FIRST AMENDED CLASS ACTION COMPLAINT

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FIRST AMENDED CLASS ACTION COMPLAINT

 COME NOW plaintiffs HOLLY McCARTHY ("McCarthy"), LETICIA RODARTE ("Rodarte"), and RACHEL MENDOZA ("Mendoza") (collectively referred to as "Plaintiffs"), who submit this Class and Representative Action Complaint against Defendant, THE VONS COMPANIES, INC. ("Vons") and DOES 1 through 50 (collectively, "Defendants").

GENERAL ALLEGATIONS

INTRODUCTION

- 1. This is a Class Action, pursuant to California <u>Code of Civil Procedure</u> §382, on behalf of Plaintiffs and all other current and former similarly situated employees employed by or formerly employed by Defendants within the State of California.
- 2. For at least four (4) years prior to the filing of this action and through to the present, Defendants have had a pattern and practice of failing to pay wages, including overtime wages, on multiple occasions to Plaintiffs and other non-exempt employees in the State of California, such that in the aggregate employees are underpaid wages as a result of Defendants' pattern and practice of unevenly rounding time worked by its employees.
- 3. For at least four (4) years prior to the filing of this action and continuing to the present, Defendants have jointly and severally acted intentionally and with deliberate indifference and conscious disregard to the rights of non-exempt employees in the State of California by routinely failing to pay sick pay at the regular rate of pay. Specifically, Plaintiffs and other non-exempt employees regularly earn non-discretionary incentives, shift differentials, or premium payments that Defendants purportedly include when calculating the regular rate of pay for purposes of paying overtime wages. Even though Defendants purportedly include such earnings when calculating the regular rate of pay for purposes of paying overtime wages, they do not consider such earnings for purposes of paying sick pay to Plaintiffs and other employees. Instead, Defendants pay sick pay at employees' lowest rate.
- 4. As a result of the above, for at least four (4) years prior to the filing of this action and continuing to the present, Defendants have routinely underpaid Plaintiffs and other non-exempt employees sick pay wages, which are neither paid by the payday for the next regular payroll period after sick leave is taken nor timely paid upon termination of employment, and

routinely underpay overtime wages, which are neither timely paid during employment nor timely paid upon termination of employment as required by Labor Code §§ 201 or 202. Similarly, Defendants routinely fail to provide itemized wage statements that show accurate hourly rates of pay, gross wages earned, and net wages earned.

- 5. For at least four (4) years prior to the filing of this action and continuing to the present, Defendants have had a pattern and practice of failing on multiple occasions to provide Plaintiffs and similarly situated employees or former employees within the State of California rest periods of at least ten (10) minutes per four (4) hours worked or major fraction thereof and failing to provide compensation for such unprovided rest periods as required by California wage and hour laws.
- 6. For at least four (4) years prior to the filing of this action and continuing to the present, Defendants have had a pattern and practice of failing on multiple occasions to provide Plaintiffs and other similarly situated employees or former employees within the State of California a thirty (30) minute uninterrupted meal period for days on which the employees worked more than five (5) hours in a workday and a second thirty (30) minute uninterrupted meal periods for days on which the employees worked in excess of ten (10) hours in a work day, and failing to provide compensation for such unprovided meal periods as required by California wage and hour laws.
- 7. Plaintiffs, on behalf of themselves and other similarly situated employees, seek penalties, damages, and other relief for Defendants' violations pursuant to, but not limited to, California Labor Code sections 200-204, 210, 225.5, 226, 226.3, 226.7, 245, 246, 248, 248.1, 248.2, 248.5, 248.6, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1199, 2698 et. seq., as well as California Code of Regulations, Title 8, §11070, seeking overtime and minimum wages, premium wages for missed rest periods, penalties, and reasonable attorney's fees and costs.

¹ Except as otherwise noted, all "Section" references are to the Labor Code.

8. Plaintiffs, on behalf of themselves and all other similarly situated employees, pursuant to California Business and Professions Code §§17200-17208, also seeks all monies owed but withheld and retained by Defendants to which Plaintiffs and members of the Class are entitled.

