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13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 FOR THE COUNTY OF LOS ANGELES

15 MICHAEL DE GRADO, as an aggrieved
16 employee pursuant to the Private Attorneys
17 General Act ("PAGA"), on behalf of the
18 State of California and other non-party
19 Aggrieved Employees,

20 Plaintiff,

21 vs.

22 TIFFANY AND COMPANY U.S. SALES,
23 LLC, a Delaware limited liability company;
24 TIFFANY AND COMPANY, a New York
25 corporation; and DOES 1 through 10,
26 inclusive,

27 Defendants.
28

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

NOV 23 2020

Sherri K. [Signature], Deputy Clerk of Court

By [Signature], Deputy
Clerk of Court

BY FAX

Case No.:

20STCV44847

**COMPLAINT – PAGA ENFORCEMENT
ACTION**

- (1) Claim for Civil Penalties for Violations
of California Labor Code, Pursuant to
PAGA, §§ 2698, *et seq.*

Jury Trial Demanded

1 Plaintiff Michael De Grado, as an aggrieved employee and on behalf of the State of
2 California and all other non-party Aggrieved Employees, alleges as follows:

3 **JURISDICTION AND VENUE**

4 1. This is an enforcement action under the Labor Code Private Attorneys General
5 Act of 2004, California Labor Code sections 2698 *et seq.* (“PAGA”) to recover civil penalties
6 and any other available relief on behalf of Plaintiff, the State of California, and other current
7 and former employees who worked for Defendants in California as a non-exempt, hourly paid
8 employee and received at least one wage statement and against whom one or more violations
9 of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating
10 hours and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage
11 Order were committed, as set forth in this complaint, at any time between one year prior to the
12 filing of the pre-filing written notice to the Labor and Workforce Development Agency
13 (“LWDA”) in this case on September 17, 2020, until judgment (“non-party Aggrieved
14 Employees”). Plaintiff’s share of civil penalties sought in this action does not exceed
15 \$75,000.

16 2. This Court has jurisdiction over this action pursuant to the California
17 Constitution, Article VI, section 10. The statute under which this action is brought does not
18 specify any other basis for jurisdiction.

19 3. This Court has jurisdiction over all Defendants because, on information and
20 belief, Defendants are either citizens of California, have sufficient minimum contacts in
21 California, or otherwise intentionally avail themselves of the California market so as to render
22 the exercise of jurisdiction over them by the California courts consistent with traditional
23 notions of fair play and substantial justice. There is no basis for federal diversity jurisdiction
24 in this action given that the State of California, as the real party in interest in this action, is not
25 a “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*,
26 726 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be
27 aggregated to satisfy the amount in controversy requirement for federal diversity jurisdiction
28 in this action, and that diversity jurisdiction cannot be established when Plaintiff’s share of the

1 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

2 4. Venue is proper in this Court, because Defendants filed a Statement of
3 Information form with the California Secretary of State designating a principal place of
4 business in Beverly Hills, County of Los Angeles, in accordance with California Corporations
5 Code section 2105(a)(3). Venue is also proper in this Court, because Defendants employ
6 persons in this county, and thus a substantial portion of the transactions and occurrences
7 related to this action occurred in this county.

8 5. California Labor Code sections 2698, *et seq.*, the “Labor Code Private
9 Attorneys General Act of 2004” (“PAGA”), authorize aggrieved employees to sue as private
10 attorneys general their current or former employers for various civil penalties for violations of
11 various provisions in the California Labor Code.

12 THE PARTIES

13 6. Plaintiff worked for Defendants as an hourly paid, non-exempt Sales
14 Professional from approximately June 22, 2018 to October 5, 2019, at their Tiffany & Co.
15 store in Carmel-by-the Sea, California. During his employment, Plaintiff typically worked
16 four (4) to seven (7) hours or more per day, three (3) or more days per week, and 28 to 30
17 hours per week. By the end of his employment, Plaintiff earned approximately \$19.52 per
18 hour plus commissions. His job duties included, without limitation, providing customer
19 service, presenting jewelry to customers, cleaning jewelry displays and display cases, ringing
20 up customers, processing returns and exchanges, preparing sales and client reports, and
21 stocking displays.

22 7. On information and belief, Defendants required some employees, including
23 Plaintiff, to execute a dispute resolution policy and/or arbitration agreement at the time of
24 their hire or during their employment. On further information and belief, Defendants’ dispute
25 resolution policy and/or arbitration agreement was and is both procedurally and substantively
26 unconscionable. Specifically, Defendants presented new hires with a Dispute Resolution
27 Agreement (“Arbitration Agreement”) during the onboarding process, which had to be
28 reviewed and acknowledged immediately. Moreover, Defendants deemed the Arbitration

1 Agreement to be accepted even if employees did not sign it (“[R]egardless of whether you
2 submit the acknowledgement, continuing your employment for fourteen (14) days after you
3 are provided with this Agreement constitutes mutual acceptance of the terms of this
4 Agreement by you and the Company.”). Also, employees did not have a meaningful
5 opportunity to negotiate the terms of the Arbitration Agreement. Rather, it was provided to
6 Defendants’ employees for them to sign on a take-it or leave-it basis at the time they were
7 hired, along with other on-boarding documents. Further, Defendants did not set forth in the
8 agreement or otherwise provide employees with the rules which will govern the arbitration,
9 instead forcing employees to seek this information out on their own (“[D]isputes covered by
10 this Agreement shall be resolved by binding arbitration in accordance with the Employment
11 Arbitration Rules of the American Arbitration Association (‘AAA Rules’) then in effect, and
12 not by court or jury trial. The AAA Rules may be found on the Human Resource Division
13 page of the Company’s intranet, by asking your local Human Resource representative for a
14 copy of the rules, or online at www.adr.org/employment.”).

15 8. TIFFANY AND COMPANY U.S. SALES, LLC was and is, upon information
16 and belief, a Delaware limited liability company, and at all times hereinafter mentioned, an
17 employer whose employees are engaged throughout this county and the State of California.

18 9. TIFFANY AND COMPANY was and is, upon information and belief, a New
19 York corporation, and at all times hereinafter mentioned, an employer whose employees are
20 engaged throughout this county and the State of California.

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

25 11. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
26 were the partners, agents, owners, or managers of TIFFANY AND COMPANY U.S. SALES,
27 LLC and TIFFANY AND COMPANY at all relevant times.

28 12. Plaintiff is informed and believes, and thereon alleges, that each and all of the

1 acts and omissions alleged herein was performed by, or is attributable to, TIFFANY AND
2 COMPANY U.S. SALES, LLC; TIFFANY AND COMPANY; and/or DOES 1 through 10
3 (collectively, “Defendants” or “TIFFANY”), each acting as the agent, employee, alter ego,
4 and/or joint venturer of, or working in concert with, each of the other co-Defendants and was
5 acting within the course and scope of such agency, employment, joint venture, or concerted
6 activity with legal authority to act on the others’ behalf. The acts of any and all Defendants
7 were in accordance with, and represent, the official policy of Defendants.

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

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

15 15. Under California law, Defendants are jointly and severally liable as employers
16 for the violations alleged herein because they have each exercised sufficient control over the
17 wages, hours, working conditions, and employment status of Plaintiff and other non-party
18 Aggrieved Employees. Each Defendant had the power to hire and fire Plaintiff and other non-
19 party Aggrieved Employees, supervised and controlled their work schedule and/or conditions
20 of employment, determined their rate of pay, and maintained their employment records.
21 Defendants suffered or permitted Plaintiff and other non-party Aggrieved Employees to work
22 and/or “engaged” Plaintiff and other non-party Aggrieved Employees so as to create a
23 common-law employment relationship. As joint employers of Plaintiff and other non-party
24 Aggrieved Employees, Defendants are jointly and severally liable for the civil penalties
25 available to Plaintiff and other non-party Aggrieved Employees under the law.

26 16. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
27 Defendants, and each of them, have acted as joint employers with respect to Plaintiff and other
28 non-party Aggrieved Employees because Defendants have:

- 1 (a) jointly exercised meaningful control over the work performed by
2 Plaintiff and other non-party Aggrieved Employees;
- 3 (b) jointly exercised meaningful control over Plaintiff's and other non-party
4 Aggrieved Employees' wages, hours, and working conditions, including
5 the quantity, quality standards, speed, scheduling, and operative details
6 of the tasks performed by Plaintiff and other non-party Aggrieved
7 Employees;
- 8 (c) jointly required that Plaintiff and other non-party Aggrieved Employees
9 perform work which is an integral part of Defendants' businesses; and
- 10 (d) jointly exercised control over Plaintiff and other non-party Aggrieved
11 Employees as a matter of economic reality in that Plaintiff and other
12 non-party Aggrieved Employees were dependent on Defendants, who
13 shared the power to set the wages of Plaintiff and other non-party
14 Aggrieved Employees and determined their working conditions, and
15 who jointly reaped the benefits from the underpayment of their wages
16 and noncompliance with other statutory provisions governing their
17 employment.

18 17. Plaintiff is informed and believes, and thereon alleges, that at all relevant times
19 there has existed a unity of interest and ownership between Defendants such that any
20 individuality and separateness between the entities has ceased.

21 18. TIFFANY AND COMPANY U.S. SALES, LLC; TIFFANY AND
22 COMPANY; and DOES 1 through 10 are therefore alter egos of each other.

23 19. Adherence to the fiction of the separate existence of Defendants would permit
24 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
25 from liability for the wrongful acts committed by them under the name TIFFANY.

26 20. Plaintiff further alleges, upon information and belief, that Defendants
27 TIFFANY AND COMPANY U.S. SALES, LLC and TIFFANY AND COMPANY are alter
28 egos of each other for the following reasons:

- 1 (a) On the California Secretary of State’s website
2 (<https://businesssearch.sos.ca.gov/>), TIFFANY AND COMPANY U.S.
3 SALES, LLC and TIFFANY AND COMPANY share the same entity
4 mailing address, “15 SYLVAN WAY, PARSIPPANY, NJ 07054;”
- 5 (b) According to Tiffany & Co.’s SEC 10-K filing for 2019, TIFFANY
6 AND COMPANY U.S. SALES, LLC is a subsidiary of TIFFANY AND
7 COMPANY, INC.;¹
- 8 (c) According to the most recent “Statement of Information” forms filed
9 with the California Secretary of State, TIFFANY AND COMPANY
10 U.S. SALES, LLC and TIFFANY AND COMPANY share the same
11 officers and/or directors, including, but not limited to, Leigh M. Harlan
12 and Mark J. Erceg, who serve as Secretary and Chief Financial Officer
13 of TIFFANY AND COMPANY, respectively, and as managers of
14 TIFFANY AND COMPANY U.S. SALES, LLC;
- 15 (d) On information and belief, TIFFANY AND COMPANY U.S. SALES,
16 LLC and TIFFANY AND COMPANY share the same agent for service
17 of process, “C T CORPORATION SYSTEM (C0168406);” and
- 18 (e) On information and belief, TIFFANY AND COMPANY U.S. SALES,
19 LLC and TIFFANY AND COMPANY utilize the same standardized
20 employment forms and issue the same employment policies.

