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

RUTH FERRARA, YESSICA SALAZAR,  
DANIEL ALVAREZ, individually, on behalf  
of other similarly situated employees, and on  
behalf of aggrieved employees pursuant to  
the Private Attorneys General Act;

Plaintiffs,

v.

SOUTH COAST WINERY, INC., a  
California corporation; CARTER ESTATE  
WINERY AND RESORT, LLC, a California  
limited liability company; CARTER  
HOSPITALITY GROUP, LLC, a Florida  
limited liability company; and JEFFREY R.  
CARTER, an individual; and DOES 1  
through 100, inclusive;

Defendants.

Case No.: CVRI2101920

[Related to Riverside Superior Court Case No.  
MCC2001498 and CVRI2102449]

**FIRST AMENDED AND CONSOLIDATED  
CLASS AND REPRESENTATIVE ACTION  
COMPLAINT**

- (1) Violation of California Labor Code  
§§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code  
§§ 226.7 and 512(a) (Unpaid Meal Period  
Premiums);
- (3) Violation of California Labor Code  
§ 226.7 (Unpaid Rest Period Premiums);
- (4) Violation of California Labor Code  
§§ 1194 and 1197 (Unpaid Minimum  
Wages);
- (5) Violation of California Labor Code  
§§ 201 and 202 (Final Wages Not Timely  
Paid);
- (6) Violation of California Labor Code  
§ 226(a) (Non-Compliant Wage  
Statements);
- (7) Violation of California Labor Code  
§§ 2800 and 2802 (Unreimbursed  
Business Expenses);
- (8) Violation of California Labor Code  
§ 2698 *et seq.* (Private Attorneys General  
Act of 2004); and
- (9) Violation of California Business &  
Professions Code § 17200, *et seq.*

**DEMAND FOR JURY TRIAL**

MARCUS J. BRADLEY (SBN 174156)  
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*Attorneys for Plaintiff Daniel Alvarez*

COMES NOW, Plaintiffs RUTH FERRARA, YESSICA SALAZAR, and DANIEL ALVAREZ (“Plaintiffs,” “Plaintiff Ferrara,” “Plaintiff Salazar,” and “Plaintiff Alvarez”), individually, on behalf of other similarly situated employees, and on behalf of aggrieved employees pursuant to the Private Attorneys General Act, allege as follows:

**JURISDICTION AND VENUE**

1. This class action is brought pursuant to the Code of Civil Procedure section 382. The monetary damages and restitution sought by Plaintiffs exceeds the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial.

2. This Court has jurisdiction over this action pursuant to the California Constitution, Article VI, Section 10, which grants the superior court “original jurisdiction in all other causes” except those given by statute to other courts. The statutes under which this action is brought do not specify any other basis for jurisdiction.

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

4. Venue is proper in this Court because, upon information and belief, Defendants maintain offices, have agents, and/or transact business in the State of California, including the County of Riverside. The majority of the acts and omissions alleged herein relating to Plaintiffs took place in the State of California.

**PARTIES**

5. Plaintiff Ferrara is an individual residing in the State of California, County of San Diego.

6. Plaintiff Salazar is an individual residing in the State of California, County of Riverside.

7. Plaintiff Alvarez is an individual residing in the State of California, County of

1 Riverside.

2 8. Defendant SOUTH COAST WINERY, INC., at all times herein mentioned, was  
3 and is, upon information and belief, a California corporation, and at all times herein  
4 mentioned, was and is, an employer whose employees are engaged throughout the State of  
5 California, including the County of Riverside.

6 9. Defendant CARTER ESTATE WINERY AND RESORT, LLC, at all times  
7 herein mentioned, was and is, upon information and belief, a California limited liability  
8 company, and at all times herein mentioned, was and is, an employer whose employees are  
9 engaged throughout the State of California, including the County of Riverside.

10 10. Defendant CARTER HOSPITALITY GROUP, LLC, at all times herein  
11 mentioned, was and is, upon information and belief, a Florida limited liability company, and at  
12 all times herein mentioned, was and is, an employer whose employees are engaged and/or had  
13 minimum contacts throughout the State of California, including the County of Riverside.

14 11. Defendant JEFFREY R. CARTER, at all times herein mentioned, was and is,  
15 upon information and belief, an individual, and at all times herein mentioned, was and is, an  
16 employer whose employees are engaged and/or had minimum contacts throughout the State of  
17 California, including the County of Riverside.

18 12. Defendants SOUTH COAST WINERY, INC., CARTER ESTATE WINERY  
19 AND RESORT, LLC, CARTER HOSPITALITY GROUP, LLC, JEFFREY R. CARTER, and  
20 DOES 1 through 100 will hereinafter collectively be referred to as "Defendants."

21 13. At all times herein relevant, Defendants and DOES 1 through 100, and each of  
22 them, were the agents, partners, joint venturers, joint employers, representatives, servants,  
23 employees, successors-in-interest, co-conspirators and assigns, each of the other, and at all  
24 times relevant hereto were acting within the course and scope of their authority as such agents,  
25 partners, joint venturers, joint employers, representatives, servants, employees, successors, co-  
26 conspirators and assigns, and all acts or omissions alleged herein were duly committed with the  
27 ratification, knowledge, permission, encouragement, authorization, and consent of each  
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1 defendant designated herein.

2       14. The true names and capacities, whether corporate, associate, individual or  
3 otherwise, of Defendants DOES 1 through 100, inclusive, are unknown to Plaintiffs, who sue  
4 said defendants by such fictitious names. Plaintiffs are informed and believe, and based on that  
5 information and belief allege, that each of the Defendants designated as a DOE is legally  
6 responsible for the events and happenings referred to in this Complaint, and unlawfully caused  
7 the injuries and damages to Plaintiffs and the other class members as alleged in this Complaint.  
8 Plaintiffs will seek leave of court to amend this Complaint to show the true names and  
9 capacities when the same have been ascertained.

10       15. Plaintiffs further allege that Defendants directly or indirectly controlled or  
11 affected the working conditions, wages, working hours, and conditions of employment of  
12 Plaintiffs and the other class members so as to make each of said Defendants employers and  
13 employers liable under the statutory provisions set forth herein.

14                               **CLASS ACTION ALLEGATIONS**

15       16. Plaintiffs bring this action on their own behalf and on behalf of all other  
16 similarly situated employees, and, thus, seek class certification under Code of Civil Procedure  
17 section 382.

18       17. The proposed class is defined as follows:

19               All current and former non-exempt or hourly paid employees of Defendants,  
20 including non-exempt employees provided by staffing agencies, who worked in  
21 California during the period from April 19, 2017 through the earlier of May 29,  
22 2022 or the date of Preliminary Approval (or if any such person is incompetent,  
23 deceased, or unavailable due to military service, the person's legal  
24 representative or successor in interest evidenced by reasonable verification).

25       18. Plaintiffs reserve the right to establish subclasses as appropriate.

