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14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

15 **IN AND FOR THE COUNTY OF SANTA CLARA**

16 KERRI VAN ARSDALE, on behalf of the State
17 of California, as a private attorney general,

18 Plaintiff,

19 vs.

20 NEW LEAF COMMUNITY MARKETS, INC., a
21 Corporation; GOOD FOOD HOLDINGS, LLC, a
22 Limited Liability Company; and DOES 1 through
23 50, inclusive,

24 Defendants.

E-FILED

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Clerk of Court

Superior Court of CA,

County of Santa Clara

24CV448392

Reviewed By: B. Roman-Antunez

24CV448392

Case No. _____

REPRESENTATIVE ACTION
COMPLAINT FOR:

1. Civil Penalties Pursuant to Labor Code
§ 2699, *et seq.* for violations of Labor
Code §§ 201, 202, 203, 204, 210, 218,
221, 226(a), 226.7, 227.3, 246, 510, 512,
558(a)(1)(2), 1194, 1197, 1197.1, 1198,
2100, 2802, California Code of
Regulations, Title 8, Section 11040,
Subdivision 5(A)-(B), California Code of
Regulations, Title 8, Section 11070(14)
(Failure to Provide Seating), and the
applicable Wage Order(s).

1 Plaintiff Kerri Van Arsdale (“PLAINTIFF”), on behalf of the people of the State of
2 California and as an “aggrieved employee” acting as a private attorney general under the Labor
3 Code Private Attorney General Act of 2004, § 2699, *et seq.* (“PAGA”) only, alleges on
4 information and belief, except for her own acts and knowledge which are based on personal
5 knowledge, the following:

6 **INTRODUCTION**

7 1. PLAINTIFF brings this action against defendants New Leaf Community Markets,
8 Inc. and Good Food Holdings, LLC (referred to as “DEFENDANT”) seeking only to recover
9 PAGA civil penalties on behalf of all current and former aggrieved employees that worked for
10 DEFENDANT. PLAINTIFF does **not seek to recover anything other than penalties as**
11 **permitted by California Labor Code § 2699.** To the extent that statutory violations are
12 mentioned for wage violations, PLAINTIFF does not seek underlying general and/or special
13 damages for those violations, but simply the civil penalties permitted by California Labor Code
14 § 2699.

15 2. California has enacted the PAGA which permits PLAINTIFF to bring an action
16 on behalf of herself and on behalf of others for PAGA penalties *only*, which is the precise and
17 sole nature of this action.

18 3. Accordingly, PLAINTIFF seeks to obtain all applicable relief for
19 DEFENDANT’s violations under PAGA and solely for the relief as permitted by PAGA – that
20 is, penalties and any other relief the Court deems proper pursuant to the PAGA. Nothing in this
21 complaint should be construed as attempting to obtain any relief that would not be available in
22 a PAGA-only action.

23 4. PLAINTIFF is not suing in her individual capacity; she is proceeding
24 herein solely under the PAGA, on behalf of the State of California for all aggrieved employees,
25 including herself and other aggrieved employees. Nothing in this complaint should be
26 construed as PLAINTIFF suing in her individual capacity.

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28 ///

THE PARTIES

5. New Leaf Community Markets, Inc. is a corporation that at all relevant times mentioned herein conducted and continues to conduct substantial business in California.

6. Good Food Holdings, LLC is a limited liability company that at all relevant times mentioned herein conducted and continues to conduct substantial business in California.

7. The entities named in paragraphs 1-2 above (and any DOE entities later named) are the joint employers of PLAINTIFF as evidenced by paycheck, standardized company employment handbooks, by standardized policies and procedures, by the company PLAINTIFF performs work for respectively and are therefore jointly responsible as employers for the conduct alleged herein, and are therefore collectively referred to herein as ("DEFENDANT").

8. DEFENDANT owns and operates grocery stores in California.

9. PLAINTIFF has been employed by DEFENDANT in California since December of 2023 as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked.

10. PLAINTIFF, and such persons that may be added from time to time who satisfy the requirements and exhaust the administrative procedures under the Private Attorney General Act, brings this Representative Action on behalf of the State of California with respect to herself and all individuals who are or previously were employed by New Leaf Community Markets, Inc. and/or Good Food Holdings, LLC in California, including any employees staffed with New Leaf Community Markets, Inc. and/or Good Food Holdings, LLC by a third party, and classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the time period of July 9, 2023 until a date as determined by the Court (the "PAGA PERIOD").