21 **PAGA REPRESENTATIVE ALLEGATIONS**

22 21. Defendants own and operate a chain of luxury jewelry retail stores throughout
23 the world. Defendants operate approximately 94 retail stores in the United States, including
24 18 retail stores in California. Upon information and belief, Defendants maintain a single,
25 centralized Human Resources (“HR”) department at their corporate headquarters in New
26 York, New York, which is responsible for the recruiting and hiring of new employees, and
27

28 ¹ 10-K Annual Report 3/20/2020, “Tiffany & Co. – Investor Relations,”
<https://investor.tiffany.com/financial-information/sec-filings> (last accessed Nov. 16, 2020).

1 communicating and implementing Defendants' company-wide policies, including timekeeping
2 policies and meal and rest period policies, to employees throughout California.

3 22. In particular, Plaintiff and other non-party Aggrieved Employees, on
4 information and belief, received the same standardized documents and/or written policies.
5 Upon information and belief, the usage of standardized documents and/or written policies,
6 including new-hire documents, indicate that Defendants dictated policies at the corporate level
7 and implemented them company-wide, regardless of their employees' assigned locations or
8 positions. Upon information and belief, Defendants set forth uniform policies and procedures
9 in several documents provided at an employee's time of hire.

10 23. Upon information and belief, Defendants maintain a centralized Payroll
11 department at their corporate headquarters in New York, New York, which processes payroll
12 for all non-exempt, hourly paid employees working for Defendants at their various locations
13 and jobsites in California, including Plaintiff and other non-party Aggrieved Employees.
14 Based upon information and belief, Defendants issue the same formatted wage statements to
15 all non-exempt, hourly paid employees in California, irrespective of their work locations.
16 Upon information and belief, Defendants process payroll for departing employees in the same
17 manner throughout the State of California, regardless of the manner in which each employee's
18 employment ends.

19 24. Defendants continue to employ non-exempt or hourly paid employees in
20 California.

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

25 26. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other
26 non-party Aggrieved Employees were not paid for all hours worked because all hours worked
27 were not recorded.

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

1 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
2 receive certain wages for overtime compensation and that they were not receiving certain
3 wages for overtime compensation.

4 28. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
5 should have known that other non-party Aggrieved Employees were entitled to be paid at a
6 regular rate of pay, and corresponding overtime rates of pay, that included as eligible income
7 all income derived from commissions, incentive pay, nondiscretionary bonuses, and/or other
8 forms of compensation.

9 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
10 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
11 receive at least minimum wages for compensation and that they were not receiving at least
12 minimum wages for work that was required to be done off-the-clock. In violation of the
13 California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at
14 least minimum wages for work done off-the-clock.

15 30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
16 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
17 meal periods in accordance with the Labor Code or payment of one (1) additional hour of pay
18 at their regular rates of pay when they were not provided with timely, uninterrupted, thirty
19 (30) minute meal periods and that Plaintiff and other non-party Aggrieved Employees were
20 not provided with all meal periods or payment of one (1) additional hour of pay at their
21 regular rates of pay when they did not receive a timely, uninterrupted, thirty (30) minute meal
22 period.

23 31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
24 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
25 rest periods in accordance with the Labor Code and applicable IWC Wage Order or payment
26 of one (1) additional hour of pay at their regular rates of pay when they were not authorized
27 and permitted to take a compliant rest period. In violation of the California Labor Code,
28 Plaintiff and other non-party Aggrieved Employees were not authorized and permitted to take

1 compliant rest periods, nor did Defendants provide Plaintiff and other non-party Aggrieved
2 Employees with payment of one (1) additional hour of pay at their regular rates of pay when
3 they were not authorized and permitted to take a compliant rest period.

4 32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
5 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
6 receive complete and accurate wage statements in accordance with California law. In
7 violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees
8 were not provided complete and accurate wage statements.

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

13 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
14 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
15 timely payment of all wages earned upon termination of employment. In violation of the
16 California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive
17 payment of all wages due, including, but not limited to, overtime wages, minimum wages,
18 and/or meal and rest period premiums, within permissible time periods.

19 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
20 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
21 timely payment of wages during their employment. In violation of the California Labor Code,
22 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,
23 including, but not limited to, overtime wages, minimum wages, and/or meal and rest period
24 premiums, within permissible time periods.

25 36. Plaintiff is informed and believes, and thereon allege, that at all time herein
26 mentioned, Defendants knew or should have known that they had a duty to cover the costs and
27 expenses other non-party Aggrieved Employees incurred obtaining mandatory examinations
28 and/or drug tests, but willfully, knowingly, and intentionally failed to do so.

1 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
2 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
3 suitable seating and/or were entitled to sit when it did not interfere with the performance of
4 their duties and also have seats nearby to use during a lull in tasks that do require moving
5 about or standing.

6 38. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
7 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
8 receive reimbursement for all business-related expenses and costs they incurred during the
9 course and scope of their employment and that they did not receive reimbursement of
10 applicable business-related expenses and costs incurred.

11 39. Plaintiff is informed and believes, and thereon alleges, that at all times herein
12 mentioned, Defendants knew or should have known that they had a duty to compensate
13 Plaintiff and other non-party Aggrieved Employees for all hours worked, and that Defendants
14 had the financial ability to pay such compensation, but willfully, knowingly, and intentionally
15 failed to do so, and falsely represented to Plaintiff and other non-party Aggrieved Employees
16 that they were properly denied wages, all in order to increase Defendants' profits.

17 40. At all times herein set forth, PAGA provides that any provision of law under
18 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
19 assessed and collected by the LWDA for violations of the California Labor Code and
20 applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a
21 civil action brought on behalf of themselves and other current or former employees pursuant
22 to procedures outlined in California Labor Code section 2699.3.

23 41. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any
24 person who was employed by the alleged violator and against whom one or more of the
25 alleged violations was committed."

26 42. Plaintiff and other current and former employees of Defendants are "aggrieved
27 employees" as defined by Labor Code section 2699(c) in that they are all Defendants' current
28 or former employees and one or more of the alleged violations were committed against them.

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

- 4 (a) The aggrieved employee shall give written notice by online filing
5 (hereinafter “Employee’s Notice”) to the LWDA and by certified mail
6 to the employer of the specific provisions of the California Labor Code
7 alleged to have been violated, including the facts and theories to support
8 the alleged violations.
- 9 (b) An aggrieved employee’s notice filed with the LWDA pursuant to
10 2699.3(a) and any employer response to that notice shall be
11 accompanied by a filing fee of seventy-five dollars (\$75).
- 12 (c) The LWDA shall provide notice (hereinafter “LWDA Notice”) to the
13 employer and the aggrieved employee by certified mail that it does not
14 intend to investigate the alleged violation within sixty (60) calendar
15 days of the postmark date of the Employee’s Notice. Upon receipt of
16 the LWDA Notice, or if the LWDA Notice is not provided within sixty-
17 five (65) calendar days of the postmark date of the Employee’s Notice,
18 the aggrieved employee may commence a civil action pursuant to
19 California Labor Code section 2699 to recover civil penalties in addition
20 to any other penalties to which the employee may be entitled.

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

- 25 (a) The aggrieved employee or representative shall give written notice by
26 online filing to the LWDA and by certified mail to the employer of the
27 specific provisions of the California Labor Code alleged to have been
28 violated (other than those listed in Section 2699.5), including the facts

1 and theories to support the alleged violation.

2 (b) An aggrieved employee's notice filed with the LWDA pursuant to
3 2699.3(c) and any employer response to that notice shall be
4 accompanied by a filing fee of seventy-five dollars (\$75).

5 (c) The employer may cure the alleged violation within thirty-three (33)
6 calendar days of the postmark date of the notice. The employer shall
7 give written notice by certified mail within that period of time to the
8 aggrieved employee or representative and the agency if the alleged
9 violation is cured, including a description of actions taken, and no civil
10 action pursuant to Section 2699 may commence. If the alleged violation
11 is not cured within the 33-day period, the employee may commence a
12 civil action pursuant to Section 2699.

13 45. On September 17, 2020, Plaintiff provided written notice by online filing to the
14 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
15 Code alleged to have been violated, including facts and theories to support the alleged
16 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
17 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
18 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
19 Plaintiff PAGA Case Number LWDA-CM-806658-20. A true and correct copy of Plaintiff's
20 written notice to the LWDA and Defendants dated September 17, 2020, is attached hereto as
21 "Exhibit 1."

22 46. As of the filing date of this complaint, over 65 days have passed since Plaintiff
23 sent the initial LWDA Notice described above, and the LWDA has not responded that it
24 intends to investigate Plaintiff's claims, and Defendants have not cured the violations.

25 47. Thus, Plaintiff has satisfied the administrative prerequisites under California
26 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
27 violations of California Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510,
28 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

1 48. Labor Code section 558(a) provides “[a]ny employer or other person acting on
2 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
3 provision regulating hours and days of work in any order of the Industrial Welfare
4 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
5 dollars (\$50) for each underpaid employee for each pay period for which the employee was
6 underpaid. . . . (2) For each subsequent violation, one hundred dollars (\$100) for each
7 underpaid employee for each pay period for which the employee was underpaid. . . .” Labor
8 Code section 558(c) provides “[t]he civil penalties provided for in this section are in addition
9 to any other civil or criminal penalty provided by law.” Plaintiff, acting in the public interest
10 as a private attorney general, seeks assessment and collection of civil penalties under Labor
11 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
12 California against Defendants for violations of Labor Code sections 510, 512(a), 516, 1198,
13 and the applicable IWC wage order. Plaintiff, acting in the public interest as a private
14 attorney general, does not seek the recovery of unpaid wages under Labor Code section 558
15 from Defendants for violations of Labor Code sections 510, 512(a), 516, 1198, and the
16 applicable IWC wage order.

17 49. Defendants, at all times relevant to this complaint, were employers or persons
18 acting on behalf of an employer(s) who violated Plaintiff’s and other non-party Aggrieved
19 Employees’ rights by violating various sections of the California Labor Code as set forth
20 above.

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

24 51. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
25 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public interest as a
26 private attorney general, seeks assessment and collection of civil penalties for himself, all
27 other non-party Aggrieved Employees, and the State of California against Defendants for
28 violations of California Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510,

1 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

2 **FIRST CAUSE OF ACTION**

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

4 **(Against all Defendants)**

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

7 53. California Labor Code §§ 2698, *et seq.* (“PAGA”) permits Plaintiff to recover
8 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
9 section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 203, 204, 222.5,
10 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1198, and 2802. Labor Code section
11 2699.3(c) permits aggrieved employees, including Plaintiff, to recover civil penalties for
12 violations of those Labor Code sections not found in section 2699.5, including sections 516
13 and 1182.12.