PARTIES

A. Plaintiffs

- 9. Venue as to each defendant is proper in this judicial district, pursuant to California Code of Civil Procedure §395. Defendants operate and do business in California, and each defendant is within the jurisdiction of this court for service of process purposes. The unlawful acts alleged herein have a direct effect on Plaintiffs and those similarly situated within the State of California. Defendants employ numerous Class Members in the State of California.
- 10. Plaintiff McCarthy began working for Defendants in or about June of 2017 and worked in Big Bear City, California for Defendants for 30 or more days within a year. Until her employment as a supervisor ended in or about September of 2020, McCarthy was paid on an hourly basis as a non-exempt employee. McCarthy regularly was paid at wage rates that did not exceed 130% of the applicable minimum wage and regularly worked more than eight hours in a workday and 40 hours in a workweek.
- 11. Plaintiff Rodarte is a resident of the State of California. At all times relevant herein, she has been employed by Defendants in the pharmacy department as a non-exempt employee in California.
- 12. Plaintiff Mendoza is an individual over the age of eighteen, and at all times mentioned in this Complaint was a resident of the State of California. Mendoza worked as a non-exempt hourly E-Commerce Associate for Defendants in Long Beach, California from November 22, 2020 until January 19, 2021. Mendoza's hourly rate of pay was \$15.00 per hour. While her shifts varied in length, Mendoza typically worked approximately 6 hours per shift and on average worked 25 hours per week.

B. <u>Defendants</u>

- 13. Defendant Vons, a Michigan corporation, are engaged in the selling and distribution of food and other products within the State of California. Defendants employed Plaintiffs and similarly situated persons within the State of California.
- 14. The true names and capacities, whether individual, corporate, associate, or otherwise, of defendants sued herein as DOES 1 through 50, inclusive, are currently unknown to Plaintiffs, who therefore sue defendants by such fictitious names under Code of Civil Procedure §474. Plaintiffs are informed and believe, and based thereon allege, that each of the defendants designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to herein. Plaintiffs will seek leave of the court to amend this Complaint to reflect the true names and capacities of the defendants designated as DOES when such identities become known.
- 15. Plaintiffs are informed and believe, and based thereon allege, that each defendant acted in all respect pertinent to this action as the agent of the other defendant, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each defendant are legally attributable to the other defendants.

FACTUAL BACKGROUND

- 16. Plaintiffs and other similarly situated employees have not been paid, on multiple occasions, wages for all time worked, including overtime wages, on multiple occasions, such that in the aggregate employees are underpaid wages as a result of Defendants' pattern and practice of unevenly rounding time worked by its employees.
- 17. Plaintiffs and other similarly situated employees have not been paid, on multiple occasions, overtime wages as a result of Defendants' pattern and practice of including all forms of remuneration in determining the regular rate of pay for overtime purposes.
- 18. Plaintiffs regularly earned non-discretionary incentives, shift differentials, or premiums that Defendants purportedly included when calculating their regular rate of pay for purposes of paying overtime wages—including, by way of example only, appreciation pay, superhero awards, and first or second shift premiums. Even though Defendants purportedly include such earnings when calculating the regular rate of pay for purposes of paying overtime

wages to Plaintiffs, they did not consider such earnings for purposes of calculating or paying sick pay to Plaintiffs. Instead, Defendants paid sick pay at Plaintiffs' lowest rate of pay.

- 19. Moreover, even though Defendants purportedly include non-discretionary incentives, shift differentials, or premium payments when calculating the regular rate of pay for overtime purposes, Defendants do not then actually pay one and one-half times the calculated regular rate of pay when paying overtime wages. Rather, Defendants pay less than one and one-half times the regular rate of pay for overtime by adding only one-half of the calculated regular rate of pay to employees' lowest rate of pay to determine the overtime rate of pay. In fact, as a result of how Defendants calculate the overtime rate of pay, Plaintiffs and other employees are not only paid less than one and one-half times the regular rate of pay for overtime work but also may be paid at a rate of less than one and one-half times the lowest rate of pay for any work time during the workweek. For example, Plaintiff McCarthy worked a total of 56.25 hours during the workweek of June 8 through 14, 2020, and earned no less than \$16.20 per hour for any work time that week. But for the 17.00 hours of overtime that McCarthy worked that week, Defendants paid her \$22.341 per hour, which is less than \$24.30 per hour.
- 20. Defendants have had a pattern and practice of on multiple occasions failing to provide Plaintiffs and other similarly situated employees or former employees within the State of California a thirty (30) minute uninterrupted meal period for days on which the employees worked more than five (5) hours in a workday and a second thirty (30) minute uninterrupted meal periods for days on which the employees worked in excess of ten (10) hours in a work day, and on multiple occasions failing to provide compensation for such unprovided meal periods.
- 21. Defendants have had a pattern and practice of on multiple occasions failing to provide Plaintiffs and similarly situated employees or former employees within the State of California rest periods, of at least ten (10) minutes per four (4) hours worked or major fraction thereof and on multiple occasions failing to provide compensation for such unprovided rest periods as required by California wage and hour laws.
- 22. Defendants have failed to comply with Section 226(a) by not providing itemized wage statements accurately showing, including but not limited to, total hours worked during the

pay period and pay due and owing for failure on multiple occasions to pay all earned wages as a result of uneven rounding, failure to pay overtime wages as a result of not including all forms of remuneration in determining the regular rate of pay for overtime purposes, failure to pay sick pay wages, and failure on multiple occasions to provide rest breaks and meal breaks.