26       19. The class is ascertainable and there is a well-defined community of interest in  
27 the litigation:

- 1 a. Numerosity: The class members are so numerous that joinder of all class  
2 members is impracticable. The membership of the entire class is  
3 unknown to Plaintiffs at this time; however, the class is estimated to be  
4 greater than nine hundred (900) individuals and the identity of such  
5 membership is readily ascertainable by inspection of Defendants'  
6 employment records.
- 7 b. Typicality: Plaintiffs' claims are typical of all other class members'  
8 claims as demonstrated herein. Plaintiffs will fairly and adequately  
9 protect the interests of the other class members with whom they have a  
10 well-defined community of interest.
- 11 c. Adequacy: Plaintiffs will fairly and adequately protect the interests of  
12 each class member, with whom they have a well-defined community of  
13 interest and typicality of claims, as demonstrated herein. Plaintiffs have  
14 no interest that is antagonistic to the other class members. Plaintiffs'  
15 attorneys, the proposed class counsel, are versed in the rules governing  
16 class action discovery, certification, and settlement. Plaintiffs have  
17 incurred, and during the pendency of this action will continue to incur,  
18 costs and attorneys' fees, that have been, are, and will be necessarily  
19 expended for the prosecution of this action for the substantial benefit of  
20 each class member.
- 21 d. Superiority: A class action is superior to other available methods for the  
22 fair and efficient adjudication of this litigation because individual joinder  
23 of all class members is impractical.
- 24 e. Public Policy Considerations: Certification of this lawsuit as a class  
25 action will advance public policy objectives. Employers of this great  
26 state violate employment and labor laws every day. Current employees  
27 are often afraid to assert their rights out of fear of direct or indirect  
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1 retaliation. However, class actions provide the class members who are  
2 not named in the complaint anonymity that allows for the vindication of  
3 their rights.

4 20. There are common questions of law and fact as to the class members that  
5 predominate over questions affecting only individual members. The following common  
6 questions of law or fact, among others, exist as to the members of the class:

- 7 a. Whether Defendants' failure to pay wages, without abatement or  
8 reduction, in accordance with the Labor Code, was willful;
- 9 b. Whether Defendants failed to pay their hourly-paid or non-exempt  
10 employees within the State of California for all hours worked, missed  
11 meal periods and rest breaks in violation of California law;
- 12 c. Whether Defendants required Plaintiffs and other class members to work  
13 over eight (8) hours per day, and/or over forty (40) hours per week, and  
14 failed to pay the legally required overtime compensation to Plaintiffs and  
15 the other class members;
- 16 d. Whether Defendants properly calculated the regular rate for Plaintiffs  
17 and the other class members who worked overtime and earned bonuses  
18 and/or incentive pay;
- 19 e. Whether Defendants deprived Plaintiffs and other class members of meal  
20 and/or rest periods or required Plaintiffs and the other class members to  
21 work during meal and/or rest periods without compensation;
- 22 f. Whether Defendants failed to pay minimum wages to Plaintiffs and other  
23 class members for all hours worked;
- 24 g. Whether Defendants failed to pay all wages due to Plaintiffs and other  
25 class members within the required time upon their discharge or  
26 resignation;
- 27 h. Whether Defendants failed to timely pay all wages due to Plaintiffs and  
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1 other class members during their employment;

2 i. Whether Defendants complied with wage reporting as required by the  
3 Labor Code, including, inter alia, section 226;

4 j. Whether Defendants failed to reimburse Plaintiffs and other class  
5 members for necessary business-related expenses and costs;

6 k. Whether Defendants' conduct was willful or reckless;

7 l. Whether Defendants engaged in unfair business practices in violation of  
8 Business & Professions Code section 17200, *et seq.*;

9 m. The appropriate amount of damages, restitution, and/or monetary  
10 penalties resulting from Defendants' violation of California law; and

11 n. Whether Plaintiffs and other class members are entitled to compensatory  
12 damages pursuant to the Labor Code.

13 **GENERAL ALLEGATIONS**

14 21. During the relevant time period set forth herein, Defendants employed Plaintiffs  
15 and other persons as hourly-paid or non-exempt employees within the State of California.

16 22. Defendants, jointly and severally, employed Plaintiff Ferrara as an hourly-paid,  
17 non-exempt employee from about 2009 to 2018 in the State of California, County of Riverside.

18 23. Defendants, jointly and severally, employed Plaintiff Salazar as an hourly-paid,  
19 non-exempt employee from about 2018 to 2019 in the State of California, County of Riverside.

20 24. Defendants, jointly and severally, employed Plaintiff Alvarez as an hourly-paid,  
21 non-exempt employee from about 2006 to 2021 in the State of California, County of Riverside.

22 25. Defendants, jointly and severally, hired Plaintiffs and other class members and  
23 classified them as hourly-paid, non-exempt employees, and failed to compensate them for all  
24 hours worked, missed meal periods, and/or missed rest breaks.

25 26. Defendants had the authority to hire and terminate Plaintiffs and other class  
26 members; to set work rules and conditions governing Plaintiffs and the other class members'  
27 employment; and to supervise their daily employment activities.

1           27. Defendants exercised sufficient authority over the terms and conditions of  
2 Plaintiffs and other class members' employment for them to be joint employers of Plaintiffs  
3 and other class members.

4           28. Defendants directly hired and paid wages and benefits to Plaintiffs and other  
5 class members.

6           29. Defendants continue to employ hourly-paid or non-exempt employees within the  
7 State of California.

8           30. Plaintiffs and other class members worked over eight (8) hours in a day, and/or  
9 forty (40) hours in a week, during their employment with Defendants.

10          31. Plaintiffs are informed and believe, and based thereon allege, that Defendants  
11 engaged in a pattern and practice of wage abuse against their hourly-paid or non-exempt  
12 employees within the State of California. This scheme involved, *inter alia*, failing to pay them  
13 for all hours worked and missed meal periods and rest breaks in violation of California law.

14          32. Plaintiffs are informed and believe, and based thereon allege, that Defendants  
15 knew or should have known that Plaintiffs and other class members were entitled to receive  
16 certain wages for overtime work and that they were not receiving wages for overtime work.

17          33. Plaintiffs are informed and believe, and based thereon allege, that Defendants  
18 failed to provide Plaintiffs and other class members the required rest and meal periods during  
19 the relevant time period as required under the Industrial Welfare Commission Wage Orders  
20 and thus they are entitled to any and all applicable penalties.

21          34. Plaintiffs are informed and believe, and based thereon allege, that Defendants  
22 knew or should have known that Plaintiffs and other class members were entitled to receive all  
23 timely and complete meal periods or payment of one additional hour of pay at Plaintiffs' and  
24 other class members' regular rate of pay when a meal period was missed, late or interrupted,  
25 and they did not receive all timely and proper meal periods or payment of one additional hour  
26 of pay at Plaintiffs' and other class members' regular rate of pay when a meal period was  
27 missed, late, or interrupted.

1           35.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
2 knew or should have known that Plaintiffs and other class members were entitled to receive all  
3 timely rest periods without interruption or payment of one additional hour of pay at Plaintiffs'  
4 and the other class members' regular rate of pay when a rest period was missed, late or  
5 interrupted, and they did not receive all rest periods or payment of one additional hour of pay  
6 at Plaintiffs' and the other class members' regular rate of pay when a rest period was missed,  
7 late or interrupted.

8           36.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
9 knew or should have known that Plaintiffs and other class members were entitled to receive at  
10 least minimum wages for compensation and that they were not receiving at least minimum  
11 wages for all hours worked.

12           37.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
13 knew or should have known that Plaintiffs and other class members were entitled to receive the  
14 wages owed to them upon discharge or resignation, including overtime and minimum wages  
15 and meal and rest period premiums, and they did not, in fact, receive such wages owed to them  
16 at the time of their discharge or resignation.

17           38.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
18 knew or should have known that Plaintiffs and other class members were entitled to receive  
19 complete and accurate wage statements in accordance with California law, but, in fact, they did  
20 not receive complete and accurate wage statements from Defendants. The deficiencies  
21 included, *inter alia*, the failure to include the total number of hours worked by Plaintiffs and  
22 other class members, failure to list gross wages earned, failure to list net wages earned, and  
23 failure to list all applicable hourly rates in effect.

24           39.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
25 knew or should have known that Plaintiffs and the other class members were entitled to  
26 reimbursement for necessary business-related expenses.

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1           40.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
2 knew or should have known that Defendants had to keep complete and accurate payroll records  
3 for Plaintiffs and other class members in accordance with California law, but, in fact, did not  
4 keep complete and accurate payroll records.