14 54. Defendants’ conduct, as alleged herein, violates numerous sections of the
15 California Labor Code, including, but not limited to, the following:

- 16 (a) Violation of Labor Code sections 510, 1198, and the applicable IWC
17 wage order for Defendants’ failure to compensate Plaintiff and other
18 non-party Aggrieved Employees with all required overtime pay and
19 failure to properly calculate the overtime rates paid to other non-party
20 Aggrieved Employees, as set forth below;
- 21 (b) Violation of Labor Code sections 1182.12, 1194, 1197, 1198, and the
22 applicable IWC wage order for Defendants’ failure to compensate
23 Plaintiff and other non-party Aggrieved Employees with at least
24 minimum wages for all hours worked as set forth below;
- 25 (c) Violation of Labor Code sections 226.7, 512(a), 516, 1198, and the
26 applicable IWC wage order for Defendants’ failure to provide Plaintiff
27 and other non-party Aggrieved Employees with meal periods, as set
28 forth below;

- 1 (d) Violation of Labor Code sections 226.7, 516, 1198, and the applicable
2 IWC wage order for Defendants' failure to authorize and permit
3 Plaintiff and other non-party Aggrieved Employees to take rest periods,
4 as set forth below;
- 5 (e) Violation of Labor Code sections 226(a), 1198, and the applicable IWC
6 wage order for failure to provide accurate and complete wage statements
7 to Plaintiff and other non-party Aggrieved Employees, as set forth
8 below;
- 9 (f) Violation of Labor Code sections 1174(d), 1198, and the applicable
10 IWC wage order for failure to maintain payroll records as set forth
11 below;
- 12 (g) Violation of Labor Code section 204 for failure to pay all earned wages
13 during employment as set forth below;
- 14 (h) Violation of Labor Code sections 201, 202, and 203 for failure to pay all
15 earned wages upon termination as set forth below;
- 16 (i) Violation of Labor Code section 222.5 for failure to compensate other
17 non-party Aggrieved Employees for mandatory physical examinations
18 and/or drug testing as set forth below;
- 19 (j) Violation of Labor Code section 1198 for failing to provide suitable
20 seating to Plaintiff and other non-party Aggrieved Employees, as set
21 forth below; and
- 22 (k) Violation of Labor Code section 2802 for failure to reimburse Plaintiff
23 and other non-party Aggrieved Employees for all business expenses
24 necessarily incurred, as set forth below.

25 **FAILURE TO PAY OVERTIME**

26 **VIOLATION OF LABOR CODE SECTIONS 510 AND 1198**

27 55. Labor Code section 1198 makes it illegal to employ an employee under
28 conditions of labor that are prohibited by the applicable wage order. California Labor Code

1 section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall
2 be the . . . standard conditions of labor for employees. The employment of any employee . . .
3 under conditions of labor prohibited by the order is unlawful.”

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

8 57. Specifically, the applicable IWC Wage Order provides that Defendants are and
9 were required to pay Plaintiff and other non-party Aggrieved Employees working more than
10 eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and
11 one-half (1½) for all hours worked in excess of eight (8) hours in a day or more than forty (40)
12 hours in a workweek.

13 58. The applicable IWC Wage Order further provides that Defendants are and were
14 required to pay Plaintiff and other non-party Aggrieved Employees working more than twelve
15 (12) hours in a day, overtime compensation at a rate of two (2) times their regular rate of pay.
16 An employee’s regular rate of pay includes all remuneration for employment paid to, or on
17 behalf of, the employee, including shift differential pay, nondiscretionary bonuses, and
18 incentive pay.

19 59. California Labor Code section 510 codifies the right to overtime compensation
20 at one and one-half (1½) times the regular rate of pay for hours worked in excess of eight (8)
21 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
22 seventh (7th) day of work, and to overtime compensation at twice the employee’s regular rate
23 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
24 in a day on the seventh (7th) day of work.

25 60. During the relevant time period, Defendants willfully failed to pay all overtime
26 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time
27 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums
28 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)

1 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were
2 not recorded.

3 61. First, Defendants had a company-wide loss prevention policy requiring
4 employees to undergo mandatory security checks by a managerial employee before leaving
5 the store premises. As a result of Defendants' policy, Plaintiff and other non-party Aggrieved
6 Employees were required to undergo security screenings after clocking out at the end of a shift
7 prior to leaving the store premises. For example, after clocking out at the end of their shifts,
8 Plaintiff and other non-party Aggrieved Employees were required to wait up to 2-5 minutes
9 for a security guard to check their belongings. Although Defendants' requirement that
10 Plaintiff and other non-party Aggrieved Employees undergo security checks was mandatory,
11 Defendants did not compensate them for the time it took them to wait in line and undergo
12 these checks. As a result of this loss-prevention policy, Plaintiff and other non-party
13 Aggrieved Employees were subject to Defendants' control after they had completed their
14 shifts, but were not compensated for this time.

15 62. Second, during the relevant period, Defendants had a company-wide practice
16 and/or policy of requiring Plaintiff and other non-party Aggrieved Employees to perform
17 work-related tasks while off-the-clock, such as promoting Defendants' business before and
18 after their shifts and/or on their days off. For example, Plaintiff and other non-party
19 Aggrieved Employees were directed to post about store promotions on company social media
20 accounts. However, due to Defendants' policy of understaffing and assigning heavy
21 workloads (*see infra*), Plaintiff was too busy to post about store promotions on social media
22 websites during his shifts, and was required to spend 2-4 hours per week posting before and
23 after his shifts and/or on his days off. Defendants failed to track this time Plaintiff and other
24 non-party Aggrieved Employees spent working off-the-clock, and Plaintiff and other non-
25 party Aggrieved Employees received no compensation for this time.

26 63. Third, during the relevant period, Defendants had, and continue to have, a
27 company-wide policy staffing their locations strictly based on the labor hours or labor budget
28 set by the corporate office. Defendants' use of a labor budget resulted in chronic

1 understaffing such that there were too few employees on duty to handle the heavy workload,
2 which included quarterly and individual targets or quotas for selling merchandise. Because
3 Defendants did not employ or staff an adequate number of employees to meet their
4 productivity expectations and failed to provide employees with adequate meal period
5 coverage, Plaintiff and other non-party Aggrieved Employees were assigned heavy workloads,
6 which Defendants knew or should have known could only be met by working additional
7 hours. Plaintiff and other non-party Aggrieved Employees missed meal periods and/or had
8 meal periods cut short or interrupted in order to handle their workloads and address customer
9 and client demand.

10 64. Moreover, Defendants have, on a company-wide basis, failed to schedule meal
11 periods. This company-wide practice, coupled with the heavy workload and pressure from
12 Defendants to reach productivity expectations, impeded Plaintiff and other non-party
13 Aggrieved Employees from taking timely, compliant meal periods. Additionally, Plaintiff and
14 other non-party Aggrieved Employees would be required to respond to text messages and/or
15 calls on their personal cellular phones from supervisors and management during unpaid meal
16 periods to discuss work-related matters or to assist certain clients. As a result, Plaintiff and
17 other non-party Aggrieved Employees were not afforded timely, uninterrupted thirty (30)
18 minute meal periods during shifts in which they were entitled to receive meal periods.

19 65. Defendants knew or should have known that, as a result of these company-wide
20 practices and/or policies, Plaintiff and other non-party Aggrieved Employees were performing
21 their assigned duties during their meal periods and performing work off-the-clock before or
22 after their shifts, and were suffered or permitted to perform work for which they were not
23 paid. Defendants also knew, or should have known, that they did not compensate Plaintiff and
24 other non-party Aggrieved Employees applicable overtime rates of pay for overtime hours that
25 they worked.

26 66. Because Plaintiff and other non-party Aggrieved Employees worked shifts of
27 eight (8) hours a day or more or forty (40) hours a week or more, some of this off-the-clock
28 work qualified for overtime premium pay. Therefore, Plaintiff and other non-party Aggrieved

1 Employees were not paid overtime wages for all of the overtime hours they actually worked.

2 67. Furthermore, Defendants did not pay other non-party Aggrieved Employees the
3 correct overtime rate for the recorded overtime hours that they generated. In addition to an
4 hourly wage, Defendants paid other non-party Aggrieved Employees commissions, incentive
5 pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of
6 the California Labor Code, Defendants failed to incorporate all compensation, including but
7 not limited to, all commissions, incentive pay, nondiscretionary bonuses, and/or other forms
8 of remuneration, into the calculation of the regular rate of pay for purposes of calculating the
9 overtime wage rate. Therefore, during times when other non-party Aggrieved Employees
10 worked overtime and received these other forms of pay, Defendants failed to pay all overtime
11 wages by paying a lower overtime rate than required

12 68. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
13 the balance of overtime compensation as required by California law, violates the provisions of
14 California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved
15 Employees are entitled to recover civil penalties pursuant to Labor Code sections 558 and/or
16 2699(a), (f), and (g).

17 **FAILURE TO PAY MINIMUM WAGES**

18 **VIOLATION OF LABOR CODE SECTIONS 1182.12, 1194, 1197, AND 1198**

19 69. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
20 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage
21 to be paid to employees, and the payment of a wage less than the minimum so fixed is
22 unlawful. Compensable work time is defined by the applicable wage order as "the time
23 during which an employee is subject to the control of an employer, and includes all the time
24 the employee is suffered or permitted to work, whether or not required to do so." Cal. Code.
25 Regs. tit. 8, § 11070(2)(G) (defining "Hours Worked").

26 70. As set forth above, during the relevant time period, Defendants required that
27 Plaintiff and other non-party Aggrieved Employees perform work off-the-clock before and
28 after their scheduled shifts, including submitting to off-the-clock security checks and posting

1 on social media accounts about store promotions. In addition, due to Defendants' uniform
2 practice of utilizing labor budgets, resultant understaffing, assignment of heavy
3 workloads/quotas, failure to schedule meal periods, requirement that employees answer their
4 personal cellular phones at all times, and subsequent lack of meal period coverage, Plaintiff
5 and other non-party Aggrieved Employees were forced to forego meal periods and/or had their
6 meal periods interrupted by work.

7 71. Moreover, Defendants implemented, on a company-wide basis, an employer-
8 imposed requirement that other non-party Aggrieved Employees undergo a mandatory drug
9 test and/or physical examination. At all times, Defendants were in control of scheduling the
10 date and time for the testing and/or examinations, selecting the provider/facility where the
11 testing and/or examinations were to take place, and determining the scope of the testing and/or
12 examinations. Defendants gave other non-party Aggrieved Employees strict instructions to
13 obtain drug testing and/or physical examinations, and other non-party Aggrieved Employees
14 underwent the testing and/or examinations for the sole benefit of Defendants. Other non-party
15 Aggrieved Employees were required to travel in their own personal vehicles or obtain
16 alternate transportation and spend time undergoing Defendants' mandatory drug testing and/or
17 physical examinations. However, Defendants did not compensate other non-party Aggrieved
18 Employees for the time they spent traveling to and from the medical facilities and for the time
19 they spent undergoing the drug testing and/or physical examinations.