23. Plaintiffs and other similarly situated employees or former employees at all times pertinent hereto were not exempt from the overtime, meal break, sick pay, and rest break provisions of California law, and implementing rules and regulations of the IWC California Wage Orders. Plaintiffs, thus, are victims of the policies, practices, and customs of Defendants complained of in this action in ways that have deprived them of the rights guaranteed by the Labor Code and the UCL.

CLASS ACTION ALLEGATIONS

A. Definition

- 24. Plaintiffs bring this action on behalf of themselves, and all others similarly situated, as a class action pursuant to California <u>Code of Civil Procedure</u> §382.
- 25. Plaintiffs seek class certification of the following: All current and former hourly non-exempt employees of Defendants in the State of California from February 13, 2016 through April 30, 2022, excluding employees who worked at distribution centers and plants, drivers, pharmacists and, through August 7, 2020, non-union employees (the "Class").
- 26. Employees covered by the following settled actions are also excluded from the class definition: *Fimbres v. The Vons Companies, Inc.*, Case No. RIC1904892, filed on September 24, 2019 in Riverside County Superior Court (class settlement period ending September 7, 2020); *Monica Luna, et al. v. Albertsons Companies, Inc. et al.*, Case No. BC605621, filed on December 31, 2015 in Los Angeles County Superior Court (class settlement period ending January 11, 2018).
- 27. Plaintiffs reserve the right under California Rules of Court Rule 3.765(b), to amend or modify the class description with greater specificity or further division into subclasses or limitation to particular issues.

B. Numerosity and Ascertainability

30. The claims of Plaintiffs herein alleged are typical of those claims which could be alleged by any member of the classes, and the relief sought is typical of the relief which would be sought by each of the members of the classes in separate actions. Plaintiffs and all members of the Classes sustained injuries and damages arising out of and caused by Defendants' common course of conduct in violation of laws and regulations that have the force and effect of law and statutes as alleged herein.

E. Adequacy of Representation

31. Plaintiffs are fully prepared to take all necessary steps to represent fairly and adequately the interests of the Class defined above. Plaintiffs' attorneys are ready, willing, and able to fully and adequately represent Plaintiffs and the Class. Plaintiffs' attorneys have prosecuted and settled wage-and-hour class actions in the past and continue to litigate numerous wage-and-hour class actions currently pending in California state and federal courts.

F. Superiority of Class Action

- 32. A class action is superior to other available means for the fair and efficient adjudication of the controversy. Individual joinder of all Class Members is not practicable, and questions of law and fact common to the Class predominate over any questions affecting only individual members of the Class. Each member of the Class has been damaged and is entitled to recovery by reason of Defendants' illegal pattern and practice of failing to pay overtime wages, failing to pay sick pay wages, failing to pay minimum wages, failing to provide rest breaks and meal breaks or compensation in lieu thereof, failing to provide accurate itemized wage statements, and failing to pay all wages due upon termination and/or resignation, as described herein.
- 33. Class action treatment will allow those similarly situated persons to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Plaintiffs are unaware of any difficulties that are likely to be encountered in the management of this action that would preclude its maintenance as a class action.

FIRST CAUSE OF ACTION

FAILURE TO PAY SICK PAY WAGES

- 34. The preceding paragraphs are re-alleged and incorporated by this reference.
- 35. Section 246 provides that an employee is entitled to sick pay wages for use of accrued sick leave. An employer must calculate paid sick leave by using one of two calculations: (i) "Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek," or (ii) "Paid sick time for nonexempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."
- 36. Defendants paid Plaintiffs and the Class for sick leave at the incorrect rate of pay. Defendants paid Plaintiffs and the Class at the lowest hourly rate of pay, as opposed to the regular rate of pay, which would take into account all non-discretionary incentives, shift differentials, or premiums, or by dividing the employees' total wages, not including overtime premium pay, by the employees' total hours worked in the full pay periods of the prior ninety (90) days of employment, as required by Section 246. This resulted in underpayments of sick pay to Plaintiffs and the Class.
- 37. Moreover, Section 201 provides if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. Section 202 provides that an employee is entitled to receive all unpaid wages no later than seventy-two (72) hours after an employee quits his or her employment, 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. Section 203 provides that if an employer willfully fails to pay wages owed in accordance with Sections 201 and 202, then the wages of the employee shall continue as a penalty from the due date, and at the same rate until paid, but the wages shall not continue for more than thirty (30) days. Section 204 generally provides that wages are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Consistent with Section 204, Section 246 also provides that an employer

shall provide payment for sick leave taken by an employee no later than the payday for the next regular payroll period after the sick leave was taken.

- 38. Because Defendants did not pay, or timely pay, Plaintiffs and the Class all owing and underpaid sick pay wages, Defendants violated Sections 200-204, 245, 246, 248, and other Labor Code sections. Defendants willfully failed to timely pay Plaintiffs and the Class all their wages due during employment and failed to timely pay all their wages due upon the termination of their employment within the times prescribed by the Labor Code and are therefore subject to applicable penalties, including a waiting time penalty, for each day, up to a thirty (30) day maximum, pursuant to Section 203. On information and belief, Defendants were advised by skilled lawyers and knew, or should have known, of the mandates of the Labor Code as it relates to Plaintiffs' allegations, especially since the California Supreme Court has explained that "[c]ourts have recognized that 'wages' also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay." Murphy v. Kenneth Cole Prods., Inc., 40 Cal. 4th 1094, 1103 (2007) (emphasis added).
- 39. Such a pattern, practice, and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement to recovery by Plaintiffs and the Class to underpaid wages, including interest thereon, applicable penalties, attorneys' fees, and costs of suit.

SECOND CAUSE OF ACTION

FAILURE TO PAY OVERTIME WAGES

- 40. The preceding paragraphs are re-alleged and incorporated by this reference.
- 41. Section 510 requires an employer to pay employees overtime at a rate of one and one-half the employee's regular rate of pay for any work exceeding eight (8) hours in a workday or forty (40) hours in a workweek.
- 42. As a matter of policy and practice, Defendants permit Plaintiffs and the Class to work more than eight (8) hours in a workday or forty (40) hours in a workweek without proper

overtime pay. Even though Defendants purportedly include non-discretionary incentives, shift differentials, or premium payments when calculating the regular rate of pay for overtime purposes, Defendants paid Plaintiffs and the Class their overtime wages at less than one and one-half times the regular rate of pay. Defendants do not then actually pay one and one-half times the calculated regular rate of pay when paying overtime wages.

- 43. As a matter of policy and practice, Defendants pay less than one and one-half times the regular rate of pay for overtime by adding only one half of the calculated regular rate of pay to employees' lowest rate of pay to determine the overtime rate of pay. In fact, as a result of how Defendants calculate the overtime rate of pay, Plaintiffs and the Class were not only paid less than one and one-half times the regular rate of pay for overtime work but actually paid less than one and one-half times the lowest rate of pay earned for any work time during a workweek. For example, Plaintiff McCarthy worked a total of 56.25 hours during the workweek of June 8 through 14, 2020, and earned no less than \$16.20 per hour for any work time that week. But for the 17.00 hours of overtime that McCarthy worked that week, Defendants paid \$22.341 per hour, which is less than \$24.30 per hour.
- 44. Such a pattern, practice, and uniform administration of corporate policy is unlawful under Section 510 and the applicable IWC Wage Order, and entitles Plaintiffs and the Class to recover the unpaid overtime, including interest thereon, liquidated damages or penalties, attorneys' fees, and costs of suit.
- Employee Class all owing and underpaid overtime wages, Defendants willfully violated Sections 201-204 and the provisions of Section 1194. Defendants, moreover, willfully failed to timely pay Plaintiffs and the Class all their wages due during employment and failed to timely pay all their wages due upon the termination of their employment within the times prescribed by the Labor Code and, consequently, are subject to applicable penalties, including a waiting time penalty, for each day, up to a thirty (30) day maximum, pursuant to Section 203.
- 46. Such a pattern, practice, and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement to

recovery by Plaintiffs and the Class to underpaid wages, including interest thereon, applicable penalties, attorneys' fees, and costs of suit, pursuant to Sections 1194 and 1199; Code of Civil Procedure §1021.5; and Civil Code §3287.

THIRD CAUSE OF ACTION

FAILURE TO PROVIDE AND MAINTAIN ACCURATE WAGE STATEMENTS

- 47. The preceding paragraphs are re-alleged and incorporated by this reference.
- 48. Section 226(a) requires an employer to furnish to its employees itemized wage statements that show accurate information, including without limitation, all applicable hourly rates in effect during the pay period, gross wages earned, and net wages earned.
- 49. Section 1174 additionally requires employers to save all employee payroll records for at least three years and to keep a record of the names and addresses of all current employees. Pursuant to Section 1174.5, an employer who willfully fails to maintain records is subject to a civil penalty of \$500.
- 50. As a matter of policy and practice, Defendants routinely issue itemized wage statements to Plaintiffs and the Class that show inaccurate hourly rates of pay in violation of Section 226(a). For example, Plaintiff McCarthy worked a total of 56.25 hours during the workweek of June 8 through 14, 2020, and earned no less than \$16.20 per hour for any work time that week. McCarthy's wage statement, however, inaccurately shows an hourly rate of as little as \$14.20 per hour. The inaccurate hourly rates shown on the wage statements injured Plaintiffs and the Class, as Defendants subsequently relied on the inaccurate hourly rates in calculating other earnings that the law requires to be paid at a multiple of the regular rate of pay. As a result, and as a matter of policy and practice, Plaintiffs and the Class are provided inaccurate itemized wage statements, which fail to show accurate hourly rates of pay.
- 51. In addition, as a matter of policy and practice, whenever Plaintiffs and the Class are paid overtime and sick pay wages, Defendants also fail to provide accurate itemized wage statements in violation of Section 226(a). As alleged herein, Defendants routinely underpay overtime and sick pay to Plaintiffs and the Class. As a result, and as a matter of policy and

practice, Plaintiffs and the Class are not provided wage statements listing accurate overtime wage rates, sick pay wage rates, gross wages earned, or net wages earned.

52. Such a pattern, practice, and uniform administration of corporate policy is unlawful under Sections 226, 226.3 and 1174 and, therefore, entitles Plaintiffs and the Class to recover applicable penalties, attorneys' fees, and costs of suit.

FOURTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE §§ 17200 Et Seq.

(By Plaintiffs and the Class Against All Defendants)

- 53. The preceding paragraphs are re-alleged and incorporated by this reference.
- 54. Plaintiffs are informed and believe that Defendants have engaged and continue to engage in unfair and unlawful business practices by utilizing the employment policies and practices alleged herein, including the failure to pay sick pay at the regular rate of pay and the failure to pay overtime wages at the rate of no less than one and one-half times the regular rate of pay.
- 55. Defendants' utilization of such unfair and unlawful business practices constitutes unfair and unlawful competition and provides an unfair advantage over Defendants' competitors, as proscribed by the UCL. Defendants have deprived Plaintiffs and the Class the minimum working condition standards and conditions due to them under the Labor Code and applicable IWC Wage Orders.
- 56. Such a pattern, practice, and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement to recovery by Plaintiffs and the Class to full restitution of all monies withheld, acquired, or converted by Defendants by means of the unfair practices complained of herein, including interest thereon, attorneys' fees, and costs of suit.

FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(By Plaintiffs and the Class Against All Defendants)

57. The preceding paragraphs are re-alleged and incorporated by this reference.

- 58. Pursuant to Section 512, no employer shall employ an employee for a work period of more than five (5) hours without a meal break of not less than thirty (30) minutes in which the employee is relieved of all of his or her duties. No employer, moreover, shall employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes in which the employee is relieved of all of his or her duties. Plaintiffs and other members of the Class were on multiple occasions not provided with the requisite meal periods as contemplated under the law.
- 59. Pursuant to Section 226.7, if an employer fails to provide an employee with a meal period or rest period as provided in the applicable Wage Order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal period or rest period is not provided.
- 60. By their failure to provide Plaintiffs and members of the Class with the meal periods contemplated by California law, and failing to provide compensation for such unprovided meal periods, as alleged above, Defendants willfully violated the provisions of Section 512 and applicable Wage Orders.
- 61. As a result of Defendants' unlawful conduct, Plaintiffs and the other members of the Class have suffered damages in an amount, subject to proof, to the extent they were not paid additional pay owed for missed meal periods.
- 62. Plaintiffs and the other members of the Class are entitled to recover the full amount of their unpaid additional pay for missed meal periods. Pursuant to <u>Code of Civil Procedure</u> §1021.5, Plaintiffs and the other members of the Class are entitled to recover reasonable attorney's fees and costs of suit. Pursuant to <u>Civil Code</u> § 3287(a), Plaintiffs and other members of the Class are entitled to recover prejudgment interest on the additional pay owed for missed meal periods.

