seq.* (*Id.*)

28 138. A violation of California Business & Professions Code sections 17200, *et seq.*

1 may be predicated on any unfair business practice. In the instant case, Defendants' policies
2 and practices have violated the spirit of California's meal and rest period laws and constitute
3 acts against the public policy behind these laws.

4 139. Pursuant to California Business & Professions Code sections 17200, *et seq.*,
5 Plaintiff and class members are entitled to restitution for the class-wide loss of the statutory
6 benefits implemented by section 226.7 withheld and retained by Defendants during a period
7 that commences four years prior to the filing of the initial complaint; a permanent injunction
8 requiring Defendants to pay all statutory benefits implemented by section 226.7 due to
9 Plaintiff and class members; an award of attorneys' fees pursuant to California Code of Civil
10 Procedure section 1021.5 and other applicable laws; and an award of costs.

11 **REQUEST FOR JURY TRIAL**

12 Plaintiff requests a trial by jury.

13 **PRAYER FOR RELIEF**

14 Plaintiff, on behalf of all others similarly situated, prays for relief and judgment
15 against Defendants, jointly and severally, as follows:

16 1. For damages, unpaid wages, penalties, injunctive relief, and attorneys' fees in
17 excess of twenty-five thousand dollars (\$25,000), exclusive of interest and costs. Plaintiff
18 reserves the right to amend her prayer for relief to seek a different amount.

19 **Class Certification**

- 20 2. That this case be certified as a class action;
21 3. That Plaintiff be appointed as the representative of the Class and Subclass;
22 4. That counsel for Plaintiff be appointed as class counsel.

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

24 5. That the Court declare, adjudge, and decree that Defendants violated California
25 Labor Code sections 510 and 1198 and the applicable IWC Wage Order by willfully failing to
26 pay all overtime wages due to Plaintiff and class members;

27 6. For general unpaid wages at overtime wage rates and such general and special
28 damages as may be appropriate;

1 31. For all actual, consequential, and incidental losses and damages, according to
2 proof;

3 32. For injunctive relief pursuant to California Labor Code section 226(h);

4 33. For statutory penalties pursuant to California Labor Code section 226(e);

5 34. For attorneys' fees and costs pursuant to California Labor Code section
6 226(e)(1); and

7 35. For such other and further relief as the Court may deem equitable and
8 appropriate.

9 **As to the Sixth Cause of Action**

10 36. That the Court declare, adjudge and decree that Defendants violated California
11 Labor Code sections 201 and 202 by willfully failing to pay overtime wages, minimum wages,
12 and/or meal and rest period premiums owed at the time of termination of the employment of
13 Plaintiff and other terminated class members;

14 37. For all actual, consequential and incidental losses and damages, according to
15 proof;

16 38. For waiting time penalties according to proof pursuant to California Labor
17 Code section 203 for all employees who have left Defendants' employ;

18 39. For pre-judgment interest on any unpaid wages from the date such amounts
19 were due, or as otherwise provided by law;

20 40. For attorneys' fees pursuant to California Code of Civil Procedure section
21 1021.5, or as otherwise provided by law; and

22 41. For such other and further relief as the Court may deem equitable and
23 appropriate.

24 **As to the Seventh Cause of Action**

25 42. That the Court declare, adjudge and decree that Defendants violated California
26 Labor Code section 204 by willfully failing to timely pay Plaintiff and class members
27 overtime wages, minimum wages, and/or meal and rest period premiums during their
28 employment;

43. For all actual, consequential and incidental losses and damages, according to proof;

44. For statutory penalties according to proof pursuant to California Labor Code section 210;

45. For pre-judgment interest on any unpaid wages from the date such amounts were due, or as otherwise provided by law;

46. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

47. For such other and further relief as the Court may deem equitable and appropriate.

As to the Eighth Cause of Action

48. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 2802 by willfully failing to reimburse and/or indemnify all business-related expenses and costs incurred by Plaintiff and class members;