20 72. Thus, Defendants did not pay minimum wages for all hours worked by Plaintiff
21 and other non-party Aggrieved Employees. To the extent that these off-the-clock hours did
22 not qualify for overtime premium payment, Defendants did not pay at least minimum wages
23 for those hours worked off-the-clock in violation of California Labor Code sections 1182.12,
24 1194, 1197, and 1198.

25 73. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
26 minimum wages violates California Labor Code sections 1182.12, 1194, 1197, and 1198.
27 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
28 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

FAILURE TO PROVIDE AND RECORD MEAL PERIODS
VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198

74. At all relevant times herein set forth, the applicable IWC Wage Order(s) and California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff and non-party Aggrieved Employees' employment by Defendants.

75. At all relevant times herein set forth, California Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (Cal. 2012).

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

77. At all relevant times herein set forth, Labor Code sections 226.7, 512(a), 1198, and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

78. As stated, Defendants have, and continue to have, a company-wide policy and/or practice of understaffing pursuant to their labor budget practices, while simultaneously assigning heavy workloads, which resulted in a lack of meal period coverage and prevented Plaintiff and other non-party Aggrieved Employees from taking all timely, uninterrupted meal periods to which they were entitled. In addition, Defendants failed to schedule meal periods,

1 resulting in Plaintiff and other non-party Aggrieved Employees having their meal periods
2 interrupted to return to work or waiting extended periods of time before taking meal periods,
3 due to the workload and pressure to meet quotas. Also, Plaintiff and other non-party
4 Aggrieved Employees were required to respond to calls on their personal cellular phones from
5 supervisors and management during unpaid meal periods.

6 79. As a result of Defendants' practices and/or policies, Plaintiff and other non-
7 party Aggrieved Employees had to work through part or all of their meal periods, have their
8 meal periods interrupted, and/or wait extended periods of time before taking meal periods.
9 For example, on several occasions, Plaintiff took meal periods after the end of his fifth hour of
10 work due to the lack of meal period coverage and failure to schedule meal periods. Moreover,
11 Plaintiff's meal periods were interrupted or shortened in order to respond to questions from
12 Defendants' managers or supervisors, or to assist customers.

13 80. Moreover, Defendants did not provide Plaintiff and other non-party Aggrieved
14 Employees with second 30-minute meal periods on days that they worked in excess of ten (10)
15 hours in one day. Plaintiff and other non-party Aggrieved Employees worked shifts in excess
16 of ten (10) hours without receiving an uninterrupted second 30-minute meal period. Plaintiff
17 and other non-party Aggrieved Employees did not sign valid meal period waivers on days that
18 they were entitled to meal periods and were not relieved of all duties.

19 81. Defendants knew or should have known that as a result of their policies,
20 Plaintiff and other non-party Aggrieved Employees were not actually relieved of all duties to
21 take timely, uninterrupted meal periods. Defendants further knew or should have known that
22 they did not pay Plaintiff and other non-party Aggrieved Employees meal period premium
23 wages when meal periods were missed, late, short, and/or interrupted.

24 82. Defendants also have engaged in a company-wide practice and/or policy of not
25 paying meal period premiums owed when compliant meal periods are not provided. Because
26 of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees have not
27 received premium pay for missed, late, and interrupted meal periods. Alternatively, to the
28 extent that Defendants did pay other non-party Aggrieved Employees for missed, late, and

1 interrupted meal periods, Defendants did not pay other non-party Aggrieved Employees at the
2 correct rate of pay for premium wages because Defendants systematically failed to include all
3 forms of compensation, such as commissions, incentive pay, nondiscretionary bonuses, and/or
4 other forms of remuneration, in the regular rate of pay.

5 83. Thus, Defendants failed to provide Plaintiff and other non-party Aggrieved
6 Employees compliant meal periods and failed to pay the full meal period premiums due.
7 Defendants' conduct violates the applicable IWC Wage Order, and California Labor Code
8 sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved Employees are
9 entitled to recover civil penalties pursuant to Labor Code sections 558 and/or 2699(a), (f), and
10 (g).

11 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**
12 **VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198**

13 84. At all relevant times herein set forth, the applicable IWC Wage Order and
14 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff and other
15 non-party Aggrieved Employees' employment by Defendants.

16 85. At all relevant times, the applicable IWC Wage Order provides that "[e]very
17 employer shall authorize and permit all employees to take rest periods, which insofar as
18 practicable shall be in the middle of each work period" and that the "rest period time shall be
19 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
20 hours or major fraction thereof" unless the total daily work time is less than three and one-half
21 (3½) hours.

22 86. At all relevant times, California Labor Code section 226.7 provides that no
23 employer shall require an employee to work during any rest period mandated by an applicable
24 order of the California IWC. To comply with its obligation to authorize and permit rest
25 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
26 employer must "relinquish any control over how employees spend their break time, and
27 relieve their employees of all duties—including the obligation that an employee remain on
28 call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services*,

1 *Inc.*, 2 Cal. 5th 257, 269-270 (2016).

2 87. Pursuant to the applicable IWC Wage Order and California Labor Code section
3 226.7(c), Plaintiff and other non-party Aggrieved Employees are entitled to recover from
4 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a
5 required rest period was not authorized and permitted.

6 88. During the relevant time period, Defendants regularly failed to authorize and
7 permit Plaintiff and other non-party Aggrieved Employees to take a ten (10) minute rest
8 period per each four (4) hour period worked or major fraction thereof. As with meal periods,
9 Defendants' company-wide policy and practice of understaffing and assigning heavy
10 workloads/quotas, prevented Plaintiff and other non-party Aggrieved Employees from being
11 relieved of all duty to take their rest periods. Defendants also failed to schedule rest periods,
12 which, coupled with Defendants' failure to provide adequate rest period coverage, further led
13 to Plaintiff and other non-party Aggrieved Employees not being authorized and permitted to
14 take compliant rest periods. Moreover, Plaintiff and other non-party Aggrieved Employees
15 were expected to answer calls and text messages from their supervisors or managers on their
16 personal cellular phones while clocked in for their shifts, including during rest periods.

17 89. Furthermore, on information and belief, Defendants maintained and
18 implemented a company-wide on-premises rest period policy, which mandated that Plaintiff
19 and other non-party Aggrieved Employees remain on the work premises during their rest
20 periods. Upon information and belief, Defendants' company-wide on-premises rest period
21 policy prevented Plaintiff and other non-party Aggrieved Employees from being relieved of
22 all duties for rest periods and caused them to perform work during rest periods.

23 90. As a result of Defendants' practices and policies, Plaintiff and other non-party
24 Aggrieved Employees would work shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
25 excess of 10 hours without receiving all ten (10) minute rest periods to which they were
26 entitled. For example, during his employment, Plaintiff missed his rest periods due to the
27 heavy workload and the lack of coverage for rest periods.

28 91. Defendants also have engaged in a company-wide practice and/or policy of not

1 paying all rest period premiums owed when compliant rest periods are not authorized or
2 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
3 Employees have not received premium pay for all missed rest periods. Alternatively, to the
4 extent that Defendants did pay other non-party Aggrieved Employees one (1) additional hour
5 of premium pay for missed rest periods, Defendants did not pay other non-party Aggrieved
6 Employees at the correct rate of pay for premium wages because Defendants failed to include
7 all forms of compensation, such as commissions, incentive pay, nondiscretionary bonuses,
8 and/or other forms of remuneration, in the regular rate of pay.

9 92. Defendants' conduct violates the applicable IWC Wage Order and California
10 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved
11 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
12 558 and/or 2699(a), (f), and (g).

13 **FAILURE TO PROVIDE AND MAINTAIN COMPLIANT WAGE STATEMENTS**
14 **VIOLATION OF LABOR CODE SECTIONS 226(a), 1174(d), AND 1198**

15 93. At all relevant times herein, California Labor Code section 226(a) provides that
16 every employer shall furnish each of his or her employees an accurate and complete itemized
17 wage statement in writing, including, but not limited to, the name and address of the legal
18 entity that is the employer, the inclusive dates of the pay period, total hours worked, and all
19 applicable rates of pay.

20 94. During the relevant time period, Defendants have knowingly and intentionally
21 provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and
22 inaccurate wage statements. For example, Defendants issued uniform wage statements to
23 Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages
24 earned; total hours worked; net wages earned; and all applicable hourly rates in effect during
25 the pay period, including overtime rates of pay, and the corresponding number of hours
26 worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1), 226(a)(2),
27 226(a)(5), and 226(a)(9).

28 95. Because Defendants did not record the time Plaintiff and other non-party

1 Aggrieved Employees spent working off-the-clock, Defendants did not list the correct amount
2 of gross wages and net wages earned by Plaintiff and other non-party Aggrieved Employees in
3 compliance with section 226(a)(1) and 226(a)(5). For the same reason, Defendants failed to
4 accurately list the total number of hours worked by Plaintiff and other non-party Aggrieved
5 Employees in violation of section 226(a)(2), and failed to list the applicable hourly rates of
6 pay in effect during the pay period and corresponding accurate number of work hours worked
7 at each hourly rate in violation of section 226(a)(9).

8 96. Also, because Defendants did not calculate other non-party Aggrieved
9 Employees' regular rate of pay correctly for purposes of paying overtime wages, Defendants
10 did not list the correct amount of gross wages earned by other non-party Aggrieved
11 Employees in compliance with section 226(a)(1) and did not list the correct amount of net
12 wages earned by other non-party Aggrieved Employees in violation of section 226(a)(5).
13 Defendants also failed to correctly list all applicable hourly rates in effect during the pay
14 period, namely, correct overtime rates of pay and correct rates of pay for premium wages, in
15 violation of section 226(a)(9).

16 97. The wage statement deficiencies also include, without limitation, failing to list
17 the number of piece-rate units earned and any applicable piece rate if the employee is paid on
18 a piece-rate basis; failing to list all deductions; failing to list the name of the employee and
19 only the last four digits of his or her social security number or an employee identification
20 number other than a social security number; failing to list the name and address of the legal
21 entity that is the employer; failing to list the inclusive dates of the period for which aggrieved
22 employees were paid; and/or failing to state all hours worked as a result of not recording or
23 stating hours worked off-the-clock.