11. PLAINTIFF, on behalf of herself and all AGGRIEVED EMPLOYEES presently or formerly employed by DEFENDANT during the PAGA PERIOD, brings this representative action pursuant to Labor Code § 2699, *et seq.* seeking fixed civil penalties for DEFENDANT's violation of California Labor Code §§ 201, 202, 203, 204, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100, 2802,

1 California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California
2 Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), and the
3 applicable Wage Order(s). Based upon the foregoing, PLAINTIFF and all AGGRIEVED
4 EMPLOYEES are aggrieved employees within the meaning of Labor Code § 2699, *et seq.*

5 12. The true names and capacities, whether individual, corporate, subsidiary,
6 partnership, associate or otherwise of defendants DOES 1 through 50, inclusive, are
7 presently unknown to PLAINTIFF who therefore sues these Defendants by such fictitious
8 names pursuant to Cal. Civ. Proc. Code § 474. PLAINTIFF will seek leave to amend this
9 Complaint to allege the true names and capacities of Does 1 through 50, inclusive, when
10 they are ascertained. PLAINTIFF is informed and believes, and based upon that information
11 and belief alleges, that the Defendants named in this Complaint, including DOES 1 through
12 50, inclusive, are responsible in some manner for one or more of the events and happenings
13 that proximately caused the injuries and damages hereinafter alleged.

14 13. The agents, servants and/or employees of the Defendants and each of them
15 acting on behalf of the Defendants acted within the course and scope of his, her or its
16 authority as the agent, servant and/or employee of the Defendants, and personally
17 participated in the conduct alleged herein on behalf of the Defendants with respect to the
18 conduct alleged herein. Consequently, the acts of each Defendant are legally attributable to
19 the other Defendants and all Defendants are jointly and severally liable to PLAINTIFF and
20 all the AGGRIEVED EMPLOYEES, for the loss sustained as a proximate result of the
21 conduct of the Defendants' agents, servants and/or employees.

22 23 **THE CONDUCT**

24 14. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT
25 was required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all their time
26 worked, meaning the time during which an employee is subject to the control of an
27 employer, including all the time the employee is suffered or permitted to work.
28 DEFENDANT requires PLAINTIFF and the AGGRIEVED EMPLOYEES to work without

1 paying them for all the time they are under DEFENDANT's control. Among other things,
2 DEFENDANT requires PLAINTIFF to work while clocked out during what is supposed to
3 be PLAINTIFF's off-duty meal break. PLAINTIFF was from time to time interrupted by
4 work assignments while clocked out for what should have been PLAINTIFF's off-duty meal
5 break. DEFENDANT, as a matter of established company policy and procedure,
6 administers a uniform practice of rounding the actual time worked and recorded by
7 PLAINTIFF and the AGGRIEVED EMPLOYEES, always to the benefit of DEFENDANT,
8 so that during the course of their employment, PLAINTIFF and the AGGRIEVED
9 EMPLOYEES are paid less than they would have been paid had they been paid for actual
10 recorded time rather than "rounded" time. Additionally, DEFENDANT engages in the
11 practice of requiring PLAINTIFF and the AGGRIEVED EMPLOYEES to perform work off
12 the clock in that DEFENDANT, as a condition of employment, required these employees to
13 submit to mandatory temperature checks and symptom questionnaires for COVID-19
14 screening prior to clocking into DEFENDANT's timekeeping system for the workday. As a
15 result, PLAINTIFF and the AGGRIEVED EMPLOYEES forfeit minimum wage, overtime
16 wage compensation, and off-duty meal breaks by working without their time being correctly
17 recorded and without compensation at the applicable rates. DEFENDANT's policy and
18 practice not to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all time worked, is
19 evidenced by DEFENDANT's business records.

20 15. State law provides that employees must be paid overtime and meal and rest
21 break premiums at one-and-one-half times their "regular rate of pay." PLAINTIFF and the
22 AGGRIEVED EMPLOYEES are compensated at an hourly rate plus incentive pay that is
23 tied to specific elements of an employee's performance.

24 16. The second component of PLAINTIFF's and the AGGRIEVED
25 EMPLOYEES' compensation is DEFENDANT's non-discretionary incentive program that
26 paid PLAINTIFF and the AGGRIEVED EMPLOYEES incentive wages based on their
27 performance for DEFENDANT. The non-discretionary incentive program provided all
28 employees paid on an hourly basis with incentive compensation when the employees met the

1 various performance goals set by DEFENDANT. However, when calculating the regular
2 rate of pay in order to pay overtime and meal and rest break premiums to PLAINTIFF and
3 the AGGRIEVED EMPLOYEES, DEFENDANT failed to include the incentive
4 compensation as part of the employees' "regular rate of pay" for purposes of calculating
5 overtime pay and meal and rest break premium pay. Management and supervisors described
6 the incentive program to potential and new employees as part of the compensation package.
7 As a matter of law, the incentive compensation received by PLAINTIFF and the
8 AGGRIEVED EMPLOYEES must be included in the "regular rate of pay." The failure to
9 do so has resulted in a underpayment of overtime compensation and meal and rest break
10 premiums to PLAINTIFF and the AGGRIEVED EMPLOYEES by DEFENDANT.

11 17. As a result of their rigorous work schedules, PLAINTIFF and the
12 AGGRIEVED EMPLOYEES were from time to time unable to take thirty (30) minute off
13 duty meal breaks and were not fully relieved of duty for their meal periods. PLAINTIFF
14 and the AGGRIEVED EMPLOYEES were required from time to time to perform work as
15 ordered by DEFENDANT for more than five (5) hours during some shifts without receiving
16 a meal break. Further, DEFENDANT from time to time failed to provide PLAINTIFF and
17 AGGRIEVED EMPLOYEES with a second off-duty meal period for some workdays in
18 which these employees were required by DEFENDANT to work ten (10) hours of work.
19 DEFENDANT also engaged in the practice of rounding the meal period times to avoid
20 paying penalties to PLAINTIFF and the AGGRIEVED EMPLOYEES. PLAINTIFF and the
21 AGGRIEVED EMPLOYEES therefore forfeit meal breaks without additional compensation
22 and in accordance with DEFENDANT's corporate policy and practice.

23 18. During the PAGA PERIOD, PLAINTIFF and the AGGRIEVED
24 EMPLOYEES were also required from time to time to work in excess of four (4) hours
25 without being provided ten (10) minute rest periods. Further, these employees were denied
26 their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2)
27 to four (4) hours from time to time, a first and second rest period of at least ten (10) minutes
28 for some shifts worked of between six (6) and eight (8) hours from time to time, and a first,

1 second and third rest period of at least ten (10) minutes for some shifts worked of ten (10)
2 hours or more from time to time. PLAINTIFF and the AGGRIEVED EMPLOYEES were
3 also not provided with one hour wages in lieu thereof. Additionally, the applicable
4 California Wage Order requires employers to provide employees with off-duty rest periods,
5 which the California Supreme Court defined as time during which an employee is relieved
6 from all work related duties and free from employer control. In so doing, the Court held that
7 the requirement under California law that employers authorize and permit all employees to
8 take rest period means that employers must relieve employees of all duties and relinquish
9 control over how employees spend their time which includes control over the locations
10 where employees may take their rest period. Employers cannot impose controls that prohibit
11 an employee from taking a brief walk - five minutes out, five minutes back. Here,
12 DEFENDANT's policy restricted PLAINTIFF and the AGGRIEVED EMPLOYEES from
13 unconstrained walks and is unlawful based on DEFENDANT's rule which states
14 PLAINTIFF and the AGGRIEVED EMPLOYEES cannot leave the work premises during
15 their rest period.

16 19. During the PAGA PERIOD, DEFENDANT failed to accurately record and
17 pay PLAINTIFF and the AGGRIEVED EMPLOYEES for the actual amount of time these
18 employees worked. Pursuant to the Industrial Welfare Commission Wage Orders,
19 DEFENDANT was required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for
20 all time worked, meaning the time during which an employee was subject to the control of
21 an employer, including all the time the employee was permitted or suffered to permit this
22 work. DEFENDANT required these employees to work off the clock without paying them
23 for all the time they were under DEFENDANT's control. As such, DEFENDANT knew or
24 should have known that PLAINTIFF and the AGGRIEVED EMPLOYEES were under
25 compensated for all time worked. As a result, PLAINTIFF and the AGGRIEVED
26 EMPLOYEES forfeited time worked by working without their time being accurately
27 recorded and without compensation at the applicable minimum wage and overtime wage
28 rates. To the extent that the time worked off the clock does not qualify for overtime

1 premium payment, DEFENDANT failed to pay minimum wages for the time worked off-
2 the-clock in violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1.

3 20. From time to time, DEFENDANT also failed to provide PLAINTIFF and the
4 AGGRIEVED EMPLOYEES with complete and accurate wage statements which failed to
5 show, among other things, the correct gross and net wages earned. Cal. Lab. Code § 226
6 provides that every employer shall furnish each of his or her employees with an accurate
7 itemized wage statement in writing showing, among other things, gross wages earned and all
8 applicable hourly rates in effect during the pay period and the corresponding amount of time
9 worked at each hourly rate. PLAINTIFF and the AGGRIEVED EMPLOYEES were paid on
10 an hourly basis. As such, the wage statements should reflect all applicable hourly rates
11 during the pay period and the total hours worked, and the applicable pay period in which the
12 wages were earned pursuant to California Labor Code Section 226(a). The wage statements
13 DEFENDANT provided to PLAINTIFF and the AGGRIEVED EMPLOYEES failed to
14 identify such information. More specifically, the wage statements failed to identify the
15 accurate total hours worked each pay period. When the hours shown on the wage statements
16 were added up, they did not equal the actual total hours worked during the pay period in
17 violation of Cal. Lab. Code 226(a)(2). Aside, from the violations listed above in this
18 paragraph, DEFENDANT failed to issue to PLAINTIFF an itemized wage statement that
19 lists all the requirements under California Labor Code 226. As a result, DEFENDANT from
20 time to time provided PLAINTIFF and the AGGRIEVED EMPLOYEES with wage
21 statements which violated Cal. Lab. Code § 226.

22 21. Cal. Lab. Code § 204(d) provides, the requirements of this section shall be
23 deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if
24 the wages are paid not more than seven (7) calendar days following the close of the payroll
25 period. Cal. Lab. Code § 210 provides:

26 in [I]n addition to, and entirely independent and apart from, any other penalty provided
27 this article, every person who fails to pay the wages of each employee as provided in
28 Sections. . . 204. . . shall be subject to a civil penalty as follows: (1) For any initial
violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For
each subsequent violation, or any willful or intentional violation, two hundred dollars

1 (\$200) for each failure to pay each employee, plus 25 percent of the amount
2 unlawfully withheld.

3 22. DEFENDANT from time to time failed to pay PLAINTIFF and the
4 AGGRIEVED EMPLOYEES within seven (7) days of the close of the payroll period in
5 accordance with Cal. Lab. Code § 204(d), including but not limited to the “Hourly” regular
6 wage payments.

7 23. DEFENDANT underpaid sick pay wages to PLAINTIFF and the
8 AGGRIEVED EMPLOYEES by failing to pay such wages at the regular rate of pay in
9 violation of Cal. Lab. Code Section 246. Specifically, PLAINTIFF and other non-exempt
10 employees earn non-discretionary remuneration, including, but not limited to, incentives,
11 shift differential pay, and bonuses. Rather than pay sick pay at the regular rate of pay,
12 DEFENDANT underpays sick pay to PLAINTIFF and the AGGRIEVED EMPLOYEES at
13 their base rates of pay.

14 24. Cal. Lab. Code Section 246(l)(2) requires that paid sick time for nonexempt
15 employees be calculated by dividing the employee’s total wages, not including overtime
16 premium pay, by the employee’s total hours worked in the full pay periods of the prior 90
17 days of employment.

18 25. DEFENDANT violated Cal. Lab. Code Section 246 by failing to pay sick pay
19 at the regular rate of pay. PLAINTIFF and the AGGRIEVED EMPLOYEES routinely
20 earned non-discretionary incentive wages which increased their regular rate of pay.
21 However, when sick pay was paid, it was paid at the base rate of pay for PLAINTIFF and
22 the AGGRIEVED EMPLOYEES, as opposed to the correct, higher regular rate of pay, as
23 required under Cal. Lab. Code Section 246.

24 26. As a pattern and practice, DEFENDANT regularly failed to pay PLAINTIFF
25 and the AGGRIEVED EMPLOYEES their correct wages and accordingly owe waiting time
26 penalties pursuant to Cal. Lab. Code Section 203. Further, PLAINTIFF is informed and
27 believes and based thereon alleges that such failure to pay sick pay at regular rate was
28

1 willful, such that the AGGRIEVED EMPLOYEES whose employment has separated are
2 entitled to waiting time penalties pursuant to Cal. Lab. Code Sections 201-203.

3 27. Pursuant to Cal. Lab. Code Section 221, "It shall be unlawful for any employer
4 to collect or receive from an employee any part of wages theretofore paid by said employer
5 to said employee." DEFENDANT failed to pay all compensation due to PLAINTIFF and
6 the AGGRIEVED EMPLOYEES, made unlawful deductions from compensation payable to
7 PLAINTIFF and the AGGRIEVED EMPLOYEES, failed to disclose all aspects of the
8 deductions from compensation payable to PLAINTIFF and the AGGRIEVED
9 EMPLOYEES, and thereby failed to pay these employees all wages due at each applicable
10 pay period and upon termination.

11 28. DEFENDANT intentionally and knowingly failed to reimburse and indemnify
12 PLAINTIFF and the AGGRIEVED EMPLOYEES for required business expenses incurred
13 by the PLAINTIFF and the AGGRIEVED EMPLOYEES in direct consequence of
14 discharging their duties on behalf of DEFENDANT. Under California Labor Code Section
15 2802, employers are required to indemnify employees for all expenses incurred in the course
16 and scope of their employment. Cal. Lab. Code § 2802 expressly states that "an employer
17 shall indemnify his or her employee for all necessary expenditures or losses incurred by the
18 employee in direct consequence of the discharge of his or her duties, or of his or her
19 obedience to the directions of the employer, even though unlawful, unless the employee, at
20 the time of obeying the directions, believed them to be unlawful."

21 29. In the course of their employment PLAINTIFF and the AGGRIEVED
22 EMPLOYEES as a business expense, were required by DEFENDANT to use their own
23 personal cellular phones and home offices as a result of and in furtherance of their job duties
24 as employees for DEFENDANT but are not reimbursed or indemnified by DEFENDANT
25 for the cost associated with the use of their personal cellular phones and home offices for
26 DEFENDANT's benefit. Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES
27 were required by DEFENDANT to use their personal cellular phones and home offices. As
28 a result, in the course of their employment with DEFENDANT, PLAINTIFF and the

1 AGGRIEVED EMPLOYEES incurred unreimbursed business expenses which included, but
2 were not limited to, costs related to the use of their personal cellular phones and home
3 offices all on behalf of and for the benefit of DEFENDANT.

4 30. In violation of the applicable sections of the California Labor Code and the
5 requirements of the applicable Industrial Welfare Commission ("IWC") Wage Order,
6 DEFENDANT as a matter of company policy, practice and procedure, intentionally,
7 knowingly and systematically failed to provide PLAINTIFF and the other AGGRIEVED
8 EMPLOYEES suitable seating when the nature of these employees' work reasonably
9 permitted sitting.

10 31. DEFENDANT knew or should have known that PLAINTIFF and other
11 AGGRIEVED EMPLOYEES were entitled to suitable seating and/or were entitled to sit
12 when it did not interfere with the performance of their duties, and that DEFENDANT did
13 not provide suitable seating and/or did not allow them to sit when it did not interfere with
14 the performance of their duties.

15 32. By reason of this conduct applicable to PLAINTIFF and all AGGRIEVED
16 EMPLOYEES, DEFENDANT violated California Labor Code Section 1198 and Wage
17 Order 4-2001, Section 14 by failing to provide suitable seats. PLAINTIFF seeks penalties
18 on behalf of PLAINTIFF and other AGGRIEVED EMPLOYEES as provided herein.
19 Providing suitable seating is the DEFENDANT's burden. As a result of DEFENDANT's
20 intentional disregard of the obligation to meet this burden, DEFENDANT violated the
21 California Labor Code and regulations promulgated thereunder as herein alleged.

22 33. The employment of some AGGRIEVED EMPLOYEES has terminated and
23 DEFENDANT has not tendered payment of all wages owed as required by law.
24 Additionally, at all times during the term of PLAINTIFF's employment with DEFENDANT,
25 AGGRIEVED EMPLOYEES earned and accrued vested vacation and holiday time on the
26 date of their termination pursuant to DEFENDANT's uniform vacation policies and
27 applicable California law. The amount of vacation pay PLAINTIFF and the other
28 AGGRIEVED EMPLOYEES earned and accumulated is evidenced by DEFENDANT's

1 business records. Additionally, DEFENDANT also underpaid accrued vested vacation
2 wages to AGGRIEVED EMPLOYEES by failing to pay such wages at the regular rate of
3 pay and more specifically the final rate of pay that included all non-discretionary incentive
4 compensation. Rather than pay vacation wages at the regular rate of pay, DEFENDANT
5 underpaid vacation wages to AGGRIEVED EMPLOYEES at their base rates of pay, instead
6 of including all of the AGGRIEVED EMPLOYEES' non-discretionary incentive
7 compensation into the vacation wage payment calculations. DEFENDANT failed to specify
8 in DEFENDANT's written vacation policy the rate at which PLAINTIFF and other
9 AGGRIEVED EMPLOYEES would be paid vacation upon leaving employment with
10 DEFENDANT. As a result of DEFENDANT's unlawful practice, policy and procedure to
11 deny paying the AGGRIEVED EMPLOYEES all of their vested vacation and holiday time,
12 DEFENDANT failed to pay the AGGRIEVED EMPLOYEES all vested vacation time as
13 wages due upon employment termination, in violation of the California Labor Code,
14 Sections 201, 202, 203 and 227.3. Similarly, DEFENDANT underpaid waiting time
15 penalties to AGGRIEVED EMPLOYEES at their base rates of pay, instead of including all
16 of the AGGRIEVED EMPLOYEES' non-discretionary compensation into the waiting time
17 penalty calculations. This failure by DEFENDANT is believed to be the result of
18 DEFENDANT's unlawful, unfair and deceptive refusal to provide compensation for earned,
19 accrued and vested vacation and holiday time, as well as the corresponding waiting time
20 penalties that were paid. DEFENDANT perpetrated this unlawful, unfair and deceptive
21 practice to the detriment of AGGRIEVED EMPLOYEES. DEFENDANT's uniform
22 practice and policy of failing to pay AGGRIEVED EMPLOYEES for all vested vacation
23 and holiday time accumulated at employment termination violated and continues to violate
24 Section 227.3 of the California Labor Code.

JURISDICTION AND VENUE

26 34. This Court has jurisdiction over this Action pursuant to California Code of
27 Civil Procedure, Section 410.10.
28

1 35. Venue is proper in this Court pursuant to California Code of Civil Procedure,
2 Sections 395.5 and 393, because DEFENDANT operates in locations across California,
3 employs AGGRIEVED EMPLOYEES across California, including in this County, and
4 committed the wrongful conduct herein alleged in this County against AGGRIEVED
5 EMPLOYEES.

6 **FIRST CAUSE OF ACTION**

7 **For Violation of the Private Attorneys General Act**

8 **[Cal. Lab. Code §§ 2698]**

9 **(By PLAINTIFF and Against All Defendants)**

10 36. PLAINTIFF realleges and incorporates by this reference, as though fully set
11 forth herein, the prior paragraphs of this Complaint.

12 37. PAGA is a mechanism by which the State of California itself can enforce state
13 labor laws through the employee suing under the PAGA who do so as the proxy or agent of
14 the state's labor law enforcement agencies. An action to recover civil penalties under
15 PAGA is fundamentally a law enforcement action designed to protect the public and not to
16 benefit private parties. The purpose of the PAGA is not to recover damages or restitution,
17 but to create a means of "deputizing" citizens as private attorneys general to enforce the
18 Labor Code. In enacting PAGA, the California Legislature specified that "it was ... in the
19 public interest to allow aggrieved employees, acting as private attorneys general to recover
20 civil penalties for Labor Code violations ..." Stats. 2003, ch. 906, § 1. Accordingly, PAGA
21 claims cannot be subject to arbitration.

22 38. PLAINTIFF, and such persons that may be added from time to time who
23 satisfy the requirements and exhaust the administrative procedures under the Private
24 Attorney General Act, brings this Representative Action on behalf of the State of California
25 with respect to herself and all individuals who are or previously were employed by New
26 Leaf Community Markets, Inc. and/or Good Food Holdings, LLC in California, including
27 any employees staffed with New Leaf Community Markets, Inc. and/or Good Food
28 Holdings, LLC by a third party, and classified as non-exempt employees ("AGGRIEVED

1 EMPLOYEES”) during the time period of July 9, 2023 until a date as determined by the
2 Court (the "PAGA PERIOD").

3 39. On July 9, 2024, PLAINTIFF gave written notice by electronic mail to the
4 Labor and Workforce Development Agency (the "Agency") and by certified mail to the
5 employer of the specific provisions of this code alleged to have been violated as required by
6 Labor Code § 2699.3. See Exhibit #1, attached hereto and incorporated by this reference
7 herein (*PAGA Notice only without draft complaint*). The statutory waiting period for
8 PLAINTIFF to add these allegations to the Complaint has expired. As a result, pursuant to
9 Section 2699.3, PLAINTIFF may now commence a representative civil action under PAGA
10 pursuant to Section 2699 as the proxy of the State of California with respect to all
11 AGGRIEVED EMPLOYEES as herein defined.

12 40. The policies, acts and practices heretofore described were and are an unlawful
13 business act or practice because DEFENDANT (a) failed to provide PLAINTIFF and the
14 AGGRIEVED EMPLOYEES accurate itemized wage statements, (b) failed to properly
15 record and provide legally required meal and rest periods, (c) failed to pay minimum wages,
16 (d) failed to pay overtime wages and sick pay wages, (e) failed to reimburse employees for
17 required expenses, (f) failed to provide wages when due, and (g) failed to provide suitable
18 seating, all in violation of the applicable Labor Code sections listed in Labor Code §§ 201,
19 202, 203, 204, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197,
20 1197.1, 1198, 2100, 2802, California Code of Regulations, Title 8, Section 11040,
21 Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 11070(14) (Failure
22 to Provide Seating), and the applicable Wage Order(s), and thereby gives rise to civil
23 penalties as a result of such conduct.¹ PLAINTIFF hereby seeks recovery of only civil
24 penalties as prescribed by the Labor Code Private Attorney General Act of 2004 as the
25 representative of the State of California for the illegal conduct perpetrated on PLAINTIFF
26

27 ¹Plaintiff specifically excludes and/or does not allege any claims under California Labor
28 Code §558(a)(3).

1 and the AGGRIEVED EMPLOYEES.

2 **PRAYER FOR RELIEF**

3 WHEREFORE, PLAINTIFF prays for judgment against each Defendant, jointly and
4 severally, as follows:

5 1. On behalf of the State of California and with respect to all AGGRIEVED
6 EMPLOYEES:

7 A) Recovery of civil penalties as prescribed by the Labor Code Private
8 Attorneys General Act of 2004; and,

9 B) An award of attorneys' fees and cost of suit, as allowable under the
10 law, including, but not limited to, pursuant to Labor Code §2699.

11 Dated: September 30, 2024 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW
12 LLP

13
14 By: /s/ Nicholas De Blouw
15 Norman B. Blumenthal
16 Kyle R. Nordrehaug
17 Nicholas J. De Blouw
18 *Attorneys for Plaintiff*
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EXHIBIT 1

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

2255 CALLE CLARA
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WRITERS E-MAIL:
Nick@bamlawca.com

WRITERS EXT:
1004

July 9, 2024
CA3358

VIA ONLINE FILING TO LWDA AND CERTIFIED MAIL TO DEFENDANT

Labor and Workforce Development Agency
Online Filing

New Leaf Community Markets, Inc.
Certified Mail #9589071052701151772690
CSC - LAWYERS INCORPORATING
SERVICE
BECKY DEGEORGE
2710 GATEWAY OAKS DRIVE, Suite
150N
SACRAMENTO, CA 95833

Re: Notice Of Violations Of California Labor Code Sections §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100 *et seq.*, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 11070(14) (Failure to Provide Seating), and Violation of Applicable Industrial Welfare Commission Wage Order(s), brought Pursuant To California Labor Code Section 2699.5.