5           41.     Plaintiffs are informed and believe, and based thereon allege, that Defendants  
6 knew or should have known that they had a duty to compensate Plaintiffs and other class  
7 members pursuant to California law, and that Defendants had the financial ability to pay such  
8 compensation, but willfully, knowingly, and intentionally failed to do so, and falsely  
9 represented to Plaintiffs and other class members that they were properly denied wages, all to  
10 increase Defendants' profits.

11           42.     As a pattern and practice, during the relevant time period set forth herein,  
12 Defendants failed to pay overtime wages to Plaintiffs and other class members for all hours  
13 worked. Plaintiffs and other class members were required to work more than eight (8) hours  
14 per day, and/or forty (40) hours per week, without overtime compensation.

15           43.     As a pattern and practice, during the relevant time period set forth herein,  
16 Defendants failed to provide the requisite uninterrupted and timely meal and rest periods to  
17 Plaintiffs and other class members.

18           44.     As a pattern and practice, during the relevant time period set forth herein,  
19 Defendants failed to pay Plaintiffs and other class members at least minimum wages for all  
20 hours worked.

21           45.     As a pattern and practice, during the relevant time period set forth herein,  
22 Defendants failed to factor bonuses and/or incentive pay into Plaintiffs' and other class  
23 members' regular rates for overtime compensation purposes.

24           46.     As a pattern and practice, during the relevant time period set forth herein,  
25 Defendants failed to pay Plaintiffs and other class members the wages owed to them upon  
26 discharge or resignation.

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1           54. Specifically, the applicable IWC Wage Order provides that Defendants are and  
2 were required to pay Plaintiffs and other class members employed by Defendants, who  
3 work(ed) more than eight (8) hours in a day, or more than forty (40) hours in a workweek, at  
4 the rate of time-and-one-half for all hours worked in excess of eight (8) hours in a day, or more  
5 than forty (40) hours in a workweek.

6           55. The applicable IWC Wage Order further provides that Defendants are and were  
7 required to pay Plaintiffs and other class members overtime compensation at a rate of two  
8 times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day.

9           56. Labor Code section 510 codifies the right to overtime compensation at one-and-  
10 one-half times the regular hourly rate for hours worked in excess of eight (8) hours in a day, or  
11 forty (40) hours in a week or for the first eight (8) hours worked on the seventh day of work,  
12 and overtime compensation at twice the regular hourly rate for hours worked in excess of  
13 twelve (12) hours in a day, or in excess of eight (8) hours in a day on the seventh day of work.

14           57. During the relevant time period set forth herein, Plaintiffs and other class  
15 members worked in excess of eight (8) hours in a day, and/or in excess of forty (40) hours in a  
16 week.

17           58. As a pattern and practice, during the relevant time period set forth herein,  
18 Defendants intentionally and willfully failed to pay overtime wages owed to Plaintiffs and  
19 other class members.

20           59. As a pattern and practice, during the relevant time period set forth herein,  
21 Defendants intentionally and willfully failed to factor bonuses and/or incentive pay into  
22 Plaintiffs' and other class members' regular rates of pay for overtime compensation purposes.

23           60. Defendants' pattern and practice of failing to pay Plaintiffs and other class  
24 members the unpaid balance of overtime compensation, as required by California laws,  
25 violates the provisions of Labor Code sections 510 and 1198, and is therefore unlawful.

26           61. Pursuant to Labor Code section 1194, Plaintiffs and other class members are  
27 entitled to recover unpaid overtime compensation, interest, costs, and attorneys' fees.  
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67. As a pattern and practice, during the relevant time period set forth herein, Plaintiffs and other class members who were scheduled to work for a period of time no longer than six (6) hours, and who did not waive their legally-mandated meal periods by mutual consent, were required to work for periods longer than five (5) hours without an uninterrupted meal period of not less than thirty (30) minutes and/or without a rest period.

68. As a pattern and practice, during the relevant time period set forth herein, Plaintiffs and other class members who were scheduled to work for a period of time in excess of six (6) hours were required to work for periods longer than five (5) hours without an uninterrupted meal period of not less than thirty (30) minutes and/or without a rest period.

69. As a pattern and practice, during the relevant time period set forth herein, Defendants intentionally and willfully required Plaintiffs and other class members to work during meal periods and failed to compensate Plaintiffs and the other class members the full meal period premium for work performed during meal periods.

70. As a pattern and practice, during the relevant time period set forth herein, Defendants failed to pay Plaintiffs and other class members the full meal period premium due pursuant to Labor Code section 226.7.

71. Defendants' conduct violates applicable IWC Wage Order and Labor Code sections 226.7 and 512(a).

72. Pursuant to the applicable IWC Wage Order and Labor Code section 226.7(b), Plaintiffs and other class members are entitled to recover from Defendants one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.

### THIRD CAUSE OF ACTION

**(Violation of California Labor Code § 226.7)**

**(Against DEFENDANTS and DOES 1 through 100)**

73. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 72, and each and every part thereof with the same force and effect as though fully set

1 forth herein.

2 74. During the relevant time period set forth herein, the applicable IWC Wage  
3 Order and Labor Code section 226.7 were applicable to Plaintiffs' and the other class  
4 members' employment by Defendants.

5 75. During the relevant time period set forth herein, Labor Code section 226.7  
6 provides that no employer shall require an employee to work during any rest period mandated  
7 by an applicable order of the IWC.

8 76. During the relevant time period set forth herein, the applicable IWC Wage  
9 Order provides that "[e]very employer shall authorize and permit all employees to take rest  
10 periods, which insofar as practicable shall be in the middle of each work period" and that the  
11 "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes  
12 net rest time per four (4) hours or major fraction thereof" unless the total daily work time is  
13 less than three and one-half (3 ½) hours.

14 77. As a pattern and practice, during the relevant time period set forth herein,  
15 Defendants required Plaintiffs and other class members to work four (4) or more hours without  
16 authorizing or permitting a ten (10) minute rest period per each four (4) hour period worked.

17 78. As a pattern and practice, during the relevant time period set forth herein,  
18 Defendants willfully required Plaintiffs and the other class members to work during rest  
19 periods and failed to pay Plaintiffs and the other class members the full rest period premium  
20 for work performed during rest periods.

21 79. As a pattern and practice, during the relevant time period set forth herein,  
22 Defendants failed to pay Plaintiffs and the other class members the full rest period premium  
23 due pursuant to Labor Code section 226.7

24 80. Defendants' conduct violates applicable IWC Wage Orders and Labor Code  
25 section 226.7.

26 81. Pursuant to the applicable IWC Wage Orders and Labor Code section 226.7(b),  
27 Plaintiffs and the other class members are entitled to recover from Defendants one additional  
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hour of pay at the employees' regular hourly rate of compensation for each workday that the rest period was not provided.

**FOURTH CAUSE OF ACTION**

**(Violation of California Labor Code §§ 1194 and 1197)**

**(Against DEFENDANTS and DOES 1 through 100)**

82. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 81 and each and every part thereof with the same force and effect as though fully set forth herein.

83. During the relevant time period set forth herein, Labor Code sections 1194 and 1197 provide that the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed, is unlawful.

84. As a pattern and practice, during the relevant time period set forth herein, Defendants failed to pay minimum wages to Plaintiffs and other class members as required, pursuant to Labor Code sections 1194 and 1197.

85. Defendants' failure to pay Plaintiffs and other class members the minimum wage as required violates Labor Code sections 1194 and 1197. Pursuant to those sections, Plaintiffs and other class members are entitled to recover the unpaid balance of their minimum wage compensation as well as interest, costs, and attorney's fees, and liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

86. Pursuant to Labor Code section 1194.2, Plaintiffs and other class members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

**FIFTH CAUSE OF ACTION**

**(Violation of California Labor Code §§ 201 and 202)**

**(Against DEFENDANTS and DOES 1 through 100)**

87. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 86, and each and every part thereof with the same force and effect as though fully set

forth herein.