24 98. California Labor Code section 1198 provides that the maximum hours of work
25 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
26 set forth in the applicable IWC Wage Orders. Section 1198 further provides that "[t]he
27 employment of any employees for longer hours than those fixed by the order or under
28 conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC

1 Wage Order, employers are required to keep accurate time records showing when the
2 employee begins and ends each work period and meal period. During the relevant time
3 period, Defendants failed, on a company-wide basis, to keep accurate records of work period
4 and meal period start and stop times for Plaintiff and other non-party Aggrieved Employees,
5 in violation of section 1198. Furthermore, in light of Defendants' failure to provide Plaintiff
6 and other non-party Aggrieved Employees with second 30-minute meal periods to which they
7 were entitled, Defendants kept no records of meal start and end times for second meal periods.

8 99. California Labor Code section 1174(d) provides that "[e]very person employing
9 labor in this state shall . . . [k]eep a record showing the names and addresses of all employees
10 employed and the ages of all minors" and "[k]eep, at a central location in the state or at the
11 plants or establishments at which employees are employed, payroll records showing the hours
12 worked daily by and the wages paid to, and the number of piece-rate units earned by and any
13 applicable piece rate paid to, employees employed at the respective plants or
14 establishments. . . ." At all relevant times, and in violation of Labor Code section 1174(d),
15 Defendants willfully failed to maintain accurate payroll records for Plaintiff and other non-
16 party Aggrieved Employees showing the daily hours they worked and the wages paid thereto
17 as a result of failing to record the off-the-clock hours that they worked.

18 100. Because Defendants' violations of 226(a) and 1174(d) were committed against
19 Plaintiff and other non-party Aggrieved Employees, Plaintiff and other non-party Aggrieved
20 Employees are entitled to recover civil penalties pursuant to Labor Code sections 226.3,
21 1174.5, and/or 2699(a), (f), and (g).

22 **FAILURE TO PAY WAGES DURING EMPLOYMENT**
23 **VIOLATION OF LABOR CODE SECTION 204**

24 101. At all relevant times herein set forth, California Labor Code section 204
25 requires that all wages earned by any person in any employment between the 1st and the 15th
26 days, inclusive, of any calendar month, other than those wages due upon termination of an
27 employee, are due and payable between the 16th and the 26th day of the month during which
28 the labor was performed. Labor Code section 204 further provides that all wages earned by

1 any person in any employment between the 16th and the last day, inclusive, of any calendar
2 month, other than those wages due upon termination of an employee, are due and payable
3 between the 1st and the 10th day of the following month.

4 102. At all relevant times herein, California Labor Code section 204 also requires
5 that all wages earned for labor in excess of the normal work period shall be paid no later than
6 the payday for the next regular payroll period. Alternatively, at all relevant times herein,
7 Labor Code section 204 provides that the requirements of this section are deemed satisfied by
8 the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not
9 more than seven (7) calendar days following the close of the payroll period.

10 103. During the relevant time period, Defendants failed to pay Plaintiff and other
11 non-party Aggrieved Employees all wages due to them including, but not limited to, overtime
12 wages, minimum wages, and/or meal and rest period premium wages, within any time period
13 specified by California Labor Code section 204.

14 104. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
15 recover civil penalties pursuant to Labor Code sections 210 and/or 2699(a), (f), and (g).

16 **FAILURE TO PAY WAGES UPON TERMINATION**

17 **VIOLATION OF LABOR CODE SECTIONS 201, 202, AND 203**

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

25 106. On information and belief, Defendants have a company-wide practice or policy
26 of paying departing employees their final wages on the next regular pay cycle, instead of
27 adhering to the time requirements set forth in Labor Code sections 201 and 202. For example,
28 Plaintiff was terminated on or about October 5, 2019. However, Defendants did not provide

1 him with his commissions paycheck for sales completed in September 2019 until October 18,
2 2019. Thus, Defendants failed to pay Plaintiff his final wages immediately, in violation of
3 Labor Code section 201.

4 107. Additionally, Defendants willfully failed to pay Plaintiff and other non-party
5 Aggrieved Employees who are no longer employed by Defendants the earned and unpaid
6 wages set forth above, including but not limited to, overtime wages, minimum wages, and/or
7 meal and rest period premium wages, either at the time of discharge, or within seventy-two
8 (72) hours of their leaving Defendants' employ.

9 108. Defendants' failure to pay Plaintiff and those non-party Aggrieved Employees
10 who are no longer employed by Defendants their wages earned and unpaid at the time of
11 discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates
12 Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are
13 therefore entitled to recover civil penalties pursuant to Labor Code sections 256 and/or
14 2699(a), (f), and (g).

15 **FAILURE TO PAY COSTS OF MEDICAL OR PHYSICAL EXAMINATIONS**
16 **VIOLATION OF LABOR CODE SECTION 222.5**

17 109. At all relevant times herein, California Labor Code section 222.5 requires
18 employers to pay for the costs an employee incurs for obtaining any required medical or
19 physical examination.

20 110. During the relevant time period, Defendants implemented, on a company-wide
21 basis, an employer-imposed requirement that other non-party Aggrieved Employees undergo
22 mandatory drug testing and/or physical examinations, but required them to do so at their own
23 expense. As stated, Defendants had a company-wide policy requiring that other non-party
24 Aggrieved Employees travel to a specified medical facility on their own time and use their
25 own means of transportation to undergo drug testing and/or physical examinations. At all
26 times, Defendants were in control of scheduling the date and time for the testing and/or
27 examinations, selecting the provider/facility where the testing and/or examinations were to
28 take place, and determining the scope of the testing and/or examinations. However,

1 Defendants did not compensate other non-party Aggrieved Employees for the time they spent
2 traveling to and from the medical facilities, for the time they spent undergoing the drug testing
3 and/or physical examinations, or reimburse them for the travel expenses they incurred getting
4 to and from the medical facilities. Defendants' policy and/or practice of not paying for all
5 costs other non-party Aggrieved Employees incurred obtaining mandatory drug testing and/or
6 physical examinations is in violation of California Labor Code section 222.5.

7 111. Other non-party Aggrieved Employees are therefore entitled to recover civil
8 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

9 **FAILURE TO PROVIDE SUITABLE SEATING**
10 **VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF**
11 **REGULATIONS, TITLE 8, SECTION 11070(14)(A)**

12 112. At all relevant times herein, California Labor Code section 1198 makes it
13 illegal to employ an employee under conditions of labor that are prohibited by the applicable
14 wage order. California Labor Code section 1198 requires that "... the standard conditions of
15 labor fixed by the commission shall be the ... standard conditions of labor for employees.
16 The employment of any employee ... under conditions of labor prohibited by the order is
17 unlawful."

18 113. California Code of Regulations, Title 8, section 11070(14)(A) provides that
19 "[a]ll working employees shall be provided with suitable seats when the nature of the work
20 reasonably permits the use of seats."

21 114. Plaintiff alleges that Defendants' retail stores are generally similar in their
22 layout and design and there was, and continues to be, space behind cash wrap/jewelry counter
23 to allow for the presence and use of a seat or stool by Plaintiff and other non-party Aggrieved
24 Employees (with reasonable or no modification to these work areas) during the performance
25 of their work duties. Defendants could have provided Plaintiff and other non-party Aggrieved
26 Employees with a suitable seat or stool at the cash wraps/jewelry counters, but instead denied
27 them suitable seating and forced Plaintiff and other non-party Aggrieved Employees to stand
28 throughout the day.

1 115. Plaintiff and other non-party Aggrieved Employees spent a substantial portion
2 of their day behind or at these cash wraps/jewelry counters. The nature of the work of an
3 employee performing cashier/sales duties can reasonably be accomplished from a seated
4 position. However, Defendants systematically, and on a company-wide basis, did not provide
5 suitable seats or stools at or near the cash wraps/jewelry counters, forcing Plaintiff and other
6 non-party Aggrieved Employees to stand throughout their work shifts.

7 116. During the relevant time period, Defendants violated California Labor Code
8 section 1198 and California Code of Regulations, Title 8, section 11070(14)(A), because
9 Plaintiff and other non-party Aggrieved Employees were not allowed to sit, even when it
10 would not have interfered with the performance of their duties, nor were they provided with
11 suitable seats. Plaintiff and other non-party Aggrieved Employees were assigned cashier/sales
12 duties, which were performed from and connected to a cash wrap/jewelry counter, and could
13 have been performed from a seated position. Plaintiff and other non-party Aggrieved
14 Employees could have handled transactions at the cash wraps/jewelry counters and provided
15 customer service while seated, without interference to their ability to complete these duties.

16 117. Defendants could have placed seats or stools at each cash wrap/jewelry counter
17 for use by Plaintiff and other non-party Aggrieved Employees with reasonable or no
18 modification to these work areas. However, on a company-wide basis, Defendants did not
19 provide suitable seats or stools at cash wraps/jewelry counters. Defendants' management did
20 not inform Plaintiff and other non-party Aggrieved Employees that they were allowed to sit
21 down, provide any means for them to sit down, and/or mention any policy regarding sitting.

22 118. As a result of Defendants' company-wide policy and/or practice of prohibiting
23 employees from sitting during their shifts and company-wide failure to provide suitable
24 seating, Plaintiff and other non-party Aggrieved Employees were forced to stand during shifts
25 and denied seats. Defendants' failure to provide suitable seating to Plaintiff and other non-
26 party Aggrieved Employees violated and continues to violate California Labor Code section
27 1198 and IWC Wage Order 7-2001, Section 14(A).

28 119. Plaintiff and other non-party Aggrieved Employees are therefore entitled to

1 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g)

2 **FAILURE TO PROVIDE SUITABLE SEATING**

3 **VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF**
4 **REGULATIONS, TITLE 8, SECTION 11070(14)(B)**

5 120. At all relevant times herein, California Labor Code section 1198 makes it
6 illegal to employ an employee under conditions of labor that are prohibited by the applicable
7 wage order. California Labor Code section 1198 requires that “. . . the standard conditions of
8 labor fixed by the commission shall be the . . . standard conditions of labor for employees.
9 The employment of any employee . . . under conditions of labor prohibited by the order is
10 unlawful.”

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

16 122. During the relevant time period, Defendants violated California Labor Code
17 section 1198 and California Code of Regulations, Title 8, section 11070(14)(B), because
18 Plaintiff and other non-party Aggrieved Employees were not provided with suitable seats in
19 reasonable proximity to their work areas and, therefore, effectively not allowed to sit, even
20 during lulls in their work duties.

21 123. As stated, Plaintiff alleges that Defendants’ California retail stores are
22 generally similar in their layout and design and there was, and continues to be, space near
23 their work areas (with reasonable or no modification to these work areas) to allow for the
24 presence and use of a seat or stool by Plaintiff and other non-party Aggrieved Employees
25 during lulls in operation. Defendants could have provided Plaintiff and other non-party
26 Aggrieved Employees with a seat or stool in their work areas, but instead denied Plaintiff and
27 other non-party Aggrieved Employees suitable seating altogether and effectively forced
28 Plaintiff and other non-party Aggrieved Employees to stand throughout the day.