Dear Sir/Madam:

“Aggrieved Employees” refers to all individuals who are or previously were employed by New Leaf Community Markets, Inc. and/or Good Food Holdings, LLC in California, including any employees staffed with New Leaf Community Markets, Inc. and/or Good Food Holdings, LLC by a third party, and classified as non-exempt employees during the time period of July 9, 2023 until a date as determined by the Court. Our offices represent Kerri Arsdale (“Plaintiff”) and other Aggrieved Employees in a lawsuit against New Leaf Community Markets, Inc. and/or Good Food Holdings, LLC (“Defendant”). Plaintiff has been employed by Defendant in California since December of 2023. Plaintiff has been at all times classified by Defendant as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked. Defendant, however, unlawfully failed to record and pay Plaintiff and other Aggrieved Employees for, including but not limited to, all of their time worked, including minimum and overtime wages and sick pay wages at the correct rate, for all of their missed meal and rest breaks at the correct regular rates, and for all of their time spent working off the clock. Moreover, when Defendant required Plaintiff and Aggrieved Employees to report for work, but “furnished less than half said employee’s usual or scheduled day’s work,” Defendant violated Cal. Code Regs., tit. 8 § 11040, subd. 5(A) by failing to pay Plaintiff and Aggrieved Employees for at least two (2) hours’ worth of work at their regular rate of pay. In addition, when Defendant

required Plaintiff and Aggrieved Employees to respond to and engage in additional work, this resulted in a second reporting for work in a single workday, and Defendant failed to pay these employees reporting time pay as required by Cal. Code Regs., tit. 8, § 11040, subd. 5(B). Further, Defendant failed to advise Plaintiff and the other Aggrieved Employees of their right to take separately and hourly paid duty-free ten (10) minute rest periods. *See Vaquero v. Stoneledge Furniture, LLC*, 9 Cal. App. 5th 98, 110 (2017). Additionally, pursuant to Labor Code § 204 *et seq.*, Defendant failed to timely provide Plaintiff and other Aggrieved Employees with their wages. Plaintiff further contends that Defendant failed to provide accurate wage statements to Plaintiff, and other Aggrieved Employees, in violation of California Labor Code section 226(a). Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES were paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements Defendant provided to PLAINTIFF and the AGGRIEVED EMPLOYEES failed to identify such information. More specifically, the wage statements failed to identify the accurate total hours worked each pay period in violation of Cal. Lab. Code Section 226(a)(2). Additionally, Plaintiff contends that Defendant failed to comply with Industrial Wage Order 7(A)(3) in that Defendant failed to keep time records showing when Plaintiffs began and ended each shift and meal period. Plaintiffs and other Aggrieved Employees perform tasks that reasonably permit sitting, and a seat would not interfere with their performance of any of their tasks that may require them to stand. Defendant failed to provide Plaintiff and other Aggrieved Employees with suitable seats. Said conduct, in addition to the foregoing, as well as the conduct alleged in the incorporated Complaint, violates Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code section 2699.3.

A true and correct copy of the Complaint by Plaintiff against Defendant, which (i) identifies the alleged violations, (ii) details the facts and theories which support the alleged violations, (iii) details the specific work performed by Plaintiff, (iii) sets forth the people/entities, dates, classifications, violations, events, and actions which are at issue to the extent known to Plaintiff, and (iv) sets forth the illegal practices used by Defendant, is attached hereto. This information provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. Plaintiff therefore incorporates the allegations of the attached Complaint into this letter as if fully set forth herein. If the agency needs any further information, please do not hesitate to ask. This notice is provided to enable Plaintiff to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.* The lawsuit consists of other Aggrieved Employees. As counsel, our intention is to vigorously prosecute the claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statue of 2004 on behalf of Plaintiff and all Aggrieved Employees.

Your earliest response to this notice is appreciated. If you have any questions of concerns, please do not hesitate to contact me at the above number and address.

Respectfully,

/s/ Nicholas J. De Blouw
Nicholas J. De Blouw, Esq.

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2710 GATEWAY OAKS DRIVE, Suite
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/s/ Nicholas J. De Blouw
Nicholas J. De Blouw, Esq.