88. During the relevant time period set forth herein, 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 if an employee quits 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' 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.

89. As a pattern and practice, during the relevant time period set forth herein, Defendants intentionally and willfully failed to pay Plaintiffs and other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ.

90. Defendants' pattern and practice of failing to pay Plaintiffs and other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ, is in violation of Labor Code sections 201 and 202.

91. Labor Code 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 thereof at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

92. Plaintiffs and other class members are entitled to recover from Defendants the statutory penalty wages for each day they were not paid, up to a thirty (30) day maximum pursuant to Labor Code section 203.

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1 **SIXTH CAUSE OF ACTION**

2 **(Violation of California Labor Code § 226(a))**

3 **(Against DEFENDANTS and DOES 1 through 100)**

4 93. Plaintiffs incorporate by reference the allegations contained in paragraphs 1  
5 through 92, and each and every part thereof with the same force and effect as though fully set  
6 forth herein.

7 94. During the relevant time period set forth herein, Labor Code section 226(a)  
8 provides that every employer shall furnish each of his or her employees an accurate itemized  
9 statement in writing showing: (a) gross wages earned, (b) total hours worked by the employee,  
10 (c) the number of piece-rate units earned and any applicable piece rate if the employee is paid  
11 on a piece-rate basis, (d) all deductions, provided that all deductions made on written orders of  
12 the employee may be aggregated and shown as one item, (e) net wages earned, (f) the inclusive  
13 dates of the period for which the employee is paid, (g) the name of the employee and his or her  
14 social security number, (h) the name and address of the legal entity that is the employer, and (i)  
15 all applicable hourly rates in effect during the pay period and the corresponding number of  
16 hours worked at each hourly rate by the employee. The deductions made from payments of  
17 wages shall be recorded in ink or other indelible form, properly dated, showing the month, day,  
18 and year, and a copy of the statement or a record of the deductions shall be kept on file by the  
19 employer for at least three years at the place of employment or at a central location within the  
20 State of California.

21 95. As a pattern and practice, Defendants have intentionally and willfully failed to  
22 provide Plaintiffs and other class members with complete and accurate wage statements. The  
23 deficiencies include but are not limited to: (a) the failure to include the total number of hours  
24 worked by Plaintiffs and other class members; (b) failure to include gross wages earned; (c)  
25 failure to include net wages earned; and (d) failure to include all applicable hourly rates.

26 96. As a result of Defendants' violation of Labor Code section 226(a), Plaintiffs and  
27 other class members have suffered injury and damage to their statutorily protected rights.  
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1           97.     Plaintiffs and other class members have been injured by Defendants' intentional  
2 and willful violation of Labor Code section 226(a) because they were denied both their legal  
3 right to receive, and their protected interest in receiving, accurate and itemized wage  
4 statements pursuant to Labor Code section 226(a).

5           98.     Plaintiffs and other class members are entitled to recover from Defendants the  
6 greater of their actual damages caused by Defendants' failure to comply with Labor Code  
7 section 226(a), or an aggregate penalty not exceeding four thousand dollars per employee.

8           99.     Plaintiffs and other class members are also entitled to injunctive relief to ensure  
9 compliance with this section, pursuant to Labor Code section 226(g).

10                               **SEVENTH CAUSE OF ACTION**

11                               **(Violation of California Labor Code §§ 2800 and 2802)**

12                               **(Against DEFENDANTS and DOES 1 through 100)**

13           100.    Plaintiffs incorporate by reference the allegations contained in paragraphs 1  
14 through 99, and each and every part thereof with the same force and effect as though fully set  
15 forth herein.

16           101.    Pursuant to California Labor Code sections 2800 and 2802, an employer must  
17 reimburse its employee for all necessary expenditures incurred by the employee in direct  
18 consequence of the discharge of his or her job duties or in direct consequence of his or her  
19 obedience to the directions of the employer.

20           102.    Defendants have intentionally and willfully failed to reimburse Plaintiffs and  
21 other class members for all necessary business-related expenses and costs. Plaintiffs and other  
22 class members are entitled to recover from Defendants their business-related expenses and  
23 costs incurred during the course and scope of their employment, plus interest accrued from the  
24 date on which the employee incurred the necessary expenditures at the same rate as judgments  
25 in civil actions in the State of California.

26    ///

27    ///

1 **EIGHTH CAUSE OF ACTION**

2 **(Violation of Labor Code Section 2698, *et seq.* (“PAGA”))**

3 **(Against DEFENDANTS and DOES 1 through 100)**

4 103. Plaintiffs incorporate by reference the allegations contained in paragraphs 1  
5 through 102, and each and every part thereof with the same force and effect as though fully set  
6 forth herein.

7 104. PAGA expressly establishes that any provision of the Labor Code which  
8 provides for a civil penalty to be assessed and collected by the California Labor and Workforce  
9 Development Agency (“LWDA”), or any of its departments, divisions, commissions, boards,  
10 agencies or employees for a violation of the Labor Code, may be recovered through a civil  
11 action brought by an aggrieved employee on behalf of himself or herself, and other current or  
12 former employees.

13 105. On May 4, 2020, Plaintiff Salazar provided written notice to the LWDA and  
14 Defendants of the specific provisions of the Labor Code she contends were violated, and the  
15 theories supporting her contentions. Attached hereto as **Exhibit 1** and incorporated by  
16 reference is a copy of the written notice to the LWDA. Plaintiff Salazar believes that on or  
17 about July 8, 2020, the sixty-five (65) day notice period expired as to all Defendants, and the  
18 LWDA did not take any action to investigate or prosecute this matter. Therefore, Plaintiff  
19 Salazar has exhausted the statutory time period to bring this action.

20 106. On May 18, 2021, Plaintiff Alvarez provided written notice to the LWDA and  
21 Defendants of the specific provisions of the Labor Code he contends were violated, and the  
22 theories supporting his contentions. Attached hereto as **Exhibit 2** and incorporated by  
23 reference is a copy of the written notice to the LWDA. Plaintiff Alvarez believes that on or  
24 about July 22, 2021, the sixty-five (65) day notice period expired as to all Defendants, and the  
25 LWDA did not take any action to investigate or prosecute this matter. Therefore, Plaintiff  
26 Alvarez has exhausted the statutory time period to bring this action.

27 107. Plaintiffs and the other hourly-paid or non-exempt employees are “aggrieved  
28

employees” as defined by Labor Code section 2699(c) in that they are all current and former non-exempt or hourly paid employees of Defendants, including non-exempt employees provided by staffing agencies, who worked in California during the period from May 4, 2019 through the earlier of May 29, 2022 or the date of Preliminary Approval (or if any such person is incompetent, deceased, or unavailable due to military service, the person’s legal representative or successor in interest evidenced by reasonable verification), and one or more of the alleged violations were committed against them.

#### **Failure to Pay Minimum and Overtime Wages**

108. At all times relevant herein, Defendants were required to compensate their non-exempt employees minimum wages for all hours worked and overtime wages for all hours worked in excess of eight (8) hours in a day, or forty (40) hours in a workweek, pursuant to the mandate of Labor Code sections 510, 1194, 1197, and 1198.

109. As a pattern and practice, Defendants failed to compensate Plaintiffs and other aggrieved current and former employees for all hours worked, resulting in a failure to pay all minimum wages and overtime wages, where applicable.

110. As a pattern and practice, Defendants failed to compensate Plaintiffs and other current and former aggrieved employees for off-the-clock work and failed to properly calculate the regular rate of pay for overtime purposes by failing to factor bonuses and incentives into Plaintiffs’ and other current and former aggrieved employees’ regular rates of pay.

#### **Failure to Provide Meal Periods and Rest Breaks**

111. In accordance with the mandates of Labor Code sections 226.7 and 512, Defendants were required to authorize and permit their non-exempt employees to take a 10-minute rest break for every four (4) hours worked or major fraction thereof and were further required to provide their non-exempt employees with a 30-minute meal period for every five (5) hours worked.

112. As a pattern and practice, Defendants failed to provide Plaintiffs and other aggrieved current and former employees with legally-mandated meal periods and rest breaks

1 and failed to pay proper compensation for this failure.

2 **Failure to Timely Pay Wages During Employment**

3 113. At all times relevant herein, Defendants were required to pay their employees  
4 within a specified time period pursuant to the mandate of Labor Code section 204.

5 114. As a pattern and practice, Defendants failed to pay Plaintiffs and other  
6 aggrieved current and former employees all wages due and owing them within the required  
7 time period.

8 **Failure to Timely Pay Wages Upon Termination**

9 115. At all times relevant herein, Defendants were required to pay their employees all  
10 wages owed in a timely fashion at the end of employment pursuant to Labor Code sections 201  
11 to 204.

12 116. As a result of Defendants' Labor Code violations alleged above, Defendants  
13 failed to pay Plaintiffs and the other aggrieved former employees their final wages pursuant to  
14 Labor Code sections 201 to 204 and accordingly owe waiting time penalties pursuant to Labor  
15 Code section 203.

16 **Failure to Provide Complete and Accurate Wage Statements**

17 117. At all times relevant herein, Defendants were required to keep accurate records  
18 regarding their California employees pursuant to the mandate of Labor Code sections 226 and  
19 1174.

20 118. As a result of Defendants' various Labor Code violations, Defendants failed to  
21 keep accurate records regarding Plaintiffs and other aggrieved current and former employees.  
22 For example, Defendants failed in their affirmative obligation to keep accurate records  
23 regarding Plaintiffs and other aggrieved current and former employees' gross wages earned,  
24 total hours worked, all deductions, net wages earned, and all applicable hourly rates and the  
25 number of hours worked at each hourly rate.

26 **Failure to Reimburse Business Expenses**

27 119. At all times relevant herein, Defendants were required to reimburse their  
28

employees for any and all necessary expenditures or losses incurred by the employees in direct consequences of the discharge or his or her duties pursuant to the mandate of Labor Code sections 2800 and 2802.

120. As a pattern and practice, Defendants failed to reimburse Plaintiffs and other aggrieved current and former employees all business expenses incurred and owing them within the required time period.

#### **Failure to Pay Sick Leave Pay**

121. Labor Code section 246(l) allows an employer to calculate paid sick leave for non-exempt employees using two (2) methods. Per section 246(l), Defendants may pay sick leave either 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 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. Lab. Code § 246(l)(1)-(2).

122. As a policy and practice, Defendants failed to properly calculate and pay sick leave to Plaintiffs and other aggrieved current and former employees pursuant to the methods outlined in Labor Code section 246(l).

#### **Penalties**

123. Pursuant to California Labor Code sections 2699, Plaintiffs, individually, and on behalf of other current and former aggrieved employees, requests and are entitled to recover from Defendants, and each of them, civil penalties, interest, attorneys' fees and costs, including but not limited to:

a. Penalties under California Labor Code section 2699 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation;

b. Penalties under California Code of Regulations Title 8 section 11040 in

the amount of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation, and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation;

c. Penalties under California Labor Code section 210 in addition to, and entirely independent and apart from, any other penalty provided in the Labor Code in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation;

d. Penalties under Labor Code section 1197.1 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred fifty dollars (\$250) for each aggrieved employee per pay period for each subsequent violation;

e. Any and all additional penalties as provided by the Labor Code and/or other statutes; and

f. Attorneys' fees and costs pursuant to Labor Code sections 210, 1194, and 2699, and any other applicable statute.

### **NINTH CAUSE OF ACTION**

**(Violation of California Business & Professions Code § 17200, *et seq.*)**

**(Against DEFENDANTS and DOES 1 through 100)**

124. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 123, and each and every part thereof with the same force and effect as though fully set forth herein.

125. Defendants' conduct, as alleged herein, has been, and continues to be unfair, unlawful and harmful to Plaintiffs, other class members, to the general public, and Defendants' competitors. Accordingly, Plaintiffs seek to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure section 1021.5.

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

127. A violation of Business & Professions Code section 17200, *et seq.* may be predicated on the violation of any state or federal law. In this instant case, Defendants' pattern and practice of requiring Plaintiffs and other class members work overtime hours without paying them proper compensation violate Labor Code sections 510 and 1198. Additionally, Defendants' pattern and practice of requiring Plaintiffs and other class members, to work through their meal and rest periods without paying them proper compensation violate Labor Code sections 226.7 and 512(a). Moreover, Defendants' pattern and practice of failing to timely pay wages to Plaintiffs and other class members violate Labor Code sections 201 and 202. Defendants also violated Labor Code sections 226(a), 1194, 1197, 2800 and 2802.

128. As a result of the herein described violations of California law, Defendants unlawfully gained an unfair advantage over other businesses.

129. Plaintiffs and other class members have been personally injured by Defendants' unlawful business acts and practices as alleged herein, including but not necessarily limited to the loss of money and/or property.

130. Pursuant to Business & Professions Code sections 17200, *et seq.*, Plaintiffs and other 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 this Complaint; an award of attorneys' fees pursuant to Code of Civil procedure section 1021.5 and other applicable laws; and an award of costs.

### DEMAND FOR JURY TRIAL

Plaintiffs, individually, and on behalf of other similarly situated employees, requests a trial by jury.

### PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually, on behalf of other similarly situated employees,

and on behalf of aggrieved employees pursuant to PAGA, pray for relief and judgment against Defendants, jointly and severally, as follows:

**Class Certification**

1. That this action be certified as a class action;
2. That Plaintiffs be appointed as representatives of the Class;
3. That counsel for Plaintiffs be appointed as Class Counsel; and
4. That Defendants provide to Class Counsel immediately the names and most current contact information (address, email, and telephone numbers) of all class members.

**As to the First Cause of Action**

5. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due to Plaintiffs and the other class members;
6. For general unpaid wages at overtime wage rates and such general and special damages as may be appropriate;
7. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;
8. For reasonable attorneys' fees and costs of suit incurred herein pursuant to Labor Code section 1194; and
9. For such other and further relief as the court may deem just and proper.

**As to the Second Cause of Action**

10. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 226.7 and 512 and applicable IWC Wage Orders by willfully failing to provide all meal periods (including second meal periods) to Plaintiffs and the other class members;
11. That the Court make an award to Plaintiffs and the other class members of one (1) hour of pay at each employee's regular rate of compensation for each workday that a meal period was not provided;
12. For all actual, consequential, and incidental losses and damages, according to

1 proof;

2 13. For premium wages pursuant to Labor Code section 226.7(b);

3 14. For pre-judgment interest on any unpaid wages from the date such amounts  
4 were due;

5 15. For reasonable attorneys' fees and costs of suit incurred herein; and

6 16. For such other and further relief as the court may deem just and proper.

7 **As to the Third Cause of Action**

8 17. That the Court declare, adjudge, and decree that Defendants violated Labor  
9 Code section 226.7 and applicable IWC Wage Orders by willfully failing to provide all rest  
10 periods to Plaintiffs and the other class members;

11 18. That the Court make an award to Plaintiffs and the other class members of one  
12 (1) hour of pay at each employee's regular rate of compensation for each workday that a rest  
13 period was not provided;

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

16 20. For premium wages pursuant to Labor Code section 226.7(b);

17 21. For pre-judgment interest on any unpaid wages from the date such amounts  
18 were due; and

19 22. For such other and further relief as the court may deem just and proper.

20 **As to the Fourth Cause of Action**

21 23. That the Court declare, adjudge, and decree that Defendants violated Labor  
22 Code sections 1194 and 1197 by willfully failing to pay minimum wages to Plaintiffs and the  
23 other class members;

24 24. For general unpaid wages and such general and special damages as may be  
25 appropriate;

26 25. For pre-judgment interest on any unpaid compensation from the date such  
27 amounts were due;

1           26.     For reasonable attorneys' fees and costs of suit incurred herein pursuant to  
2 Labor Code section 1194(a);

3           27.     For liquidated damages pursuant to Labor Code section 1194.2; and

4           28.     For such other and further relief as the court may deem just and proper.

5                           **As to the Fifth Cause of Action**

6           29.     That the Court declare, adjudge, and decree that Defendants violated Labor  
7 Code sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time  
8 of termination of the employment of Plaintiffs and the other class members no longer  
9 employed by Defendants;

10          30.     For all actual, consequential, and incidental losses and damages, according to  
11 proof;

12          31.     For statutory wage penalties pursuant to Labor Code section 203 for the other  
13 class members who have left Defendants' employ;

14          32.     For pre-judgment interest on any unpaid compensation from the date such  
15 amounts were due; and

16          33.     For such other and further relief as the court may deem just and proper.

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

18          34.     That the Court declare, adjudge, and decree that Defendants violated the record  
19 keeping provisions of Labor Code section 226(a) and applicable IWC Wage Orders as to  
20 Plaintiffs and other class members, and willfully failed to provide accurate itemized wage  
21 statements thereto;

22          35.     For actual, consequential, and incidental losses and damages, according to  
23 proof;

24          36.     For injunctive relief to ensure compliance with this section, pursuant to Labor  
25 Code section 226(g); and

26          37.     For such other and further relief as the court may deem just and proper.

27     ///

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

2           38.     That the Court declare, adjudge, and decree that Defendants violated California  
3 Labor Code sections 2800 and 2802 by willfully failing to reimburse Plaintiffs and other class  
4 members for all necessary business-related expenses as required by California Labor Code  
5 sections 2800 and 2802;

6           39.     For actual, consequential, and incidental losses and damages, according to  
7 proof;

8           40.     For the imposition of civil penalties and/or statutory penalties;

9           41.     For reasonable attorneys' fees and costs of suit incurred herein; and

10          42.     For such other and further relief as the court may deem just and proper.

11                                   **As to the Eight Cause of Action**

12          43.     Upon the Eight Cause of Action, for civil penalties pursuant to statute as set  
13 forth in Labor Code sections 2698, *et seq.*, for Defendants' violations of Labor Code sections  
14 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1194, 1197,  
15 1197.1, 1198, 2800 and 2802.

16          44.     Upon the Eight Cause of Action, for costs and attorneys' fees pursuant to Labor  
17 Code sections 210, 218.5, 1194, and 2699, and any other applicable statute; and

18          45.     For such other and further relief the court may deem just and proper.

19                                   **As to the Ninth Cause of Action**

20          46.     That the Court declare, adjudge, and decree that Defendants violated Business  
21 and Professions Code sections 17200, *et seq.* by failing to provide Plaintiffs and other class  
22 members all overtime compensation due to them, failing to provide all meal and rest periods to  
23 Plaintiffs and the other class members, failing to pay at least minimum wages to Plaintiffs and  
24 the other class members, failing to pay Plaintiffs' and other class members' wages timely as  
25 required by Labor Code sections 201 and 202.

26          47.     For restitution of unpaid wages to Plaintiffs and other class members and all  
27 pre-judgment interest from the day such amounts were due and payable;  
28

1           48.     For the appointment of a receiver to receive, manage and distribute any and all  
2 funds disgorged from Defendants and determined to have been wrongfully acquired by  
3 Defendants as a result of violation of Business and Professions Code sections 17200, *et seq.*;

4           49.     For reasonable attorneys' fees and costs of suit incurred herein pursuant to Code  
5 of Civil Procedure section 1021.5;

6           50.     For injunctive relief to ensure compliance with this section, pursuant to  
7 Business and Professions Code sections 17200, *et seq.*; and

8           51.     For such other and further relief as the court may deem just and proper.  
9

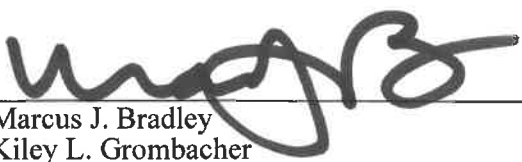
10 Dated: July 7, 2022

**JUSTICE LAW CORPORATION**

11  
12 By:   
13 Douglas Han  
14 Shunt Tatavos-Gharajeh  
15 Phillip Song  
16 Haig Hogdanian  
Attorneys for Plaintiffs Ruth Ferrara and  
Yessica Salazar

17 Dated: July 9, 2022

**BRADLEY/GROMBACHER, LLP**

18  
19 By:   
20 Marcus J. Bradley  
21 Kiley L. Grombacher  
22 Lirit A. King  
23 Attorneys for Plaintiff Daniel Alvarez  
24  
25  
26  
27  
28

# EXHIBIT 1

May 4, 2020

**BY U.S. EMAIL/ELECTRONIC SUBMISSION**

PAGAfilings@dir.ca.gov

State of California

Labor & Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, California 95814

**Re: SOUTH COAST WINERY, INC., CARTER ESTATE WINERY AND RESORT, LLC, SPRUCE GROVE, INC., CARTER HOSPITALITY GROUP, LLC, AND JEFFREY R. CARTER**

Dear Representative:

We have been retained to represent Yessica Salazar against South Coast Winery, Inc., Carter Estate Winery and Resort, LLC, Spruce Grove Inc. and Carter Hospitality Group, LLC (including any and all affiliates, managers, members, subsidiaries, and parents, and their shareholders, officers, directors, and employees), Jeffrey R. Carter as an "Employer" or person acting on behalf of an "Employer" pursuant to California Labor Code section 558.1, and DOES 1-10<sup>1</sup> for violations of California wage-and-hour laws (hereinafter collectively referred to as "CARTER").

Ms. Salazar is pursuing her California Labor Code sections 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA") claim on a representative basis. Therefore, Ms. Salazar may seek penalties and wages for violations of the Labor Code on behalf of the State of California and aggrieved employees, which are recoverable under PAGA. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

South Coast Winery, Inc. is a California corporation headquartered at 3719 S. Plaza Drive, Santa Ana, California 92704. Carter Estate Winery and Resort, LLC is a California limited liability company headquartered at 3719 S. Plaza Drive, Santa Ana, California 92704. Spruce Grove, Inc. is a California corporation headquartered at 3719 S. Plaza Drive, Santa Ana, California 92704. Carter Hospitality Group, LLC is a Florida limited liability company headquartered at 4787 West Irlo Bronson Hwy US 192, Kissimmee, Florida 34745. Jeffrey R. Carter is the Chief Executive Officer of South Coast Winery, Inc. and Spruce Grove, Inc., and Manager of Carter Estate Winery and Resort, LLC and Carter Hospitality Group, LLC.

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<sup>1</sup> Ms. Salazar does not know the true names or capacities, whether individual, partner or corporate, of DOES 1 through 10, inclusive, and for that reason, said DOES are designated under such fictitious names. Ms. Salazar will amend this notice when the true names and capacities are known. Ms. Salazar is informed and believes that each DOE was responsible in some way for the matters alleged herein and proximately caused Ms. Salazar and other current and former aggrieved employees to be subject to the illegal employment practices, wrongs and injuries complained of herein.

CARTER employed Ms. Salazar as a salaried exempt Guest Experience Manager within one year of the date of this letter (until in or about September of 2019) in the State of California. CARTER directly controlled the wages, hours and working conditions of Ms. Salazar's employment. CARTER misclassified Ms. Salazar as "exempt" despite Ms. Salazar not performing managerial, *e.g.* hiring, firing, and supervising, duties.

The "aggrieved employees" that Ms. Salazar may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees and salaried or exempt managers of CARTER within the State of California, regardless whether hired directly or through staffing agencies.

CARTER failed to properly pay its non-exempt employees for all hours worked, failed to properly provide or compensate minimum and overtime wages and for meal and rest breaks, failed to issue compliant wage statements and failed to reimburse for all necessary business-related costs and expenses, thus resulting in other Labor Code violations as stated below.

CARTER misclassified exempt employees and failed to properly pay them for all hours worked, failed to properly provide or compensate minimum and overtime wages and for meal and rest breaks, failed to provide complete and accurate wage statements, and failed to provide reimbursement of business expenses, thus resulting in other Labor Code violations as stated below.

Pursuant to *Huff v. Securitas Security Services*, 23 Cal. App. 5th 745, 751 (2018), an employee who brings a representative action and was affected by at least one of the violations alleged in the complaint has standing to pursue penalties on behalf of the state not only for that violation, but for violations affecting other employees as well. Accordingly, Ms. Salazar has standing to pursue penalties on behalf of the state for violations affecting all the aggrieved employees at CARTER, regardless of their classification, job title, locations, or whether they were hired directly or through a staffing agency or labor contractor.

CARTER has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 226.8, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

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California Labor Code sections 510, 1194, and 1198 require employers to pay at least minimum wage for all hours worked, pay time-and-a-half, or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates. During the relevant time period, Ms. Salazar and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. CARTER misclassified Ms. Salazar and other exempt aggrieved employees and failed to compensate them for all hours worked. Moreover, CARTER failed to compensate non-exempt aggrieved employees for all hours worked and performing off-the-clock work, including pre- and post-shift and during meal breaks. CARTER also failed to include non-discretionary bonuses and incentives in non-exempt aggrieved employees' regular rate of pay for purposes of overtime compensation. Therefore, Ms. Salazar and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided. During the relevant time period, CARTER misclassified Ms. Salazar and other exempt aggrieved employees and failed to provide them with legally mandated meal and rest breaks. During the relevant time period, CARTER routinely required non-exempt aggrieved employees to work through, interrupt, cut short, and/or delay their meal and rest breaks to comply with CARTER policies and expectations. Additionally, CARTER failed to authorize and permit non-exempt aggrieved employees to take the requisite number of meal and rest breaks, including second meal breaks and third rest breaks, when working shifts exceeding 10 hours in length. Despite these facts, CARTER failed to compensate Ms. Salazar and other aggrieved employees all the premium wages they were owed.

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California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 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. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days. During the relevant time period, CARTER misclassified Ms. Salazar and other exempt aggrieved employees and failed to pay them all wages due to them within any time period specified by California Labor Code sections 201 and 203 and therefore is liable under California Labor Code section 203. During the relevant time period, CARTER failed to pay non-exempt aggrieved employees all wages, including for uncompensated off-the-clock work and premium wages for failing to provide legally mandated meal and rest breaks, due to them within any time period specified by California Labor Code sections 201 and 203 and therefore is liable under California Labor Code section 203.

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. During the relevant time period, CARTER failed to pay Ms. Salazar and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204.

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California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, CARTER did not provide Ms. Salazar and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from CARTER were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include (1) gross wages earned by Ms. Salazar and other aggrieved employees, (2) total hours worked by Ms. Salazar and other aggrieved employees, (3) the number of piece-rate units earned and any applicable piece rate by Ms. Salazar and other aggrieved employees (4) all deductions for Ms. Salazar and other aggrieved employees, (5) net wages earned by Ms. Salazar and other aggrieved employees, (6) the inclusive dates of the period for which Ms. Salazar and other aggrieved employees are paid, (7) the name of the aggrieved 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, (8) the name and address of the legal entity that is the employer and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by Ms. Salazar and other aggrieved employees.

California Labor Code section 558 allows recovery of penalties. (a) Any 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 in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall be paid to the affected employee. Ms. Salazar and other aggrieved employees have been denied their wages and premium wages and, therefore, are entitled to penalties.

California Labor Code sections 1174(d) requires an employer to keep, 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. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, CARTER failed to keep accurate and complete payroll records showing the hours worked daily and the wages paid, to Ms. Salazar and other aggrieved employees.

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California Labor Code sections 1194, 1197 and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, CARTER misclassified Ms. Salazar and other exempt aggrieved employees and did not provide them the minimum wages to which they were entitled. During the relevant time period, CARTER did not provide non-exempt aggrieved employees with the minimum wages to which they were entitled despite constructive and actual knowledge of off-the-clock work, including pre- and post-shift and during meal breaks.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During their employment, Ms. Salazar and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by CARTER, including for the use of their personal cellular phones and vehicles for work purposes.

CARTER violated Labor Code section 226.8, in addition to the above Labor Code sections enumerated above, by willfully misclassifying Ms. Salazar and other exempt aggrieved employees. Therefore, Ms. Salazar and other exempt aggrieved employees are entitled to penalties in the amount of not less than \$5,000.00 and not more than \$15,000.00 for each violation of Labor Code section 226.8, and a penalty not less than \$10,000.00 and not more than \$25,000.00 for each willful violation under Labor Code section 226.8.

We believe that Ms. Salazar and other current and former California-based hourly-paid or non-exempt employees and salaried or exempt managers are entitled to penalties as allowed under California Labor Code sections 2698, *et seq.* for violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 226.8, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant send a certified letter to the employer in questions and the California Labor & Workforce Development Agency setting forth the claims, and the basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Ms. Salazar will seek these penalties and wages on her own behalf and on behalf of other similarly situated California-based hourly-paid or non-exempt employees and salaried or exempt managers of CARTER within one year of the date of this letter, as allowed by law.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

Very truly yours,

**JUSTICE LAW CORPORATION**



Douglas Han, Esq.

**CC: (By Certified U.S. Mail Only):**

Jeffrey R. Carter  
c/o South Coast Winery, Inc. and Spruce Grove, Inc.  
3719 S. Plaza Drive  
Santa Ana, California 92704  
*Agent for Service of Process for* South Coast Winery, Inc. and Spruce Grove, Inc.

Richard S. Price II  
c/o Carter Estate Winery and Resort, LLC  
1235 N. Harbor Blvd., Suite 200  
Fullerton, California 92832  
*Agent for Service of Process for* Carter Estate Winery and Resort, LLC

Registered Agent Services Co.  
c/o Carter Hospitality Group, LLC  
2975 Bee Ridge Road, Suite C3  
Sarasota, Florida 34239  
*Agent for Service of Process for* Carter Hospitality Group, LLC

Jeffrey R. Carter  
3719 S. Plaza Drive  
Santa Ana, California 92704  
*Chief Executive Officer of* South Coast Winery, Inc. and Spruce Grove, Inc.  
*Manager of* Carter Estate Winery and Resort, LLC and Carter Hospitality Group, LLC

LWDA  
May 4, 2020  
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# **EXHIBIT 2**

May 18, 2021

Labor and Workforce Development Agency  
**Attn: PAGA Administrator**  
455 Golden Gate Avenue, 9<sup>th</sup> Floor  
San Francisco, CA 94102  
*Filed Online and Courtesy Copy Delivered  
via Certified Mail*

**Re: Written Notice – Private Attorney General Act (“PAGA”) –  
California Labor Code § 2698 et seq.**  
*Daniel Alvarez v. South Coast Winery Inc., Carter Hospitality, L.L.C.*

PAGA Administrator:

Notice is hereby provided that, pursuant to California *Labor Code* § 2699.3, Daniel Alvarez, an employee of South Coast Winery, Inc. and Carter Hospitality, L.L.C. contends that his employer has committed serious, willful violations of the California *Labor Code*. Mr. Alvarez, (hereinafter sometimes referred to as “Employee”), contends that, South Coast Winery Inc, and Carter Hospitality, L.L.C. (hereinafter referred as “Employers”), have violated, and continue to violate, provisions of the California *Labor Code* and wage orders promulgated by the Industrial Welfare Commission (“IWC Wage Order”), including, but not limited to, California *Labor Code* §§ 201, 202, 203, 226, 226.7, 510, 1194, 1198.5, 2802, and the applicable wage order.

In accordance with the required notice under California *Labor Code* § 2699.3 of the Private Attorney General Act (“PAGA”), this letter shall serve as formal written notice to the Labor and Workforce Development Agency (“LWDA”).

Employee was a non-exempt, hourly employee of Employers within the last year. South Coast Winery, Inc. is a California corporation that does business in California. Carter Hospitality, LLC is a California limited liability company that does business in California.

Employee and aggrieved employees seek penalties and other compensation from Employers for the relevant time period because Employer failed to comply with the California *Labor Code* in the following manners as set forth below.

Employee is an “aggrieved employee” as defined in California *Labor Code* § 2699, subdivision (a) and brings this action on behalf of himself and all other aggrieved employees of Employer. Plaintiff, also on behalf of himself and all other aggrieved employees, seeks penalties under PAGA for Employer’s violations.

Below please find the relevant facts and legal theories to support the aforementioned violation. In addition, a copy of the Complaint which further details the facts and theories of liability is attached hereto and incorporated by reference.

Mr. Alvarez began working for Employers in 2006 and worked intermittently there until approximately April, 2021.

**Failure to Pay all Wages/ Overtime**

California *Labor Code* § 1194 provides that, “[n]otwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” California *Labor Code* § 1197 provides that, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.”

California *Labor Code* § 1197.1 provides that, “(a) Any employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty and restitution of wages payable to the employee, as follows:

- (1) For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid. This amount shall be in addition to an amount sufficient to recover underpaid wages.
- (2) For each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. This amount shall be in addition to an amount sufficient to recover underpaid wages.
- (3) Wages recovered pursuant to this section shall be paid to the affected employee.

Mr. Alvarez alleges that he and other aggrieved employees were not compensated for all hours worked. Specifically, travel time to and from off-site events, including ones out of the county, and

off the clock work at the end of shifts to perform closing duties including allowing customers to complete their meals.

Employers did not compensate their hourly non-exempt employees for all the minutes that they worked as described above, including but not limited to the time that the employees were subject to the control and direction of Employers; and/or the time that the employees were suffered or permitted to work.

Employers did not compensate their hourly non-exempt employees for all the minutes that they worked as described above, including but not limited to the time that the employees were subject to the control and direction of Employers; and/or the time that the employees were suffered or permitted to work.

### **Failure to Provide Meal and Rest Breaks**

California *Labor Code* § 226.7(a) provides that: “No employer shall require any employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission.”

California *Labor Code* § 512 provides that: “An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee.”

Employee alleges that Employers regularly:

- a. Failed to provide Employee and other aggrieved employees with a first meal period of not less than thirty (30) minutes during which they are relieved of all duty before working more than five (5) hours;
- b. Failed to pay Employee and other aggrieved employees one hour of pay at their regular rate of compensation for each workday that a meal period was not provided; and
- c. Failed to accurately record all meal periods

Employee was a “Wine / Food Server”. Because the break room was farther from the areas he was stationed at, it would take up to ten minutes to walk to the break room for a meal break.

Additionally, Employee was rarely permitted to take any rest breaks. Employee was not given any rest break or meal break premiums despite such breaks being missed or cut short.

### **Failure to Pay all Wages Owed at Termination**

At all times, relevant hereto, California *Labor Code* § 201 required an employer that

discharges an employee to pay compensation due and owing to said employee immediately upon discharge. California *Labor Code* § 202 requires an employer to pay an employee who quits any compensation due and owing to said employee within seventy-two (72) hours of an employee's resignation. California *Labor Code* § 203 provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation, as required under Sections 201 and 202, then the employer is liable for waiting time penalties in the form of continued compensation for up to thirty (30) work days. Defendants' failure to pay for all wages earned prior to termination constitutes additional violations of California *Labor Code* §§ 201-203.

Employers willfully and knowingly failed to pay Employee, and other aggrieved employees, upon termination of employment, all accrued compensation.

#### **Failure to Reimburse Expenses**

Pursuant to California *Labor Code* § 2802(a) an employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.

Employers have intentionally and willfully failed to reimburse and/or pay Employees and other aggrieved employees for business-related expenses, including, but not limited to, mileage to and from off site events.

#### **Failure to Furnish Accurate Wage Statements**

California *Labor Code* § 226(a) sets forth reporting requirements for employers when they pay wages, as follows: "[e]very employer shall ... at the time of each payment of wages, furnish his or her employees ... an accurate itemized statement in writing showing (1) gross wages earned; (2) total hours worked by the employee.... (5) net wages earned ... (8) the name and address of the legal entity that is the employer... (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee."

Employee is further informed and believes, and based thereon alleges, that as a matter of policy and/or corporate practice, Employers have failed to provide Employee and other aggrieved employees with accurate wage statements pursuant to California *Labor Code* § 226(a) by, *inter alia*, failing to include wages earned and the corresponding number of hours worked and the failure to reflect missed meal and rest time premium pay.

#### **Conclusion**

Employee respectfully requests that the LWDA notify this office within sixty (60) days if it wishes to investigate this matter further. A copy is being sent via certified mail to Employer.

*LWDA – PAGA Notice*

*Re: Daniel Alvarez v. South Coast Winery Inc., Carter Hospitality, L.L.C.*

May 18, 2021

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Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned.

Thank you for your time and consideration.

Very truly yours,

**BRADLEY/GROMBACHER, LLP**

A handwritten signature in dark ink, appearing to read 'Kiley L. Grombacher', with a long horizontal stroke extending to the right.

Kiley L. Grombacher Esq.

*Enclosures - As stated above.*

c.c. NANCY BRYANT  
AGENT FOR SERVICE OF PROCESS  
FOR CARTER HOSPITALITY GROUP, LLC  
4787 WEST IRLO BRONSON HWY US 192  
SUITE C3  
KISSIMMEE, FL 34745

JEFFREY R CARTER  
AGENT FOR SERVICE OF PROCESS  
FOR SOUTH COAST WINERY, INC.  
3719 S. PLAZA DRIVE  
SANTA ANA CA 92704

**PROOF OF SERVICE  
1013A(3) CCP**

**STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is manderson@justicelawcorp.com

On July 15, 2022, I served the foregoing document described as

**FIRST AMENDED AND CONSOLIDATED CLASS AND REPRESENTATIVE  
ACTION COMPLAINT**

for the following case: **Ferrara, et al. v. South Coast Winery Inc., et al.**  
LWDA/Court Case No.: **LWDA Case No.: CM-785449-20**  
**Court Case No.: CVRI2101920**  
**Riverside County Superior Court**

on interested parties in this action by electronically submitting as follows:

State of California  
Labor & Workforce Development Agency  
800 Capitol Mall, MIC-55  
Sacramento, California 95814

**[X] BY ELECTRONIC SUBMISSION**

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

**[X] STATE**

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 15, 2022, at Pasadena, California.



**Mariah Anderson**