1 124. Defendants did not provide Plaintiff and other non-party Aggrieved Employees
2 with suitable seats or stools in reasonable proximity to their work areas to allow them to use
3 seats when it would not interfere with the performance of their duties for times when they
4 were not engaged in active duties that require standing. In other words, to the extent Plaintiff
5 and other non-party Aggrieved Employees engaged in duties in which the nature of the work
6 required standing, Defendants denied them the use of suitable seats nearby during lulls in their
7 work duties. Moreover, Defendants did not inform Plaintiff and other non-party Aggrieved
8 Employees of their rights to a seat or stool under California law.

9 125. As a result of Defendants' company-wide policy and/or practice effectively
10 prohibiting employees from sitting at any time, even when they were not engaged in active
11 duties requiring standing, and company-wide failure to provide suitable seats in reasonable
12 proximity to their work areas, Plaintiff and other non-party Aggrieved Employees were forced
13 to stand during shifts and denied seats. Defendants' failure to provide suitable seating to
14 Plaintiff and other non-party Aggrieved Employees violated and continues to violate
15 California Labor Code section 1198 and IWC Wage Order 4-7001, Section 14(B).

16 126. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
17 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

18 127.

19 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

20 **VIOLATION OF LABOR CODE SECTION 2802**

21 128. At all times herein set forth, California Labor Code section 2802 provides that
22 an employer must reimburse employees for all necessary expenditures and losses incurred by
23 the employee in the performance of his or her job. The purpose of Labor Code section 2802 is
24 to prevent employers from passing off their cost of doing business and operating expenses on
25 to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144
26 (2014). The applicable wage order, IWC Wage Order 7-2001, provides that: "[w]hen tools or
27 equipment are required by the employer or are necessary to the performance of a job, such
28 tools and equipment shall be provided and maintained by the employer, except that an

1 employee whose wages are at least two (2) times the minimum wage may provide and
2 maintain hand tools and equipment customarily required by the particular trade or craft.”

3 129. During the relevant time period, Defendants had a company-wide policy of
4 requiring Plaintiff and other non-party Aggrieved Employees to utilize their own personal
5 cellular phones and cellular data to carry out their job duties, but Defendants failed to fully
6 reimburse them for the costs of their work-related cellular phone expenses. Plaintiff and other
7 non-party Aggrieved Employees were required to use their personal cellular phones to
8 complete their work-related tasks, such as communicating with managers about clients, store
9 events, or customer orders. Plaintiff and other non-party Aggrieved Employees were also
10 required to use their personal cellular phones to post about store promotions on their social
11 media accounts. Although Defendants required Plaintiff and other non-party Aggrieved
12 Employees to utilize their personal cellular phones to carry out their work-related
13 responsibilities, Defendants failed to fully reimburse them for this cost.

14 130. Additionally, as stated, Defendants had a company-wide policy of requiring
15 other non-party Aggrieved Employees to travel to medical facilities on their own time and
16 using their personal vehicles or alternate transportation to obtain mandatory drug testing
17 and/or physical examinations, but did not reimburse them for their travel expenses, including
18 mileage. At all times, Defendants were in control of scheduling the date and time for the
19 testing and/or physical examinations, selecting the provider or facility where the testing and/or
20 physical examinations were to take place, and determining the scope of the testing and/or
21 physical examinations. Defendants gave other non-party Aggrieved Employees strict
22 instructions to obtain drug testing and/or physical examinations, and other non-party
23 Aggrieved Employees underwent the examinations and/or testing for the sole benefit of
24 Defendants. Although Defendants required other non-party Aggrieved Employees to use their
25 own vehicles or obtain alternate transportation to undergo drug testing and/or physical
26 examinations, Defendants never reimbursed them for their travel expenses.

27 131. Defendants’ could have provided Plaintiff and other non-party Aggrieved
28 Employees with the actual tools for use on the job, such as company phones and company

1 vehicles. Or, Defendants could have reimbursed employees for their cellular phone expenses,
2 travel expenses, and mileage. Instead, Defendants passed these operating costs off onto
3 Plaintiff and other non-party Aggrieved Employees.

4 132. Defendants' company-wide policy and/or practice of passing on their operating
5 costs to Plaintiff and other non-party Aggrieved Employees violates California Labor Code
6 section 2802. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
7 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

8 **REQUEST FOR JURY TRIAL**

9 Plaintiff requests a trial by jury.

10 **PRAYER FOR RELIEF**

11 Plaintiff, on behalf of all other non-party Aggrieved Employees, prays for relief and
12 judgment against Defendants, jointly and severally, as follows:

13 1. For civil penalties and attorneys' fees in excess of twenty-five thousand dollars
14 (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a different amount.

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

16 2. That the Court declare, adjudge and decree that Defendants violated the
17 following California Labor Code provisions as to Plaintiff and/or other non-party Aggrieved
18 Employees: 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197,
19 and 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516,
20 and 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize
21 and permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage
22 statements and maintain accurate payroll records); 201, 202, and 203 (by failing timely to pay
23 all earned wages upon termination); 204 (by failing timely to pay all earned wages during
24 employment); 222.5 (by failing to pay for costs of mandatory physical examinations and/or
25 drug testing); 1198 (by failing to provide suitable seating); and 2802 (by failing to reimburse
26 business expenses).

27 3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 256,
28 558, 1174.5, 2699(a), (f), and (g), for violations of California Labor Code sections 201, 202,

1 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and
2 2802;

3 4. For attorneys' fees and costs pursuant to California Labor Code section
4 2699(g)(1), and any and all other relevant statutes, for Defendants' violations of California
5 Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d),
6 1182.12, 1194, 1197, 1198, and 2802;

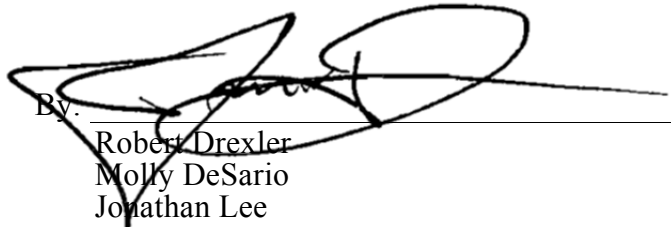
7 5. For pre-judgment and post-judgment interest as provided by law; and

8 6. For such other and further relief as the Court may deem equitable and
9 appropriate.

10
11 Dated: November 23, 2020

Respectfully submitted,

Capstone Law APC

13
14 By: 
15 Robert Drexler
16 Molly DeSario
Jonathan Lee

Attorneys for Plaintiff Michael De Grado

Exhibit 1

ANTHONY CASTILLO
310.712.8169 Direct
Anthony.Castillo@capstonelawyers.com

September 17, 2020

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.tfaforms.net/266>)

Subject: *Michael De Grado v. Tiffany and Company U.S. Sales, LLC, et al.*

Dear PAGA Administrator:

This office represents Michael De Grado in connection with his claims under the California Labor Code. Mr. De Grado was an employee of TIFFANY AND COMPANY U.S. SALES, LLC and/or TIFFANY AND COMPANY. For the purpose of this letter, Mr. De Grado collectively refers to these entities as “TIFFANY.”

The employers may be contacted directly at the addresses below:

TIFFANY AND COMPANY U.S. SALES, LLC
200 FIFTH AVENUE
NEW YORK NY 10010

TIFFANY AND COMPANY
727 FIFTH AVENUE
NEW YORK NY 10022

TIFFANY AND COMPANY U.S. SALES, LLC
15 SYLVAN WAY
PARSIPPANY NJ 07054

TIFFANY AND COMPANY
15 SYLVAN WAY
PARSIPPANY NJ 07054

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

TIFFANY employed Mr. De Grado as an hourly paid, non-exempt employee from approximately June 22, 2018 to October 5, 2019. Mr. De Grado worked for TIFFANY as a Sales Professional at the Tiffany & Co. store in Carmel-by-the Sea, California. During his employment, Mr. De Grado typically worked four (4) to seven (7) hours or more per day, three (3) or more days per week, and 28 to 30 hours per week. At the time his employment ended, Mr. De Grado was compensated

approximately \$19.52 per hour plus commissions. His job duties included, without limitation, providing customer service, presenting jewelry to customers, cleaning jewelry displays and display cases, ringing up customers, processing returns and exchanges, preparing sales and client reports, and stocking displays.

TIFFANY committed one or more of the following Labor Code violations against Mr. De Grado, the facts and theories of which follow, making him an “aggrieved employee” pursuant to California Labor Code section 2699(c):¹

TIFFANY’s Company-Wide and Uniform Payroll and HR Practices

TIFFANY AND COMPANY U.S. SALES, LLC and TIFFANY AND COMPANY are a Delaware limited liability company and a New York corporation, respectively, that own and operate a chain of luxury jewelry retail stores throughout the world. TIFFANY operates approximately 94 retail stores in the United States, including 18 retail locations in California. Upon information and belief, TIFFANY maintains a single, centralized Human Resources (HR) department at its corporate headquarters in New York, New York, for all non-exempt, hourly paid employees working for TIFFANY in California, including Mr. De Grado and other aggrieved employees. At all relevant times, TIFFANY issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. De Grado and other aggrieved employees, regardless of its location or position.

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

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

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration

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

for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

TIFFANY willfully failed to pay all overtime wages owed to Mr. De Grado and other aggrieved employees. During the relevant time period, Mr. De Grado and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, TIFFANY had a company-wide loss prevention policy requiring employees to undergo mandatory security checks by a managerial employee before leaving the store premises. As a result of TIFFANY's policy, Mr. De Grado and other aggrieved employees were required to undergo security screenings after clocking out at the end of a shift prior to leaving the store premises. For example, after clocking out at the end of their shifts, Mr. De Grado and other aggrieved employees were required to wait up to two (2) or five (5) minutes for a manager to check their belongings. Although TIFFANY's requirement that Mr. De Grado and other aggrieved employees undergo security checks was mandatory, TIFFANY did not compensate them for the time it took them to wait in line and undergo these checks. Thus, Mr. De Grado and other aggrieved employees were not compensated for the time spent waiting for and undergoing security screenings while off-the-clock.

Second, during the relevant period, TIFFANY had a company-wide practice and/or policy of requiring Mr. De Grado and other aggrieved employees to perform work-related tasks while off-the-clock, such as promoting TIFFANY's business before and after their shifts and/or on their days off. For example, Mr. De Grado and other aggrieved employees were directed to post about store promotions on company social media accounts. However, due to TIFFANY's policy of understaffing and assigning heavy workloads (*see infra*), Mr. De Grado was too busy to post about store promotions on social media websites during his shifts, and was required to spend 2-4 hours per week posting before and after his shifts and/or on his days off. TIFFANY failed to track this time Mr. De Grado and other aggrieved employees spent working off-the-clock, and Mr. De Grado and other aggrieved employees received no compensation for this time.