SIXTH CAUSE OF ACTION

FAILURE TO PAY ALL WAGES UPON TERMINATION

- 63. The preceding paragraphs are re-alleged and incorporated by this reference.
- 64. At all relevant times, Plaintiffs and other members of the Class were employees of Defendants covered by Sections 201 and 202.
- 65. Pursuant to Sections 201 or 202, Plaintiffs and other members of the Class were entitled upon termination to timely payment of all wages earned and unpaid prior to termination. Discharged employers were entitled to payment of all wages earned and unpaid prior to discharge immediately upon termination. Employees who resigned were entitled to payment of all wages earned and unpaid prior to resignation within seventy-two (72) hours after giving notice of resignation or, if they gave seventy-two (72) hours previous notice, they were entitled to payment of all wages earned and unpaid at the time of resignation.
- 66. Defendants failed to pay Plaintiffs and other members of the Class all wages earned and unpaid prior to termination in accordance with Sections 201 or 202. Plaintiffs and other members of the Class are informed and believe and thereon allege that within the applicable limitations period, Defendants had a pattern and practice of not paying upon termination, the wages owed to them as a consequence of overtime wages, minimum wages, rest period and meal period violations, as described herein.
- 67. Defendants' failure to pay Plaintiffs and members of the Class all wages earned prior to termination in accordance with Sections 201 and 202 was willful. Defendants had the ability to pay all wages earned by Plaintiffs and other members of the Class at the time of termination in accordance with Sections 201 and 202, but intentionally adopted policies or practices incompatible with the requirements of Sections 201 and 202.
- 68. Pursuant to Sections 201 and 202, Plaintiffs and other members of the Class are entitled to all wages earned prior to termination that Defendants failed to pay them.

69.	Pursuant to Section 203, Plaintiffs and other members of the Class are entitled to
penalty wages	from the date their earned and unpaid wages were due, upon termination, until
paid, up to a n	naximum of thirty (30) days.

- 70. As a result of Defendants' unlawful conduct, Plaintiffs and other members of the Class have suffered damages in an amount subject to proof, to the extent they were not paid for all wages earned prior to termination.
- 71. Pursuant to Sections 218 and 218.5, Plaintiffs and the other members of the Class are entitled to recover the full amount of their unpaid wages, penalty wages under Section 203, reasonable attorneys' fees, and costs of suit. Pursuant to Section 218.6 or <u>Civil Code</u> § 3287(a), Plaintiffs and the other members of the Class are entitled to recover prejudgment interest on the amount of their unpaid wages and unpaid penalty wages.

SEVENTH CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGES

- 72. The preceding paragraphs are re-alleged and incorporated by this reference.
- 73. At all relevant times, Plaintiffs and the members of the Class were employees of Defendants covered by Section 1197, 1182.12 and applicable Wage Orders.
- 74. Pursuant to Section 1197 and applicable Wage Orders, Plaintiffs and the members of the Class were entitled to receive minimum wages for all hours worked.
- 75. At all times herein mentioned, to the extent that Plaintiffs and the Class worked for Defendants during shifts that were less than eight (8) hours in a workday and/or less than forty (40) hours in a work week, on multiple occasions these employees have not been paid minimum wage, such that in the aggregate employees are underpaid wages. For example, Defendants require their employees to "punch-in" and "punch-out." If an employee "punches in" at 7:11 a.m., that time is "rounded" by Defendants to 7:15 a.m., and the employee loses four (4) minutes of compensable time. Similarly, if an employee "punches out" at 5:49 p.m., that time is "rounded" by Defendants to 5:45 p.m., and the employee loses four (4) minutes of compensable time.

- 76. As a result of Defendants' pattern and practice of unevenly rounding time worked by its employees. Defendants' failure to pay Plaintiffs and members of the Class minimum wages for all hours worked, as described herein, is in violation of Sections 1194, 1994.2, 1197 and applicable Wage Orders.
- 77. Plaintiffs and members of the Class are therefore entitled to recover the full amount of unpaid minimum wages, prejudgment interest, liquidated damages, reasonable attorney's fees, and costs of suit.

EIGHTH CAUSE OF ACTION

FAILURE TO PROVIDE REST PERIODS

- 78. The preceding paragraphs are re-alleged and incorporated by this reference.
- 79. California law and applicable Wage Orders require that employers "authorize and permit" employees to take paid 10 minute rest periods in about the middle of each 4-hour work period "or major fraction thereof." Accordingly, employees who work shifts of 3 ½ to 6 hours must be provided 10 minutes of paid rest period, employees who work shifts of more than 6 and up to 10 hours must be provided with 20 minutes of paid rest period, and employees who work shifts of more than 10 hours must be provided 30 minutes of paid rest period. Plaintiffs and other members of the Class on multiple occasions were not provided with requisite rest periods as contemplated under the law.
- 80. Pursuant to Section 226.7, if an employer fails to provide an employee with a meal period or rest period as provided in the applicable Wage Order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal period or rest period is not provided.
- 81. By their failure to provide Plaintiffs and members of the Class with the rest periods contemplated by California law, and failing to provide compensation for such unprovided rest periods, as alleged above, Defendants willfully violated the provisions of Sections 512 and 226.7, and applicable Wage Orders.

- 82. As a result of Defendants' unlawful conduct, Plaintiffs and other members of the Class have suffered damages in an amount, subject to proof, to the extent they were not paid additional pay owed for missed rest periods.
- 83. Plaintiffs and the other members of the Class are entitled to recover the full amount of their unpaid additional pay for missed rest periods. Pursuant to <u>Code of Civil Procedure</u> §1021.5, Plaintiffs and the other members of the Class are entitled to recover reasonable attorney's fees and costs of suit.
- 84. Pursuant to <u>Civil Code</u> § 3287(a), Plaintiffs and other members of the Class are entitled to recover prejudgment interest on the additional pay owed for missed rest periods.

NINTH CAUSE OF ACTION

VIOLATION OF LABOR CODE §§ 2698 Et Seq.

(By Plaintiffs and Aggrieved Employees Against All Defendants)

- 85. The preceding paragraphs are re-alleged and incorporated by this reference.
- 86. Pursuant to the Labor Code Private Attorneys General Act of 2004, <u>Labor Code</u> §§ 2698 et seq. ("PAGA"), Plaintiffs brings this cause of action as proxies for the State of California. In this capacity, Plaintiffs seek penalties for Defendants' violations of Sections 200-204, 210, 226, 226.7, 245, 246, 248, 248.1, 248.2, 248.5, 248.6, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1199, and 2698 et seq., committed during the one-year period preceding the filing of the original Complaint (or since February 13, 2019) against all aggrieved employees.
- 87. Under Section 2699(c), Plaintiffs constitute "aggrieved employees," as one or more of the alleged violations were committed against Plaintiffs as employees of Defendants.
- 88. As stated herein, Defendants failed to pay sick pay at the regular rate of pay and failed to pay overtime wages at the rate of no less than one and one-half times the regular rate of pay to Plaintiffs and other aggrieved employees. As a result, Defendants underpaid sick pay wages, which are neither paid by the payday for the next regular payroll period after sick leave is taken nor timely paid upon termination of employment, and underpay overtime wages, which are neither paid by the payday for the next regular payroll period after sick leave is taken nor timely paid upon termination of employment, and underpay overtime wages, which are neither timely

paid during employment nor timely paid upon termination of employment. As an additional result, Defendants fail to provide itemized wage statements that show accurate hourly rates of pay, gross wages earned, and net wages earned.

- 89. Plaintiffs have complied with the procedures for bringing suit specified in Section 2699.3. On or about February 11, 2020, Plaintiff Rodarte gave written notice to the Labor and Workforce Development Agency ("LWDA") and to Defendants of the specified provisions of the Labor Code alleged to have been violated. On or about September 25, 2020, Plaintiff McCarthy gave written notice to the LWDA and to Defendants of the specified provisions of the Labor Code alleged to have been violated. On or about March 15, 2021, Plaintiff Mendoza gave written notice to the LWDA and to Defendants of the specified provisions of the Labor Code alleged to have been violated.
- 90. As of the date of the filing of this Complaint, the LWDA has neither responded nor indicated that it intends to investigate the allegations in the written notice.
- 91. As such, pursuant to Section 2699(a) and (f), Plaintiffs seek recovery of all applicable penalties for Defendants' violations of Sections 200-204, 210, 225.5, 226, 226.3, 226.7, 245, 246, 248, 248.1, 248.2, 248.5, 248.6, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1199, against all aggrieved employees for the period described above.

PRAYER FOR RELIEF

WHEREFORE, on behalf of themselves and all other similarly situated, Plaintiffs pray for judgment against Defendants, jointly and severally, as follows:

- 1. For an order certifying the proposed Class;
- 2. For an order appointing Plaintiffs as the representatives of the Class;
- 3. For an order appointing Counsel for Plaintiffs as Class Counsel;
- 4. Damages, including interest thereon and penalties, for unpaid sick pay pursuant to Sections 203, 210, 218, 226, and 248.5;
- 5. Damages, including interest thereon and penalties, for unpaid overtime wages pursuant to Sections 203, 210, 226, and 1194;

1	6.	Damages for unpaid wages for missed rest periods and meal periods under		
2		Section 226.7;		
3	7.	Penalties for inaccurate wage statements under Section 226(e), 226.3 and 1174.5;		
4	8.	Damages for minimum wages;		
5	9.	Damages for premium wages;		
6	10.	Liquidated damages for unpaid minimum wages;		
7	11.	Restitution for <u>Business and Professions Code</u> § 17203;		
8	12.	Pre-judgment interest;		
9	13.	Costs;		
10	14.	Reasonable attorney's fees and costs as provided by Sections 218.5, 226, 248.5,		
11		and 2699, and Code of Civil Procedure section 1021.5;		
12	15.	For all penalties provided by Sections 2699(a)-(f); and		
13	16.	For such other and further relief that the Court may deem just and proper.		
14				
15	DATED: Ja	nuary 23, 2023 DIVERSITY LAW GROUP, P.C.		
16		By:		
17		Larry W. Lee, Esq. Simon L. Yang, Esq.		
18		Attorneys for Plaintiff, Holly McCarthy		
19		THE NOURMAND LAW FIRM, APC		
20		By:		
21		Michael Nourmand, Esq. James A. De Sario, Esq.		
22		Attorneys for Plaintiff, Leticia Rodarte		
23				
24		SCHNEIDER WALLACE COTTRELL KONECKY LLP		
25		By:		
26		Carolyn H. Cottrell, Esq.		
27		Esther L. Bylsma, Esq. Attorneys for Plaintiff, Rachel Mendoza		
28				
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1	6.	Damages for unpaid wages for missed	d rest periods and meal periods under	
2		Section 226.7;		
3	7.	Penalties for inaccurate wage stateme	ents under Section 226(e), 226.3 and 1174.5;	
4	8.	Damages for minimum wages;		
5	9.	Damages for premium wages;		
6	10.	Liquidated damages for unpaid minimum wages;		
7	11.	Restitution for <u>Business and Professions Code</u> § 17203;		
8	12.	Pre-judgment interest;		
9	13.	Costs;		
10	14.	Reasonable attorney's fees and costs	as provided by Sections 218.5, 226, 248.5,	
11		and 2699, and Code of Civil Procedur	<u>re</u> section 1021.5;	
12	15.	For all penalties provided by Sections	s 2699(a)-(f); and	
13	16.	For such other and further relief that t	the Court may deem just and proper.	
14				
15	DATED: Janu	uary 23, 2023 DIVER	SITY LAW GROUP, P.C.	
16		By:		
17		Larry V	V. Lee, Esq. L. Yang, Esq.	
18		Attorne	ys for Plaintiff, Holly McCarthy	
19		THE N	OURMAND LAW FIRM, APC	
20		By:		
21			l Nourmand, Esq. A. De Sario, Esq.	
22			eys for Plaintiff, Leticia Rodarte	
23		A Marie Inc.		
24			EIDER WALLACE RELL KONECKY LLP	
25		By:		
26		Carolyn	n H. Cottrell, Esq. L. Bylsma, Esq.	
27	4959 0662 42152 4	Attorne	eys for Plaintiff, Rachel Mendoza	
28	4858-0662-4315.2 /	001153-1740		
	- V	20		

2		Damages for unpaid wa	ages for missed rest periods and meal periods under	
		Section 226.7;		
3	7.	Penalties for inaccurate w	vage statements under Section 226(e), 226.3 and 1174.5;	
4	8.	Damages for minimum w	ages;	
5	9.	Damages for premium wages;		
6	10.	Liquidated damages for unpaid minimum wages;		
7	11.	Restitution for <u>Business and Professions Code</u> § 17203;		
8	12.	Pre-judgment interest;		
9	13.	Costs;	Costs;	
10	14.	Reasonable attorney's fee	es and costs as provided by Sections 218.5, 226, 248.5,	
11		and 2699, and Code of C	vil Procedure section 1021.5;	
12	15.	For all penalties provided	For all penalties provided by Sections 2699(a)-(f); and	
13	16.	For such other and furthe	r relief that the Court may deem just and proper.	
14				
15	DATED: January 23, 2023		DIVERSITY LAW GROUP, P.C.	
16			By:_	
17			Larry W. Lee, Esq.	
			Simon L. Yang, Esq.	
18			Simon L. Yang, Esq. Attorneys for Plaintiff, Holly McCarthy	
18 19			Simon L. Yang, Esq. Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC	
			Attorneys for Plaintiff, Holly McCarthy	
19			Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By: Michael Nourmand, Esq.	
19 20			Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By:	
19 20 21			Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By: Michael Nourmand, Esq. James A. De Sario, Esq. Attorneys for Plaintiff, Leticia Rodarte	
19 20 21 22			Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By: Michael Nourmand, Esq. James A. De Sario, Esq.	
19 20 21 22 23			Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By: Michael Nourmand, Esq. James A. De Sario, Esq. Attorneys for Plaintiff, Leticia Rodarte SCHNEIDER WALLACE COTTRELL KONECKY LLP	
19 20 21 22 23 24			Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By: Michael Nourmand, Esq. James A. De Sario, Esq. Attorneys for Plaintiff, Leticia Rodarte SCHNEIDER WALLACE COTTRELL KONECKY LLP By:	
19 20 21 22 23 24 25	4858-0662-4315.2		Attorneys for Plaintiff, Holly McCarthy THE NOURMAND LAW FIRM, APC By: Michael Nourmand, Esq. James A. De Sario, Esq. Attorneys for Plaintiff, Leticia Rodarte SCHNEIDER WALLACE COTTRELL KONECKY LLP By:	