49. For unpaid business-related expenses and such general and special damages as may be appropriate;

50. For pre-judgment interest on any unpaid business-related expenses from the date such amounts were due, or as otherwise provided by law;

51. For all actual, consequential, and incidental losses and damages, according to proof;

52. For attorneys' fees and costs pursuant to California Labor Code section 2802(c), or as otherwise provided by law; and

53. For such other and further relief as the Court may deem equitable and appropriate.

As to the Ninth Cause of Action

54. That the Court declare, adjudge and decree that Defendants violated the following California Labor Code provisions as to Plaintiff and other aggrieved employees: 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197, 1197.1, and

1 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516, and
2 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and
3 permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage
4 statements and maintain accurate payroll records); 201 and 202 (by failing to timely pay all
5 earned wages upon termination); 204 (by failing to timely pay all earned wages during
6 employment); 1198 and the applicable IWC Wage Order (by failing to provide suitable
7 seating); and 2802 (by failing to reimburse business expenses);

8 55. For civil penalties pursuant to the California Labor Code, including sections
9 210, 226.3, 256, 558, 1174.5, 2699(a), (f), and (k), for violations of California Labor Code
10 sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1,
11 1198, and 2802;

12 56. For injunctive relief pursuant to California Labor Code sections 1194.5 and/or
13 2699(k) to bring Defendants into compliance with the requirements of California Labor Code
14 sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1,
15 1198, and 2802;

16 57. For attorneys' fees and costs pursuant to California Labor Code section
17 2699(k)(1), and any and all other relevant statutes, for Defendants' violations of California
18 Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194,
19 1197, 1197.1, 1198, and 2802;

20 58. For pre-judgment and post-judgment interest as provided by law; and

21 59. For such other and further relief as the Court may deem equitable and
22 appropriate.

23 **As to the Tenth Cause of Action**

24 60. That the Court declare, adjudge and decree that Defendants' conduct of failing
25 to provide Plaintiff and class members all overtime wages due to them, failing to provide
26 Plaintiff and class members all minimum wages due to them, failing to provide Plaintiff and
27 class members all meal periods, failing to authorize and permit Plaintiff and class members to
28 take all rest periods, failing to provide Plaintiff and class members accurate and complete

1 wage statements, failing to maintain accurate payroll records for Plaintiff and class members,
2 and failing to timely pay Plaintiff and class members all earned wages during employment,
3 and failing to reimburse Plaintiff and class members for business-related expenses, constitutes
4 an unlawful business practice in violation of California Business and Professions Code
5 sections 17200, *et seq.*;

6 61. For restitution of unpaid wages to Plaintiff and all class members and
7 prejudgment interest from the day such amounts were due and payable;

8 62. For the appointment of a receiver to receive, manage and distribute any and all
9 funds disgorged from Defendants and determined to have been wrongfully acquired by
10 Defendants as a result of violations of California Business & Professions Code sections
11 17200, *et seq.*;

12 63. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
13 California Code of Civil Procedure section 1021.5; and

14 64. For such other and further relief as the Court may deem equitable and
15 appropriate.

16 **As to the Eleventh Cause of Action**

17 65. That the Court declare, adjudge and decree that Defendants' conduct of denying
18 Plaintiff and class members the statutory benefits guaranteed under California Labor Code
19 section 226.7 constitutes an unfair business practice in violation of California Business and
20 Professions Code sections 17200, *et seq.*;

21 66. For restitution of the statutory benefits under California Labor Code section
22 226.7 unfairly withheld from Plaintiff and class members and prejudgment interest from the
23 day such amounts were due and payable;

24 67. For the appointment of a receiver to receive, manage and distribute any and all
25 funds disgorged from Defendants and determined to have been wrongfully acquired by
26 Defendants as a result of violations of California Business & Professions Code sections
27 17200, *et seq.*;

28 68. For reasonable attorneys' fees and costs of suit incurred herein pursuant to

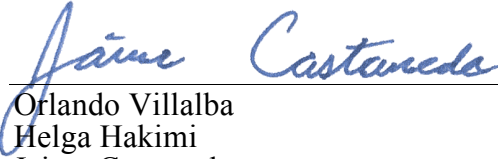
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California Code of Civil Procedure section 1021.5;
69. For pre-judgment and post-judgment interest as provided by law; and
70. For such other and further relief as the Court may deem equitable and appropriate.

Dated: July 14, 2025

Respectfully submitted,

Capstone Law APC

By: 
Orlando Villalba
Helga Hakimi
Jaime Castaneda

Attorneys for Plaintiff Destiny Johanson

EXHIBIT “1”

MAO SHIOKURA
310.712.8030 Direct
Mao.Shiokura@capstonelawyers.com

December 3, 2024

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.govfa.net/308>)

Subject: *Destiny Johanson v. North State Grocery, Inc.*

Dear PAGA Administrator:

This office represents Destiny Johanson in connection with her claims under the California Labor Code. Ms. Johanson was an employee of NORTH STATE GROCERY, INC. ("NORTH STATE").

The employer may be contacted directly at the address below:

NORTH STATE GROCERY, INC.
20803 FRONT STREET
COTTONWOOD, CA 96022

Ms. Johanson intends to seek civil penalties, attorneys' fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Ms. Johanson seeks relief on behalf of herself, the State of California, and other persons who are or were employed by NORTH STATE as a non-exempt, hourly paid employee in California and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

NORTH STATE employed Ms. Johanson as an hourly paid, non-exempt employee from approximately April 2024 to August 2024. Ms. Johanson worked for NORTH STATE as a Cashier at its Holiday Market grocery store location in Cottonwood, California. During her employment, Ms. Johanson typically worked eight (8) hours or more per day and four (4) to five (5) days per week. Ms. Johanson was compensated approximately \$16.00 per hour. Her job duties included, without limitation, attending to customers, cashiering, and cleaning and organizing the cash register area.

NORTH STATE committed each of the following Labor Code violations against Ms. Johanson, the facts and theories of which follow, making her an “aggrieved employee” pursuant to California Labor Code section 2699(c)(1):¹

NORTH STATE’s Company-Wide and Uniform Payroll and HR Practices

NORTH STATE GROCERY, INC. is a California corporation and a grocery store chain in Northern California operating the Holiday Market and Sav-Mor store brands, with approximately 20 locations in California. Upon information and belief, NORTH STATE maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Cottonwood, California, for all non-exempt, hourly paid employees working for NORTH STATE in California, including Ms. Johanson and other aggrieved employees. At all relevant times, NORTH STATE issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Johanson and other aggrieved employees, regardless of their location or position.

Upon information and belief, NORTH STATE maintains a centralized Payroll department at its corporate headquarters in Cottonwood, California, which processes payroll for all non-exempt, hourly paid employees working for NORTH STATE in California, including Ms. Johanson and other aggrieved employees. Further, NORTH STATE issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees in California, including Ms. Johanson and other aggrieved employees, irrespective of their location, position, or manner in which each employee’s employment ended. In other words, NORTH STATE utilized the same methods and formulas when calculating wages due to Ms. Johanson and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

During the relevant time period, NORTH STATE willfully failed to pay all overtime wages owed to Ms. Johanson and other aggrieved employees. During the relevant time period, Ms. Johanson and other aggrieved employees were not paid overtime premiums for all of the hours they worked in

¹ These facts, theories, and claims are based on Ms. Johanson’s experience and counsel’s review of those records currently available relating to Ms. Johanson’s employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law’s requirements, the employer misinformed its employee of the law’s requirements, or because the employer effectively hid the violations). Thus, Ms. Johanson reserves the right to supplement this letter with additional facts, theories, and claims if she becomes aware of them subsequent to the submission of this letter.

excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were not recorded.

First, during the relevant time period, upon information and belief, NORTH STATE had a policy and/or practice of discouraging and impeding Ms. Johanson and other aggrieved employees from recording hours worked that were outside of their scheduled shifts, in order to limit the amount of overtime employees could accrue. On information and belief, this policy of limiting overtime, coupled with NORTH STATE's practices of understaffing and/or single-staffing (*see infra*), led Ms. Johanson and other aggrieved employees to work off-the-clock before their shifts. For example, approximately once per week, after reporting to work on time, Ms. Johanson and other aggrieved employees were forced to wait up to five (5) minutes until a manager or keyholder employee arrived at the store and unlocked the doors in the morning before they could clock in for their shifts. Moreover, during the relevant time period, NORTH STATE only provided Ms. Johanson and other aggrieved employees with a single timekeeping machine at its stores to clock in, thus forcing Ms. Johanson and other aggrieved employees to wait in line off-the-clock and under NORTH STATE's control, time for which they were paid. For example, Ms. Johanson would be ready to clock in for the start of her shift, but was required to wait in a line of about four (4) employees and wait up to three (3) minutes to clock in. Thus, NORTH STATE failed to track all of the time that employees spent performing work-related tasks before their shifts, and Ms. Johanson and other aggrieved employees received no compensation for this time.

Second, on information and belief, NORTH STATE had, and continues to have, a company-wide policy and/or practice of strictly staffing its locations based on the labor hours allocated by each location's labor or payroll budget set by the corporate office. NORTH STATE's uniform use of labor budgeting resulted in chronic understaffing, such there were too few employees on duty to handle the workload and attend to customers. Also, NORTH STATE has systematically, and on a company-wide basis, understaffed its jobsites by adopting a single-staffing model for some positions, such as cashiers, whereby only one (1) cashier employee was scheduled to work at certain times, thereby failing to provide adequate meal period coverage to permit those employees to take compliant meal periods. NORTH STATE also had a practice of failing to adhere to a schedule for meal periods, which further caused Ms. Johanson and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Ms. Johanson's meal periods were sometimes interrupted because she was required to attend to customers requesting assistance locating products in the store, due to the lack of coverage. However, NORTH STATE did not compensate Ms. Johanson and other aggrieved employees for the time they spent working off the clock during unpaid meal periods.

Third, NORTH STATE's company-wide timekeeping system prevented Ms. Johanson and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Ms. Johanson and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. Thus, NORTH STATE did not record all hours worked during meal periods, and Ms. Johanson and other aggrieved employees performed work during meal periods for which they were not paid.

NORTH STATE knew or should have known that as a result of these company-wide practices and/or policies, Ms. Johanson and other aggrieved employees were performing their assigned duties off-the-clock before their shifts and during meal periods, and were suffered or permitted to perform work for which they were not paid. Because Ms. Johanson and other aggrieved employees worked shifts of

eight (8) hours or more a day, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Ms. Johanson and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

NORTH STATE's failure to pay Ms. Johanson and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code sections 510 and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 7-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. Tit. 8, § 11070(2)(H) (defining "Hours Worked").

First, as set forth above, due to NORTH STATE's company-wide practice of restricting overtime accrual by not recording hours worked that were outside of employees' scheduled shifts, NORTH STATE systematically failed to pay Ms. Johanson and other aggrieved employees for actual hours worked before their scheduled shifts, because these hours were not accurately recorded. Thus, Ms. Johanson and other aggrieved employees were required to work off-the-clock before their shifts, including, but not limited to, waiting for manager or keyholder employees to arrive and open the grocery store and/or waiting in a line of employees to clock in for the start of their shifts, but were not compensated for this time.

Second, as also stated above, due to NORTH STATE's company-wide practices of utilizing labor budgets, understaffing and/or single-staffing, assigning heavy workloads, failing to adhere to a schedule for meal periods, and subsequent lack of meal period coverage, Ms. Johanson and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work during their meal periods, time for which they were not paid. Additionally, as stated, NORTH STATE's company-wide timekeeping system prevented Ms. Johanson and other aggrieved employees from entering time worked during meal periods because the system locked out Ms. Johanson and other aggrieved employees for a full 30 minutes. Thus, NORTH STATE systematically failed to pay Ms. Johanson and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

NORTH STATE did not pay at least minimum wages for all hours worked by Ms. Johanson and other aggrieved employees. Also, to the extent that these off-the-clock hours did not qualify for overtime premium payment, NORTH STATE did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, NORTH STATE regularly failed to pay at least minimum wages to Ms. Johanson and other aggrieved employees for all of the hours they worked in violation of California Labor Code

sections 1182.12, 1194, 1197, 1197.1, and 1198. Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

First, during the relevant time period, as stated, NORTH STATE had, and continues to have, company-wide policies and/or practices of understaffing and/or single-staffing certain positions due to labor budgeting and/or limited payroll allocation, which, combined with the assignment of heavy workloads, and failure to adhere to a schedule for meal periods, resulted in a lack of meal period coverage and prevented Ms. Johanson and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. For example, as stated, Ms. Johanson's meal periods were sometimes interrupted because she was required to attend to customers requesting assistance with locating products in the store, due to the lack of coverage. Thus, Ms. Johanson and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods.

Second, as stated, NORTH STATE's company-wide timekeeping system prevented Ms. Johanson and other aggrieved employees from recording when their meal periods were shortened or interrupted, because the system locked out Ms. Johanson and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. Ms. Johanson and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

Third, NORTH STATE had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. NORTH STATE took the position that non-exempt, hourly paid employees had waived their rights to first and/or second meal periods for the entirety of their employment and, on that basis, did not provide them with all meal periods to which they were entitled. NORTH STATE's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours and/or for shifts in excess of ten (10)

hours but less than twelve (12) hours, due to blanket meal period waivers signed at or near the time of hire, discouraged and impeded Ms. Johanson and other aggrieved employees from taking all meal periods to which they were entitled.

Furthermore, an employer's obligation to provide a meal period is only "triggered" when the employer "employs an employee for a work period of more than five hours per day." *Brinker*, 53 Cal. 4th at 1039 ("If an employer engages, suffers, or permits anyone to work for a full five hours, its meal break obligation is triggered.").

[A]fter the meal break obligation is triggered . . . an employer is put to a choice: it must (1) afford an off-duty meal period; (2) consent to a mutually agreed-upon waiver if one hour or less will end the shift; or (3) obtain written agreement to an on-duty meal period if circumstances permit. Failure to do one of these will render the employer liable for premium pay.

Id. (citing Cal. Labor Code § 226.7; Wage Order No. 5, subd. 11(A), (B)). That NORTH STATE required Ms. Johanson and other aggrieved employees to sign meal period waivers simultaneously at or near their time of hire (as opposed to on a specific work day) renders them invalid and unenforceable, because NORTH STATE's obligation to provide Ms. Johanson and other aggrieved employees with meal periods did not arise until NORTH STATE had employed them for a full five (5) hours.

At all times herein mentioned, NORTH STATE knew or should have known that, as a result of these policies, Ms. Johanson and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. NORTH STATE further knew or should have known that NORTH STATE did not pay Ms. Johanson and other aggrieved employees meal period premiums when meal periods were missed, shortened, interrupted, and/or late.

Moreover, NORTH STATE engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Ms. Johanson and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods.

Accordingly, NORTH STATE failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 512(a), 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order

provides that “[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period” and that the “rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, NORTH STATE regularly failed to authorize and permit Ms. Johanson and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, NORTH STATE’s company-wide policies and practices, including labor budgeting and/or limited payroll allocation, understaffing and/or single-staffing certain positions, and assigning heavy workloads, prevented Ms. Johanson and other aggrieved employees from being able to take rest periods. NORTH STATE also failed to schedule rest periods, which, coupled with NORTH STATE’s failure to provide adequate rest period coverage, further led to Ms. Johanson and other aggrieved employees not being authorized and permitted to take rest periods.

In addition, NORTH STATE had a company-wide practice and/or policy of requiring that Ms. Johanson and other aggrieved employees carry and respond to company-issued walkie-talkies at all times, including during rest periods. For example, Ms. Johanson would have her rest periods interrupted because she was required to answer calls from her supervisors or coworkers on her company-issued walkie-talkie to discuss work-related issues.

Furthermore, during the relevant time period, NORTH STATE maintained a company-wide on-premises rest period policy, which mandated that Ms. Johanson and other aggrieved employees remain on the work premises during their rest periods. Because Ms. Johanson and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, NORTH STATE effectively maintained control over Ms. Johanson and other aggrieved employees during rest periods.

As a result of NORTH STATE’s practices and policies, Ms. Johanson and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled. For example, as stated, Ms. Johanson had her rest periods interrupted by supervisors and coworkers to discuss work-related issues, due to heavy workload, a lack of rest period coverage, and a requirement that employees carry and respond to a company-issued walkie-talkie at all times.

NORTH STATE has also engaged in a systematic, company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice and/or policy, Ms. Johanson and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, NORTH STATE failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, NORTH STATE has knowingly and intentionally provided Ms. Johanson and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, NORTH STATE issued uniform wage statements to Ms. Johanson and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the address of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, and the corresponding number of hours worked at each hourly rate. Specifically, NORTH STATE violated sections 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9).

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

Additionally, and separately from these violations, NORTH STATE issued uniform wage statements to Ms. Johanson and other aggrieved employees that failed to correctly list the address of the legal entity of the actual employer in violation of 226(a)(8). The purpose of section 226(a)(8) is to provide California employees with transparency as to the true identity of their employer, to allow the employee to contact their employer during employment or in the future for various reasons, including filing an administrative claim, judicial claim, or other action to seek relief against their employer, to obtain unemployment benefits, etc. This includes providing employees with a physical address of the employer and not a Post Office Box. On information and belief, Ms. Johanson's and other aggrieved employees' wage statements incorrectly list NORTH STATE's address as "PO Box 439,

Cottonwood, CA 96022,” including Ms. Johanson’s wage statement dated May 24, 2024, but according to the California Secretary of State’s website, the entity’s principal address should be “20803 FRONT STREET, COTTONWOOD, CA 96022.” *See example paystub below.*

Earnings Statement

JOHANSON, DESTINY

Pay Date:	05/24/2024	Company: 12L38 - NORTH STATE GROCERY INC	Emp #: [REDACTED]
Period Start:	05/05/2024	PO BOX 439	Dept: 9004 - Front End
Period End:	05/18/2024	COTTONWOOD CA 96022	Pay Basis: Hourly

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

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments” At all relevant times, and in violation of Labor Code section 1174(d), NORTH STATE willfully failed to maintain accurate payroll records for Ms. Johanson and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, NORTH STATE engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Ms. Johanson and other aggrieved employees, in violation of section 1198.

Because NORTH STATE failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Johanson and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Ms. Johanson and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with

the applicable IWC Wage Order and Labor Code sections 226(a), 1174(d), and 1198, pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, NORTH STATE willfully failed to pay Ms. Johanson and other aggrieved employees all wages due including, but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, within the time periods specified by California Labor Code section 204.

Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with Labor Code section 204, pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

NORTH STATE willfully failed to pay Ms. Johanson and other aggrieved employees who are no longer employed by NORTH STATE the earned and unpaid wages set forth above, including but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, either at the time of discharge, or within seventy-two (72) hours of their leaving NORTH STATE's employ.

Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with Labor Code sections 201 and 202, pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 14(A) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11070(14)(A) provides that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.”

“The ‘nature of the work’ refers to an employee’s tasks performed at a given location for which a right to a suitable seat is claimed, rather than a ‘holistic’ consideration of the entire range of an employee’s duties anywhere on the jobsite during a complete shift. If the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 558 (Cal. 2016). “Whether the nature of the work reasonably permits sitting is a question to be determined objectively based on the totality of the circumstances. An employer’s business judgment and the physical layout of the workplace are relevant but not dispositive factors. The inquiry focuses on the nature of the work, not an individual employee’s characteristics.” *Id.* The burden of proof to show suitable seating is not available is on the employer. *Id.* at 568. In other words, the employer must show that compliance is “infeasible because no suitable seating exists.” *See id.*

NORTH STATE’s California stores are generally similar in their layout and design and there was, and continues to be, space behind cash wraps to allow for the presence and use of a seat or stool by Ms. Johanson and other aggrieved employees (with reasonable or no modification to these work areas) during the performance of their work duties. NORTH STATE could provide Ms. Johanson and other aggrieved employees with a seat or stool at its cash wraps, but instead denies employees seating and forces Ms. Johanson and other aggrieved employees to stand throughout the day.

Ms. Johanson and other aggrieved employees spent a substantial portion of their day behind or at these cash wraps. The nature of the work of an employee performing cashier duties can reasonably be accomplished from a seated position. However, as set forth herein, NORTH STATE systematically, and on a company-wide basis, does not provide seats or stools at or near the cash wraps, forcing Ms. Johanson and other aggrieved employees to stand throughout their work shifts.

NORTH STATE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(14)(A) because Ms. Johanson and other aggrieved employees were not allowed to sit, even when the nature of the work would reasonably permit the use of seats, nor were they provided with suitable seats. NORTH STATE’s management did not inform Ms. Johanson and other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of NORTH STATE’s company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, Ms. Johanson and other aggrieved employees were forced to stand during shifts and denied seats. NORTH STATE’s failure to provide suitable seating to Ms. Johanson and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 7-2001, subdivision 14(A).

Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code section 1198, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 14(B) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11070(14)(B) provides that “[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

The IWC states that subdivision 14(B) applies during “lulls in operation” when an employee, while still on the job, is not then actively engaged in any duties. *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 565 (Cal. 2016), citing IWC, 1976 Wage Orders, Summary of Basic Provisions, Seats. When taken together, an employee is entitled to a seat under subdivision 14(A) if his or her actual tasks at a discrete location make seated work feasible, while working there. *Id.* However, if other job duties take the employee to a different location where he or she must perform tasks requiring standing, the employee would be entitled to a seat under subdivision 14(B) during “lulls in operation.” *Id.*

NORTH STATE's California stores are generally similar in their layout and design and there was, and continues to be, space near their work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Ms. Johanson and other aggrieved employees during lulls in operation. NORTH STATE could have provided Ms. Johanson and other aggrieved employees with a seat or stool in its work areas, but instead denied, and continues to deny, employees seating, forcing them to stand throughout the day.

NORTH STATE did not provide Ms. Johanson and other aggrieved employees with seats or stools in reasonable proximity to their work areas to allow them to use seats when it would not interfere with the performance of their duties for times when they were not engaged in active duties that require standing. In other words, to the extent Ms. Johanson and other aggrieved employees engaged in duties in which the nature of the work required standing, NORTH STATE denied them the use of seats nearby during lulls in their work duties. Moreover, NORTH STATE did not inform Ms. Johanson and other aggrieved employees of their rights to a seat or stool under California law.

As a result of NORTH STATE's company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, Ms. Johanson and other aggrieved employees were forced to stand during shifts and denied seats. NORTH STATE's failure to provide suitable seating to Ms. Johanson and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 7-2001, subdivision 14(B).

Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code section 1198, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 7-2001, provides that: "[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer."

During the relevant time period, NORTH STATE, on a company-wide basis, required Ms. Johanson and other aggrieved employees to wear uniforms bearing the Holiday Market company logo, including polo shirts. However, NORTH STATE did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. For example, NORTH STATE only provided Ms. Johanson with two (2) shirts at the time of hire. Because NORTH STATE failed to provide Ms. Johanson and other aggrieved employees with an adequate number of uniform items in relation to their scheduled shifts, Ms. Johanson and other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. Thus, NORTH STATE failed to maintain uniforms it required Ms. Johanson and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

NORTH STATE could have provided Ms. Johanson and other aggrieved employees with access to laundering services, or, NORTH STATE could have reimbursed employees for the cost of their laundering expenses or provided a uniform maintenance allowance. Instead, NORTH STATE passed these operating costs onto Ms. Johanson and other aggrieved employees.

Thus, NORTH STATE had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Ms. Johanson and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring NORTH STATE into compliance with the applicable IWC Wage Order and Labor Code section 2802, pursuant to Labor Code sections 2699(a), (f), and (k).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid . . . (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid . . ." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." NORTH STATE, at all relevant times, was an employer or person acting on behalf of an employer(s)

who violated Ms. Johanson's and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Ms. Johanson seeks the remedies set forth in Labor Code section 558 for herself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699(k), 2699.3(a) and 2699.3(c), 2699.5, and 558, Ms. Johanson acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for herself, all other aggrieved employees, and the State of California against NORTH STATE for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Ms. Johanson seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Mao Shiokura
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

A handwritten signature in black ink, appearing to read 'Mao Shiokura', with a stylized flourish at the end.

Mao Shiokura

Copy: NORTH STATE GROCERY, INC. (via U.S. Certified Mail)

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 0885

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20803 FRONT STREET
COTTONWOOD, CA 96022

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JANUARY 11, 2020
NORTH STATE

NORTH STATE GROCERY, INC.
20803 FRONT STREET
COTTONWOOD, CA 96022

PS Form 3811, April 2017 PSN 7530-02-000-9053

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9590 9402 8803 4005 5745 07

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PS Form 3811, July 2020 PSN 7530-02-000-9053

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D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
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Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

NORTH STATE GROCERY, INC.
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9590 9402 8803 4005 5745 07

2. Article Number (Transfer from service label)

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COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Kathy Brown

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Kathy Brown

C. Date of Delivery

12-6-24

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Service Type

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PS Form 3811, July 2020 PSN 7530-02-000-9053

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PROOF OF SERVICE

I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party to the within suit; my business address is 1875 Century Park East, Suite 1000 Los Angeles, California 90067.

On **July 14, 2025**, I served the document described as:
FIRST AMENDED CLASS ACTION COMPLAINT & ENFORCEMENT ACTION UNDER THE PRIVATE ATTORNEYS GENERAL ACT, CALIFORNIA LABOR CODE §§ 2698, ET SEQ. on the interested parties in this action by sending a true copy thereof to interested parties as follows:

Nathan W. Austin
Nathan.austin@jacksonlewis.com
Raja A. Hafed
Raja.hafed@jacksonlewis.com
JACKSON LEWIS P.C.
400 Capitol Mall, Suite 1600
Sacramento, CA 95814
Telephone: 916-341-0404

Attorneys for Defendant:
NORTH STATE GROCERY, INC. a
California corporation

- ☐ **BY MAIL (ENCLOSED IN A SEALED ENVELOPE):** I deposited the envelope(s) for mailing in the ordinary course of business at Los Angeles, California. I am "readily familiar" with this firm's practice of collection and processing correspondence for mailing. Under that practice, sealed envelopes are deposited with the U.S. Postal Service that same day in the ordinary course of business with postage thereon fully prepaid at Los Angeles, California.
- ☒ **BY ELECTRONIC SERVICE:** Pursuant to the Court's Order Authorizing Electronic Service, the above named document(s) has been electronically served on counsel of record by transmission through the Case Anywhere system on the date below. The transmission of these documents to the Case Anywhere system was reported as complete and a copy of the Case Anywhere Transaction Receipt will be maintained along with the original document(s) and proof of service in our office.
- ☐ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in this action.
- ☐ **BY FAX:** I hereby certify that this document was served from Los Angeles, California, by facsimile delivery on the parties listed herein at their most recent fax number of record in this action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on **July 14, 2025**, at Los Angeles, California.

Riley McIntire
Type/Print Name


Signature