Third, during the relevant period, TIFFANY had, and continues to have, a company-wide policy staffing its locations strictly based on the labor hours or labor budget set by the corporate office. TIFFANY's use of a labor budget resulted in chronic understaffing such that there were too few employees on duty to handle the heavy workload, which included quarterly and individual targets or quotas for selling merchandise. Because TIFFANY did not employ or staff an adequate number of employees to meet their productivity expectations and failed to provide employees with adequate meal period coverage, Mr. De Grado and other aggrieved employees were assigned heavy workloads, which TIFFANY knew or should have known could only be met by working additional hours. Mr. De Grado and other aggrieved employees missed meal periods and/or had meal periods cut short or interrupted in order to handle their workloads and address customer and client demand.

Moreover, TIFFANY has, on a company-wide basis, failed to schedule meal periods. This company-wide practice, coupled with the heavy workload and pressure from TIFFANY to reach productivity expectations, impeded Mr. De Grado and other aggrieved employees from taking timely, compliant meal periods. Additionally, Mr. De Grado and other aggrieved employees would be required to respond to text messages and/or calls on their personal cellular phones from supervisors and management during unpaid meal periods to discuss work matters or to assist certain clients. As a

result, Mr. De Grado and other aggrieved employees were not afforded timely, uninterrupted thirty (30) minute meal periods during shifts in which they were entitled to receive meal periods.

Furthermore, TIFFANY did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, TIFFANY paid other aggrieved employees commissions, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, TIFFANY failed to incorporate all compensation, including commissions, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, TIFFANY failed to pay all overtime wages by paying a lower overtime rate than required.

Mr. De Grado and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

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

As set forth above, during the relevant time period, TIFFANY required that Mr. De Grado and other aggrieved employees perform work off-the-clock before and after their scheduled shifts, including submitting to off-the-clock security checks and posting on social media accounts about store promotions. In addition, due to TIFFANY's uniform practice of utilizing labor budgets, resultant understaffing, assignment of heavy workloads/quotas, failure to schedule meal periods, requirement that employees answer their personal cellular phones at all times, and subsequent lack of meal period coverage, Mr. De Grado and other aggrieved employees were forced to forego meal periods and/or had their meal periods interrupted by work.

Moreover, TIFFANY implemented, on a company-wide basis, an employer-imposed requirement that other aggrieved employees undergo a mandatory drug test and/or physical examination. At all times, TIFFANY was in control of scheduling the date and time for the testing and/or examinations, selecting the provider/facility where the testing and/or examinations were to take place, and determining the scope of the testing and/or examinations. TIFFANY gave other aggrieved employees strict instructions to obtain drug testing and/or physical examinations, and other aggrieved employees underwent the testing and/or examinations for the sole benefit of TIFFANY. Other aggrieved employees were required to travel in their own personal vehicles or obtain alternate transportation and spend time undergoing TIFFANY's mandatory drug testing and/or physical examinations. However, TIFFANY did not compensate other aggrieved employees for the time they spent traveling to and from the medical facilities and for the time they spent undergoing the drug testing and/or physical examinations.

Thus, TIFFANY did not pay at least minimum wages for off-the-clock hours that qualified for overtime premium payment. Also, to the extent that these off-the-clock hours did not qualify for overtime premium payment, TIFFANY did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, and 1197.1. Accordingly, TIFFANY regularly failed to pay at least minimum wages to Mr. De Grado and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1 and 1198.

Mr. De Grado and other aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

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

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

As stated, TIFFANY has, and continues to have, a uniform policy and/or practice of company-wide policy and/or practice of understaffing pursuant to its labor budget practices, while simultaneously assigning heavy workloads, which resulted in a lack of meal period coverage and prevented Mr. De Grado and/or other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. In addition, TIFFANY failed to schedule meal periods, resulting in Mr. De Grado and other aggrieved employees having their meal periods interrupted to return to work or waiting extended periods of time before taking meal periods, due to the workload and pressure to meet quotas. Also, Mr. De Grado and other aggrieved employees were required to respond to calls on their personal cellular phones from supervisors and management during unpaid meal periods. As a result of TIFFANY's practices and/or policies, Mr. De Grado and/or other aggrieved employees had to work through part or all of their meal periods, have their meal periods interrupted, and/or wait extended periods of time before taking meal periods. For example, on several occasions, Mr. De Grado took meal periods after the end of his fifth hour of work due to the lack of meal period coverage and failure to schedule meal periods. Moreover, Mr. De Grado's meal periods were interrupted or shortened in order to respond to questions from TIFFANY's managers or supervisors, or to assist customers.

Moreover, TIFFANY did not provide Mr. De Grado and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of ten (10) hours in one day. Mr. De Grado and other aggrieved employees worked shifts in excess of ten (10) hours without receiving an uninterrupted second 30-minute meal period. Mr. De Grado and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

TIFFANY knew or should have known that as a result of its company-wide policies and/or practices, that Mr. De Grado and other aggrieved employees were not actually relieved of all duties to take timely, uninterrupted meal periods. TIFFANY further knew or should have known that it did not pay Mr. De Grado and other aggrieved employees meal period premium wages when meal periods were missed, late, short, and/or interrupted.

Furthermore, TIFFANY engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, other aggrieved employees have not received premium pay for missed, interrupted, or late meal periods. Alternatively, to the extent that TIFFANY did pay meal period premium wages to other aggrieved employees, it did so at the incorrect rates. Because TIFFANY did not properly calculate other aggrieved employees' regular rates of pay by including all remunerations, such as commissions, incentive pay and/or nondiscretionary bonuses, any premiums paid for meal period violations were also paid at an incorrect rate and resulted in an underpayment of meal period premium wages.

Accordingly, TIFFANY failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. De Grado and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

California Labor Code sections 226.7, 516, 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties — including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 269-270 (2016).

During the relevant time period, TIFFANY regularly failed to authorize and permit Mr. De Grado and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, TIFFANY's company-wide policy and practice of understaffing and assigning heavy workloads/quotas, prevented Mr. De Grado and other aggrieved employees from being relieved of all duty to take their rest periods. TIFFANY also failed to schedule rest periods, which, coupled with TIFFANY's failure to provide adequate rest period coverage, further led to Mr. De Grado and other aggrieved employees not being authorized and permitted to take compliant rest periods. Moreover, Mr. De Grado and other aggrieved employees were expected to answer calls and text messages from their supervisors or managers on their personal cellular phones while clocked in for their shifts, including during rest periods.

Additionally, upon information and belief, during the relevant time period, TIFFANY maintained implemented a company-wide on-premises rest period policy, which mandated that Mr. De Grado and other aggrieved employees remain on the work premises during their rest periods. Upon information and belief, TIFFANY's company-wide on-premises rest period policy prevented Mr. De Grado and other aggrieved employees from being relieved of all duties for rest periods and caused them to perform work during rest periods.

As a result of TIFFANY's practices and policies, Mr. De Grado and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, during his employment, Mr. De Grado missed his rest periods due to the heavy workload and the lack of coverage for rest periods.

TIFFANY also has engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. De Grado and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that TIFFANY did pay rest period premium wages to other aggrieved employees, it did so at the incorrect rates. Because TIFFANY did not properly calculate other aggrieved employees' regular rates of pay by including all forms of compensation, such as commissions, incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, any premiums paid for rest period violations were also paid at an incorrect rate and resulted in an underpayment of rest period premium wages.

Accordingly, TIFFANY failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. De Grado and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. TIFFANY has not provided Mr. De Grado and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wages statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50.00 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any

employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

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

First, because TIFFANY did not record the time Mr. De Grado and other aggrieved employees spent working off-the-clock, TIFFANY did not list the correct amount of gross wages and net wages earned by Mr. De Grado and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, TIFFANY failed to accurately list the total number of hours worked by Mr. De Grado and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

Second, because TIFFANY did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, TIFFANY did not list the correct amount of gross wages earned by other aggrieved employees in compliance with section 226(a)(1) and did not list the correct amount of net wages earned by other aggrieved employees in violation of section 226(a)(5). TIFFANY also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct overtime rates of pay and correct rates of pay for premium wages, in violation of section 226(a)(9).

Third, and separate from these violations, TIFFANY issued uniform wage statements to Mr. De Grado and other aggrieved employees that failed to correctly list the name of the legal entity of the actual employer in violation of 226(a)(8). The purpose of section 226(a)(8) is to provide California employees with transparency as to the true identity of their employer, to allow the employee to contact their employer during employment in the future for various reasons, including filing an administrative claim, judicial claim, or other action to seek relief against their employer, to obtain unemployment benefits, etc. Mr. De Grado's and other aggrieved employees' wage statements incorrectly list the employer as "Tiffany and Company, US Sales," but, according to the California Secretary of State's website, there is no such entity by that name. However, a similarly named entity, "TIFFANY AND COMPANY U.S. SALES, LLC," is listed on the California Secretary of State's website with the same address. *See example paystub below.*

Tiffany and Company, US Sales 15 Sylvan Way Parsippany NJ 07054 973/254-8187		Pay Group: TRL-TRL/TRC - Biweekly Lag Process Begin Date: 09/15/2019 Process End Date: 09/28/2019		Business Unit: NAREG Check #: [REDACTED] Check Date: 10/05/2019	
Michael De Grado [REDACTED] [REDACTED]	EmpID: [REDACTED] Dept: 01124412-Carmel Retail Location: Carmel Retail Regular Base Rate: \$19.52 Hourly	TAX DATA: Federal CA State Marital Status: [REDACTED] [REDACTED] Allowances: [REDACTED] [REDACTED] Addl. Pot.: [REDACTED] Addl. Amt.: [REDACTED]			

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

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[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” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), TIFFANY willfully failed to maintain accurate payroll records for Mr. De Grado and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Orders. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, TIFFANY failed, on a company-wide basis, to keep accurate records of work period and meal period start and stop times for Mr. De Grado and other aggrieved employees, in violation of section 1198. Furthermore, in light of TIFFANY’s failure to provide Mr. De Grado and other aggrieved employees with second 30-minute meal periods to which they were entitled, TIFFANY kept no records of meal start and end times for second meal periods.

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

Mr. De Grado and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

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

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment

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

During the relevant time period, TIFFANY failed to pay Mr. De Grado and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, and meal and rest period premium wages, within any time period specified by California Labor Code section 204.

Mr. De Grado and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201, 202, and 203 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201, 202, and 203 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

On information and belief, TIFFANY has a company-wide practice or policy of paying departing employees their final wages on the next regular pay cycle, instead of adhering to the time requirements set forth in Labor Code sections 201 and 202. For example, Mr. De Grado was terminated on or about October 5, 2019. However, TIFFANY did not provide him with his commissions paycheck for sales completed in September 2019 until October 18, 2019. Thus, TIFFANY failed to pay Mr. De Grado his final wages immediately, in violation of Labor Code section 201.

Additionally, TIFFANY willfully failed to pay Mr. De Grado and other aggrieved employees who are no longer employed by TIFFANY all their earned wages, including, but not limited to, overtime wages, minimum wages, and meal and rest period premium wages, either at the time of discharge, or within seventy-two (72) hours of their leaving TIFFANY's employ in violation of California Labor Code sections 201, 202, and 203.

Mr. De Grado and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 222.5 – Failure to Pay for Costs of Mandatory Physical Exams and/or Drug Testing

At all times herein set forth, California Labor Code section 222.5 requires employers to pay for the costs an employee incurs for obtaining any required medical or physical examination.

During the relevant time period, TIFFANY implemented, on a company-wide basis, an employer-imposed requirement that other aggrieved employees undergo mandatory drug testing and/or physical examinations, but required them to do so at their own expense. As stated, TIFFANY had a company-wide policy requiring that other aggrieved employees travel to a specified medical facility on their own time and use their own means of transportation to undergo drug testing and/or physical examinations. At all times, TIFFANY was in control of scheduling the date and time for the testing and/or examinations, selecting the provider/facility where the testing and/or examinations were to take place, and determining the scope of the testing and/or examinations. However, TIFFANY did not compensate other aggrieved employees for the time they spent traveling to and from the medical facilities, for the time they spent undergoing the drug testing and/or physical examinations, or reimburse them for the travel expenses they incurred getting to and from the medical facilities. TIFFANY's policy and/or practice of not paying for all costs other aggrieved employees incurred obtaining mandatory drug testing and/or physical examinations is in violation of California Labor Code section 222.5.

Other aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

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

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

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

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

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

TIFFANY violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(14)(A) because Mr. De Grado and other aggrieved employees were not allowed to sit, even when it would not have interfered with the performance of their duties, nor were they provided with suitable seats. TIFFANY's management did not inform Mr. De Grado and other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of TIFFANY's company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, Mr. De Grado and other aggrieved employees were forced to stand during shifts and denied seats. TIFFANY's failure to provide suitable seating to Mr. De Grado and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 7-2001, Section 14(A).

Mr. De Grado and other aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring TIFFANY into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

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

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

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

As stated, TIFFANY's California retail stores are generally similar in their layout and design and there was, and continues to be, space near their work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Mr. De Grado and other

aggrieved employees during lulls in operation. TIFFANY could provide Mr. De Grado and other aggrieved employees with a seat or stool in its work areas, but instead denies employees seating and forces Mr. De Grado and other aggrieved employees to stand throughout the day.

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

As a result of TIFFANY's company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, and Mr. De Grado and other aggrieved employees were forced to stand during shifts and denied seats. TIFFANY's failure to provide suitable seating to Mr. De Grado and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 7-2001, Section 14(B).

Mr. De Grado and other aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring TIFFANY into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order 7-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft."

During the relevant time period, TIFFANY had a company-wide policy of requiring Mr. De Grado and other aggrieved employees to utilize their own personal cellular phones and cellular data to carry out their job duties, but TIFFANY failed to fully reimburse them for the costs of their work-related cellular phone expenses. Mr. De Grado and other aggrieved employees were required to use their personal cellular phones to complete their work-related tasks, such as communicating with managers about clients, store events, or customer orders. Mr. De Grado and other aggrieved employees were also required to use their personal cellular phones to post about store promotions on their social media accounts. Although TIFFANY required Mr. De Grado and other aggrieved employees to utilize their personal cellular phones to carry out their work-related responsibilities, TIFFANY failed to fully reimburse them for this cost.

Additionally, as stated, TIFFANY had a company-wide policy of requiring other aggrieved employees to travel to medical facilities on their own time and using their personal vehicles or

alternate transportation to obtain mandatory drug testing and/or physical examinations, but did not reimburse them for their travel expenses, including mileage. At all times, TIFFANY was in control of scheduling the date and time for the testing and/or physical examinations, selecting the provider or facility where the testing and/or physical examinations were to take place, and determining the scope of the testing and/or physical examinations. TIFFANY gave other aggrieved employees strict instructions to obtain drug testing and/or physical examinations, and other aggrieved employees underwent the examinations and/or testing for the sole benefit of TIFFANY. Although TIFFANY required other aggrieved employees to use their own vehicles or obtain alternate transportation to undergo drug testing and/or physical examinations, TIFFANY never reimbursed them for their travel expenses.

TIFFANY could have provided Mr. De Grado and other aggrieved employees with the actual tools for use on the job, such as company phones and company vehicles, or could have reimbursed employees for their cellular phone, mileage, and travel expenses. Instead, TIFFANY passed these operating costs off onto Mr. De Grado and other aggrieved employees.

Thus, TIFFANY had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. De Grado and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(a), (f)-(g).

California Labor Code § 558(a)

California Labor Code section 558(a) provides “[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid . . . (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid . . .” Labor Code section 558(c) provides that “[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.” TIFFANY, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. De Grado's and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Mr. De Grado seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Mr. De Grado, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for himself, all other aggrieved employees, and the State of California against TIFFANY for violations of California Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 558(a), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

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

Pre-Litigation Demand

This notice shall further serve as Mr. De Grado's reasonable attempt to settle his dispute with TIFFANY prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to inform TIFFANY of Mr. De Grado's aforementioned grievances and the proposed remedies as detailed below, while affording TIFFANY a reasonable opportunity to satisfy Mr. De Grado's demands.

Demand is hereby made that TIFFANY shall, within 30 calendar days of this notice, agree, in writing to the following corrective actions:

1. TIFFANY shall pay Mr. De Grado and all other aggrieved employees employed by TIFFANY at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. TIFFANY shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked and provided lawful meal and rest periods.
3. TIFFANY shall conduct a survey or interview all current and former aggrieved employees in California who worked for TIFFANY in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for cellular phone expenses, mandatory medical examinations, travel, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. TIFFANY shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512, 516, and 1198. TIFFANY also shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. TIFFANY shall reimburse those aggrieved employees who were required to pay for any business expenses incurred for TIFFANY's benefit, including, but not limited to, cellular phone expenses, mandatory medical examinations, and travel expenses, as required by Labor Code sections 222.5 and 2802.
6. TIFFANY shall pay accrued legal interest to all aggrieved employees at the rate of 10% per annum for said unpaid wages.
7. TIFFANY shall provide Mr. De Grado and all aggrieved employees employed by TIFFANY at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
8. TIFFANY shall implement and provide suitable seating to all aggrieved employees.

9. TIFFANY shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
10. TIFFANY shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 256, 558, 1174.5, 1197.1, 1199, and 2699, and Wage Order No. 7-2001, section 20.

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

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

Best Regards,



Anthony Castillo

Copy: TIFFANY AND COMPANY U.S. SALES, LLC (via U.S. Certified Mail); TIFFANY AND COMPANY (via U.S. Certified Mail)

CERTIFIED MAIL®



7019 2280 0000 7398 6800

zone

LAW APC

1000
Park East, Ste 1000
s, CA 90067

TIFFANY AND COMPANY U.S. SALES, LLC
200 FIFTH AVENUE
NEW YORK NY 10010



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TIFFANY AND COMPANY U.S. SALES, LLC
200 FIFTH AVENUE
NEW YORK NY 10010



9590 9402 4882 9032 7425 22

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6800

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
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- ☐ Collect on Delivery
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- ☐ Return Receipt for Merchandise
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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$ 3.50

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$ 2.80
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 7.93

Sent To

TIFFANY AND COMPANY U.S. SALES, LLC
200 FIFTH AVENUE
NEW YORK NY 10010

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Postmark
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DeGrado V. Tiffany
and Company U.S.
Sales, LLC

CERTIFIED MAIL



7019 2280 0000 7398 6817

one
LAW APC
ry Park East, Ste 1000
s, CA 90067

TIFFANY AND COMPANY U.S. SALES, LLC
15 SYLVAN WAY
PARSIPPANY NJ 07054



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TIFFANY AND COMPANY U.S. SALES, LLC
15 SYLVAN WAY
PARSIPPANY NJ 07054



9590 9402 4882 9032 7425 15

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6817

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes
☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery over \$500

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$ 3.50

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$ 2.50
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 7.93

Sent To

TIFFANY AND COMPANY U.S. SALES, LLC
Street and Apt. No., or PO Box No.
15 SYLVAN WAY
City, State, ZIP+4®
PARSIPPANY NJ 07054

Postmark
Here

DeGrado v. Tiffany
and Company US
Sales, LLC

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7019 2280 0000 7398 6817



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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1. Article Addressed to:

TIFFANY AND COMPANY
727 FIFTH AVENUE
NEW YORK NY 10022



9590 9403 0424 5163 3610 84

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6824

PS Form 3811, April 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

CERTIFIED MAIL®



7019 2280 0000 7398 6824

TIFFANY AND COMPANY
727 FIFTH AVENUE
NEW YORK NY 10022

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$ 3.50

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$ 2.80
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 7.93

Sent To

TIFFANY AND COMPANY

Street and Apt. No., or PO Box No.
727 FIFTH AVENUECity, State, ZIP+4®
NEW YORK NY 10022

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Postmark
HereDeGrado v. Tiffany
and Company

tone

LAW APC

ury Park East, Ste 1000
s, CA 90067

CERTIFIED MAIL®



7019 2280 0000 7398 6831

tone
LAW APC
ury Park East, Ste 1000
es, CA 90067

TIFFANY AND COMPANY
15 SYLVAN WAY
PARSIPPANY NJ 07054



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1. Article Addressed to:

TIFFANY AND COMPANY
15 SYLVAN WAY
PARSIPPANY NJ 07054



9590 9403 0424 5163 3610 91

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6831

PS Form 3811, April 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

ured Mail
ured Mail Restricted Delivery
er \$500)

Domestic Return Receipt

7019 2280 0000 7398 6831

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- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

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Total Postage and Fees

\$ 7.93

Sent To

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

TIFFANY AND COMPANY
15 SYLVAN WAY
PARSIPPANY NJ 07054

Postmark
Here

DeGrado v. Tiffany
and Company

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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1. Article Addressed to:

TIFFANY AND COMPANY U.S. SALES, LLC
200 FIFTH AVENUE
NEW YORK NY 10010



9590 9402 4882 9032 7425 22

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6800

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

- ☒ Agent
☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

9/1/10

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

RW

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Insured Mail | |
| ☐ Insured Mail Restricted Delivery (over \$500) | |

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

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PARSIPPANY NJ 07054



9590 9402 4882 9032 7425 15

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6817

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

COVID19

C. Date of Delivery

9/12/20

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

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PARSIPPANY NJ 07054



9590 9403 0424 5163 3610 91

2. Article Number (Transfer from service label)

7019 2280 0000 7398 6831

PS Form 3811, April 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

COVID19

C. Date of Delivery

9/12/20

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

3. Service Type

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- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation

☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt