

LAUREL EMPLOYMENT LAW

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David W. Slayton,
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Attorneys for Plaintiffs,
MONROE-NICOLE EDOKPA, and
MICHELLE O'SHEA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – CENTRAL DISTRICT

MONROE-NICOLE EDOKPA, an individual;
MICHELLE O'SHEA, an individual; and on
behalf of all other aggrieved employees,

Plaintiffs,

vs.

LAUGH FACTORY, INC., a California
Corporation; and DOES 1 – 10, inclusive,

Defendants.

Case No.: **25STCV10626**

REPRESENTATIVE ACTION COMPLAINT

[Labor Code §§2698, *et seq.*]

1. Violation of the Private Attorneys General Act of 2004, Labor Code §§2698, *et seq.*

Plaintiffs MONROE-NICOLE EDOKPA and MICHELLE O'SHEA (collectively referred hereto as "Plaintiffs") hereby bring this Representative Action Complaint against Defendants LAUGH FACTORY, INC., and DOES 1 through 10, inclusive ("Defendants"), and alleges as follows:

NATURE OF CLAIM

1. Plaintiffs bring a Representative Action under the Private Attorneys General Act of 2004 ("PAGA"), Labor Code sections 2698, *et seq.*, on behalf of themselves and all other aggrieved employees employed by Defendants in the State of California, for civil penalties pursuant to the PAGA for

Defendants' violations of the California Labor Code, including: (a) failure to provide compliant meal periods (Labor Code §512); (b) failure to provide compliant rest periods (Labor Code §226.7); (c) failure to pay overtime wages (Labor Code §510); (d) failure to pay minimum wages and reporting time pay (Labor Code §§1194, 1197); (e) failure to reimburse necessary business expenses (Labor Code §2802); (f) failure to maintain accurate payroll records (Labor Code §1174); (g) failure to provide accurate itemized wage statements (Labor Code §226); (h) failure to timely pay all wages due (Labor Code §§201-204); (i) failure to provide paid sick leave; and (j) failure to timely pay all wages due during and upon separation of employment from Defendants.

2. Plaintiffs are "aggrieved employees" within the meaning of Labor Code §2699(c) because each of them was employed by Defendants during the applicable statutory period and suffered one or more of the Labor Code violations alleged in this Complaint. On January 31, 2025, Plaintiffs jointly provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories supporting the alleged violations, as required by Labor Code §2699.3(a). The LWDA has assigned Case Number LWDA-CM-1077082-25 to this matter.

PARTIES

3. Plaintiff MONROE-NICOLE EDOKPA ("Plaintiff Edokpa") is, and at all relevant times herein has been, an individual residing in Los Angeles County, California. Plaintiff has been employed by Defendant as a waitress/server from approximately October 3, 2022, through the present, at Defendant's Los Angeles facility.

4. Plaintiff MICHELLE O'SHEA ("Plaintiff O'Shea") is, and at all relevant times herein has been, an individual residing in Los Angeles County, California. Plaintiff has been employed by Defendant as a Server from approximately March 5, 2024, through the present, at Defendant's Los Angeles facility.

5. Plaintiffs are informed and believe and thereon allege that Defendant LAUGH FACTORY, INC. ("Defendant") is, and at all relevant times mentioned herein has been, a California Corporation, doing business in Los Angeles County, California, with its principal place of business located at 8001 W Sunset Blvd, Los Angeles CA 90046-2401.

1 6. Defendant was Plaintiffs' employer at all times relevant to this action.

2 7. Plaintiffs are informed and believe, and based thereupon allege, that at all times relevant
3 hereto, Defendants, and each of them, were the agents, employees, managing agents, supervisors, co-
4 conspirators, parent corporation, joint employers, alter ego, and/or joint ventures of the other Defendants,
5 and each of them, and in doing the things alleged herein, were acting at least in part within the course
6 and scope of said agency, employment, conspiracy, joint employer, alter ego status, and/or joint venture
7 and with the permission and consent of each of the other Defendants.

8 8. The true names and capacities, whether a corporation, agent, individual or otherwise, of
9 DOES 1 through 10, are unknown to Plaintiffs, who therefore sue said Defendants by such fictitious
10 names. Each Defendant designated herein as a DOE is negligently or otherwise legally responsible in
11 some manner for the events and happenings referred to herein and thereby proximately caused injuries
12 and damages to Plaintiffs as alleged herein. Plaintiffs will seek leave of Court to amend this Complaint
13 to show their true names and capacities when the same have been ascertained.

14 9. At all times mentioned here, DOES 1 through 10 were the agents, representatives,
15 employees, successors and/or assigns of Defendants and at all times pertinent hereto were acting within
16 the course and scope of their authority as such agents, representatives, employees, successors, and/or
17 assigns.

18 10. Plaintiffs are informed and believe that at all relevant times herein mentioned Defendants,
19 and/or DOES 1 through 10 are and were corporations, business entities, individuals, and partnerships,
20 licensed to do business and doing business in the State of California. As such and based upon all the facts
21 and circumstances of incident to Defendant's business in California, Defendants are subject to the
22 California Labor Code, and the Government Code.

23 11. Plaintiffs are informed and believe that Defendants, and each of them, committed other
24 wrongful acts or omissions of which Plaintiffs are presently unaware. Plaintiffs shall conduct discovery
25 to identify said wrongful acts and will seek leave of Court to amend this Complaint to add said acts upon
26 discovery.

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1 **JURISDICTION AND VENUE**

2 12. Pursuant to California Code of Civil Procedure ("CCP") §395(a), venue is proper in the
3 above-entitled Court because the majority of all facts giving rise to the causes of action stated herein
4 arose in Los Angeles County, California. Plaintiff worked in Los Angeles County, California, and
5 Plaintiff is informed and believes that records relevant to this action are maintained in Los Angeles
6 County, California.

7 13. As a Representative Action under the PAGA, this matter is not subject to removal under
8 28 U.S.C. sections 1322(a)-(d) as PAGA civil penalty actions are not subject to federal jurisdiction.

9 **GENERAL ALLEGATIONS**

10 14. At all relevant times, Plaintiffs and other aggrieved employees worked for Defendants in
11 California, and Defendants conducted business in California.

12 15. Plaintiff MONROE-NICOLE EDOKPA has been employed by Defendant as a non-
13 exempt Waitress/Server from approximately October 3, 2022, through the present at Defendant's Los
14 Angeles facility located at 8001 W Sunset Blvd, Los Angeles CA 90046-2401. As a Waitress/Server,
15 Plaintiff's duties included serving customers, taking orders, delivering food and beverages, and related
16 restaurant service tasks.

17 16. Plaintiff MICHELLE O'SHEA has been employed by Defendant LAUGH FACTORY,
18 INC. as a non-exempt Waitress/Server from March 5, 2024, through the present at Defendant's Los
19 Angeles facility located at 8001 W Sunset Blvd., Los Angeles, CA 90046. As a Waitress/Server,
20 Plaintiff's duties included serving customers, taking orders, delivering food and beverages, and related
21 restaurant service tasks.

22 17. During the relevant time period, Defendant has employed approximately 300 employees
23 in California, with staffing levels at Plaintiffs' location increasing from 7-8 servers in 2022 to 10-13
24 servers in 2024.

25 18. Throughout Plaintiffs' employment, Defendants have maintained unlawful policies and
26 practices regarding meal periods. Specifically, Defendants: (a) required Plaintiffs and other aggrieved
27 employees to take their 30-minute meal breaks at the start of their shifts; (b) consistently denied
28 uninterrupted meal breaks; (c) required Plaintiffs and other aggrieved employees to work 5-6 hours after

1 their initial meal break without providing a second meal period; (d) required work during 8-9 hour shifts
2 on holidays and special events without providing second meal breaks; (e) interrupted meal breaks by
3 requiring employees to bus tables; and (f) falsified timesheet records regarding meal breaks.

4 19. Defendants have also engaged in systematic violations of California wage and hour laws
5 affecting Plaintiffs and other aggrieved employees. These violations include systematic timecard
6 falsification, reduction of recorded hours worked, and failure to pay all wages due, including overtime
7 wages.

8 20. On or about July 20, 2024, Defendant unilaterally reduced Plaintiffs and other aggrieved
9 employees' hours from full-time status to 5.5 hours daily, while still requiring them to work additional
10 uncompensated hours. Defendant's managers regularly altered time records to reflect fewer hours than
11 actually worked by employees.

12 21. Throughout Plaintiffs' employment, Defendant has systematically denied Plaintiffs and
13 other aggrieved employees their legally mandated 30-minute meal breaks. Specifically, Defendant's
14 managers have engaged in falsifying time records to show meal breaks that were never provided or taken.
15 Employees, including Plaintiffs, are regularly required to work through their meal periods without
16 compensation and are not provided uninterrupted meal breaks after working five (5) hours.

17 22. Defendants have also maintained unlawful policies and practices regarding rest breaks.
18 Specifically, Defendants: (a) failed to implement any formal rest break system; (b) prevented Plaintiffs
19 and other aggrieved employees from taking their entitled 10-minute rest breaks due to business demands;
20 and (c) falsified timesheet records regarding rest breaks.

21 23. Defendant has implemented policies prohibiting hosts and other employees from using
22 restroom facilities during shows lasting six (6) or more hours, effectively denying them their legally
23 required rest breaks. Employees are required to remain at their stations without breaks during extended
24 show periods.

25 24. Defendants have failed to properly compensate Plaintiffs and other aggrieved employees
26 for all hours worked, including: (a) failing to pay overtime wages for work performed in excess of eight
27 hours per day or forty hours per week; (b) failing to pay overtime on holidays and special occasions when
28 employees worked more than eight hours; and (c) failing to pay minimum wage for all hours worked.

25. Defendants maintain an unlawful scheduling system through a mobile application called “Hot Schedules”. Specifically, Defendants: (a) require employees to check the “Hot Schedules” app within a specific two-hour window; (b) call off employees with only 2-3 hours’ notice without compensation; (c) fail to provide reporting time pay when employees arrive at work after not seeing call-off notices; (d) implement an unfair scheduling system based on sales rankings; and (e) provide preferential treatment to new hires in scheduling.

26. Defendants have failed to reimburse Plaintiffs and other aggrieved employees for necessary business expenses, including: (a) mobile devices and data plans required for the mandatory use of the “Hot Schedules” app; and (b) other necessary business expenses incurred in the discharge of their duties.

27. Defendants have failed to maintain accurate employment records as required by law, including: (a) failing to maintain accurate payroll records; (b) failing to provide accurate itemized wage statements; and (c) falsifying timesheet records regarding meal and rest breaks.

28. Defendants, through their managers including General Manager Rianna Frazer and other supervisory personnel, have implemented and enforced these unlawful policies and practices throughout Plaintiffs’ employment and continue to do so through the present.

29. Plaintiffs and other aggrieved employees were non-exempt employees covered under one or more Wage Orders and Labor Code § 512, and Defendants were obligated to provide Plaintiffs and other aggrieved employees compliant meal and rest periods and an hour of pay at the employee’s regular rate of pay for each workday a compliant meal and/or rest period was not provided.

30. Plaintiffs and other aggrieved employees were non-exempt employees covered under one or more Industrial Welfare Commission Wage Orders (“Wage Orders”), and Labor Code §§ 1194, 1194.2, 1197, 1197.1, and other applicable orders, regulations, and statutes, and each aggrieved employee was not subject to executive, administrative, professional, or other exemptions, and Defendants are obligated to pay Plaintiff and aggrieved employees all lawful wages.

31. Plaintiffs and other aggrieved employees were not provided with off-duty meal periods of at least 30 minutes for shifts exceeding five hours, contrary to California law.

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32. Plaintiffs and other aggrieved employees were not authorized and permitted to take required rest breaks of 10 minutes for every four hours worked.

33. Notwithstanding Plaintiffs and other aggrieved employees' non-compliant meal and rest breaks, Defendant failed to provide Plaintiffs and other aggrieved employees with premium pay, at his regular rate of pay, in lieu of missed or non-compliant meal and rest breaks.

34. These premium payments were not reflected in wage statements issued to Plaintiffs and other aggrieved employees. Similarly, these premium payments were not provided to Plaintiffs and other aggrieved employees upon separation from employment.

35. Throughout Plaintiffs' employment, Defendants allegedly committed various other labor code violations, including but not limited to minimum wage violations, timely wage payment violations, vacation pay violations, sick time violations, failure to produce employee records, unlawful wage deductions, and unreimbursed business expense violations that impacted Plaintiff and other aggrieved employees.

36. Plaintiffs alleges that Defendants failed to maintain and produce accurate records of work hours, wages, and other employment-related information as required by Labor Code §§ 226, 432, and 1198.5.

37. Plaintiffs and aggrieved employees incurred various business-related expenses including, but not limited to, the use of personal cell phones for work purposes, which Defendant allegedly failed to reimburse, in violation of Labor Code §2802.

38. Plaintiffs seeks to represent all aggrieved employees for the period of one year prior to the date of the PAGA Notice and continuing until the unlawful practices are stopped or judgment is entered ("PAGA Period".)

EXHAUSTION OF PAGA NOTICE REQUIREMENT

33. On January 31, 2025, Plaintiffs jointly provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations (LWDA Case Number: LWDA-CM-1077082-25).

34. More than 65 calendar days have elapsed since Plaintiffs provided notice to the LWDA, and the LWDA has not provided notice of its intent to investigate the alleged violations.

35. Throughout the relevant time period, Defendant has employed approximately 300 employees in California who were, on information and belief, subjected to the same unlawful policies and practices described herein. As a result of Defendants' unlawful policies and practices, Plaintiff and other aggrieved employees have suffered harm and are entitled to recover civil penalties pursuant to Labor Code sections 2698, et seq.

FIRST CAUSE OF ACTION

Violation of the Private Attorneys General (PAGA)

(Labor Code §§ 2698 and 2699, et seq.)

(Against All Defendants and DOES 1-10)

39. Plaintiffs incorporates the preceding paragraphs of this Complaint.

40. "Labor Code §§ 2698 and 2699 (The California Private Attorneys General Act of 2004, or "PAGA"), expressly establish that any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by The Labor and Workforce Development Agency ("LWDA"), or any of its departments, divisions, commissions, boards, agencies or employees for a violation of the California Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of other current or former employees.

41. Whenever the LWDA, or any of its departments, divisions, commissions, boards, agencies or employees has discretion to assess a civil penalty, a fact-finder in a civil action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

42. Plaintiff is an "aggrieved employee" within the meaning of Labor Code § 2699(c) because they were employed by Defendants during the applicable statutory period and suffered the Labor Code violations set forth in this complaint.

43. Plaintiff seeks to recover civil penalties pursuant to PAGA for the following Labor Code violations:

- a. Violation of Labor Code §512 for failure to provide compliant meal periods, including requiring meal periods at the start of shifts, denying uninterrupted meal breaks, failing to provide second meal periods, and falsifying meal period records;

- b. Violation of Labor Code §226.7 for failure to provide compliant rest periods, including failure to implement a rest break system and preventing employees from taking entitled rest breaks;
- c. Violation of Labor Code §510 for failure to pay overtime wages for work performed in excess of eight hours per day or forty hours per week;
- d. Violation of Labor Code §§1194, 1197 for failure to pay minimum wages and reporting time pay;
- e. Violation of Labor Code §2802 for failure to reimburse necessary business expenses, including mobile devices and data plans required for the “Hot Schedules” app;
- f. Violation of Labor Code §1174 for failure to maintain accurate payroll records;
- g. Violation of Labor Code §226(a) for failure to provide accurate itemized wage statements; and
- h. Violation of Labor Code §§201-204 for failure to timely pay all wages due.
44. Plaintiffs assert their representative claims against Defendants for Defendants’ violations of PAGA on behalf of the LWDA and all aggrieved employees, in his capacity as “private attorney general”, and seeks all statutory penalties available under the Labor Code.
45. By reason of the above and pursuant to Labor Code § 2699, Plaintiffs, on behalf of the LWDA and all aggrieved employees, is entitled to payment of a penalty of \$100 per pay period for each employee for the initial violation, and \$200 per pay period for each employee for each subsequent violation, plus interest.
46. In addition, Plaintiffs, on behalf of the LWDA and all aggrieved employees, seeks and is entitled to have 65% of all recovered penalties and interest allocated to the LWDA and 35% to the aggrieved employees. Further, Plaintiffs are entitled to seek and recover reasonable attorneys’ fees, expenses and costs pursuant to Labor Code § 2699, and any other applicable statutes.
47. Plaintiffs complied with the notice requirements of Labor Code § 2699.3(a)(1) prior to commencing this action. A copy of the letters submitted to the California LWDA on January 31, 2025 via online filing and copied to Defendants’ Agent for Service of Process in California on the same date, via certified mail, in accordance with section 2699.3(a)(1), is attached hereto as **Exhibit A** and by reference incorporated herein.
48. As of today’s date, the LWDA has not responded to Plaintiffs’ written notice.

49. Plaintiffs and the aggrieved employees are also entitled to reasonable attorneys' fees and costs, pursuant to California Labor Code § 2699(g)(1).

50. Pursuant to Labor Code §2699(g)(1), Plaintiffs are entitled to an award of reasonable attorneys' fees and costs.

51. The California Supreme Court has held that a Representative Action does not need to meet class certification requirements because it is a state enforcement action. *Arias v. Superior Court*, 46 Cal.4th 969, 970-75 (2009).

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment as follows:

- A. That this action be maintained as a PAGA Representative Action, and Plaintiffs and their counsel be provided with enforcement capability as if the action were brought by the LWDA;
- B. For recovery of civil penalties as permitted by Labor Code §2699, for failure to provide compliant meal periods pursuant to Labor Code §512, including requiring meal periods at the start of shifts, denying uninterrupted meal breaks, failing to provide second meal periods, and falsifying meal period records, according to proof;
- C. For recovery of civil penalties as permitted by Labor Code §2699, for failure to provide compliant rest periods pursuant to Labor Code §226.7, including failure to implement a rest break system and preventing employees from taking entitled rest breaks, according to proof;
- D. For recovery of civil penalties as permitted by Labor Code §2699, for failure to pay overtime wages pursuant to Labor Code §510, for work performed in excess of eight hours per day or forty hours per week, according to proof;
- E. For recovery of civil penalties as permitted by Labor Code §2699, for failure to pay minimum wages and reporting time pay pursuant to Labor Code §§1194 and 1197, according to proof;
- F. For recovery of civil penalties as permitted by Labor Code §2699, for failure to reimburse necessary business expenses pursuant to Labor Code §2802, including mobile devices and data plans required for the HotSchedules app, according to proof;
- G. For recovery of civil penalties as permitted by Labor Code §2699, for failure to maintain accurate payroll records pursuant to Labor Code §1174, according to proof;

- 1 H. For recovery of civil penalties as permitted by Labor Code §2699, for failure to provide
2 accurate itemized wage statements pursuant to Labor Code §226(a), according to proof;
- 3 I. For recovery of civil penalties as permitted by Labor Code §2699, for failure to timely pay all
4 wages due pursuant to Labor Code §§201-204, according to proof;
- 5 J. For all civil penalties to be distributed 75% to the LWDA and 25% to the aggrieved
6 employees, pursuant to Labor Code §2699(i);
- 7 K. For Plaintiffs to be recognized by the Court as serving as a Representative of the LWDA, that
8 she be deemed an "aggrieved employee," and that she be awarded enhanced compensation for
9 bringing this action should she prevail and provide benefit to the State of California or other
10 "aggrieved employees," subject to the Court's discretion;
- 11 L. For reasonable attorneys' fees and costs pursuant to Labor Code §2699(g)(1) and Code of
12 Civil Procedure §1021.5;
- 13 M. For costs of suit incurred herein; and
- 14 N. For such other and further relief as the Court may deem just and proper.

15
16 DATED: April 8, 2025

LAUREL EMPLOYMENT LAW

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19 Joshua I. White, Esq.
20 Pola Bernabe, Esq.
21 Attorneys for Plaintiffs,
22 MONROE-NICOLE EDOKPA and
23 MICHELLE O'SHEA
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EXHIBIT 1



January 31, 2025

NOTICE VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency
Private Attorney General Act (PAGA) – Filing

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Laugh Factory, Inc.
c/o Jamie Masada
9230 Hazen Drive
Beverly Hills, CA 90210

Laugh Factory, Inc.
8001 W Sunset Blvd.
Los Angeles, CA 90046

**Re: Notice by Monroe-Nicole Edokpa and Michelle O'Shea on Behalf of
Themselves and all Other Aggrieved California Employees of Laugh Factory,
Inc. individually and as Representatives of the State of California**

Dear Labor and Workforce Development Agency and Laugh Factory, Inc.:

Pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code section 2698, *et seq.*, Monroe-Nicole Edokpa and Michelle O'Shea (hereinafter referred to as "Claimants") intend to bring a civil action against Laugh Factory, Inc. (collectively referred to as the "Employer"), on behalf of themselves and all other individuals employed by the Employer as a non-exempt employee in California. This letter serves as Claimants' written notice pursuant to Labor Code section 2699.3(a)(1) providing the Labor and Workforce Development Agency ("LWDA") the opportunity to investigate the allege claims contained herein of the specific provisions of the Labor Code allegedly violated by the Employer and the facts and theories in support of said allegations. This information contained herein is based on currently possessed information and belief.

If the LWDA does not intend to investigate the alleged violations, Claimants intend to file a representative civil action for PAGA penalties on behalf of themselves and all aggrieved employees of the Employer and shall seek civil penalties under the PAGA. A copy of this Notice is being sent to the Employer by certified mail at the address above.

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Identity of “Employees”

Claimants intend to pursue PAGA civil penalties on their own behalf and on the behalf of other current and former employees of the entities/individual referenced below who performed non-exempt work for said entities/individual and were either: 1) classified as a non-exempt employee or 2) should have been classified as a non-exempt employee and who performed work for the Employer in California as a non-exempt employee. Said employees are limited to employees performing work for said entities/individuals at any time during one (1) year prior to the date of this PAGA Notice letter and continuing until the unlawful employment practices are stopped and/or a judgment is entered. Said employees are collectively hereinafter referred to as "Aggrieved Employees." The names of Aggrieved Employees are contained within the personnel records of the Employer.

Identity and Capacity of Employers/Joint Employers

Claimants intend to pursue a PAGA action against their former employer, Laugh Factory, Inc., and its parent companies, subsidiaries, successors, owners, officers, directors, and managing agents (collectively referred to as "Employer" as well). Claimants will seek to hold all owners, directors, officers and managing agents of her Employer, personally liable for said violations to the extent permitted under Labor Code section 558 and/or Labor Code section 558.1.

All business entities referenced herein were the alter-egos of each and every other entity and individual referenced herein and there exists, and at all times herein mentioned has existed, a unity of interest and ownership between said entities and individuals such that any separateness between them ceased to exist in that said individuals and other entities have completely controlled, dominated, managed, and operated the business entities and have intermingled the assets of each to suit convenience. Further, each of the business entities are, and at all times mentioned herein were, mere shells, instrumentalities, and conduits through which the other above-referenced entities/individuals carried out their business while exercising complete control and dominance of the business such that individuality or separateness did not truly exist. Therefore, in the PAGA action, Claimant will seek to hold each said individual and/or entity jointly and severally liable for any and/or all violations committed by the other above-referenced individuals and/or entities.

It should further be noted that the Employer and its parent companies, subsidiaries, successors, owners, officers, directors, and/or managing agents have been engaged in a joint enterprise. Moreover, said persons/individuals are joint employers of Aggrieved Employees for the following reasons: 1) Said entities/individuals directly and/or indirectly exercised control over the wages, hours or working conditions of Aggrieved Employees; 2) Said entities/individuals had knowledge (either personally or through officers, directors and/or managing agents) of the work Aggrieved Employees were doing for them while supposedly being employed by another entity/individual and failed to prevent the work from occurring; and 3) Said entities retained or assumed a general right of control over hiring, direction, supervision, discipline, discharge, and relevant day-to-day aspects of the workplace behavior of Aggrieved Employees.

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Violations/Supporting Facts and Theories

At all times herein, the Employer is a comedy club located in Los Angeles, CA. The Employer has employed/jointly employed Employees (including Claimants) to perform work and services in furtherance of their business and joint enterprise interests.

Claimants worked for the Employer from and were classified as non-exempt employees. Claimant Monroe-Nicole Edokpa was employed by the Employer as a waitress since October 2022. Claimant Michelle O'Shea was employed as a server from approximately March 2024. The Employer denied Claimants and Aggrieved Employees the rights and protections of the California Labor Code and applicable IWC Wage Order.

At all relevant times at least one year prior to the date of this Notice, the Employer subjected Claimants and other Aggrieved Employees to policies and practices caused the violations of the Labor Code as described herein. Claimants now seeks civil penalties on behalf of themselves and all Aggrieved Employees and the State of California based on the alleged violations of the Labor Code and applicable IWC Wage Order, including civil penalties pursuant to Labor Code section 558(a). Claimant's claims are set forth in further detail below.

For reasons set forth herein, Claimant alleges the following violations of the Labor Code and applicable IWC Wage Order on behalf of herself and all other non-exempt aggrieved employees of Employer:

1. Failure to Pay All Wages (Overtime and Minimum Wages);
3. Failure to Provide Meal and Rest Periods;
4. Failure to Pay Reporting Time Wages;
5. Failure to Reimburse Business Expenses;
6. Failure to Provide Accurate Itemized Wage Statements;
7. Failure to Timely Pay Wages Due During and Upon Termination of Employment;
and
8. Failure to Maintain Accurate Records.

The violations of the Employer, thus include, the following:

Failure to Pay All Wages (Overtime and Minimum Wages)

The Employer violated Labor Code sections 218, 500, 510, 1194, 1197, 1198, and the applicable Industrial Welfare Commission Wage Order, sections 3 and 4, by failing to pay Claimants and other Aggrieved Employees at least the minimum wage, and at times, the overtime wage required under the law, including hours worked during meal periods and work performed off-the-clock. Claimants and on information and belief, other Aggrieved Employees, are not provided with all legally compliant, off-duty and uninterrupted meal and rest periods due to the

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demands of the job. Claimants and other Aggrieved Employees are frequently required to work an entire shift without receiving duty-free and uninterrupted meal and rest periods.

Furthermore, Aggrieved Employees working more than 8 hours in a workday have not been paid time and one-half. Instead, they either were not paid for the time they worked over 8 hours, or they were only paid regular wages rather than overtime wages. Additionally, the Employer did not pay for all hours worked during meal periods.

Aggrieved Employees working more than 40 hours in a workweek have not been paid time and one-half. Instead, they either were not paid for the time they worked over 40 hours in a week, or they were only paid regular wages rather than overtime wages. Specifically, because not all the time worked by Employees has been/is being reported on the Employees' time records and/or paychecks, Aggrieved Employees have not been paid at least the minimum wage for all the time they worked for the Employer. The Employer, at times, failed to pay the required minimum wage under California law.

The Employer's failure to pay Aggrieved Employees all wages in accordance with the Labor Code has been, in part, accomplished by wrongfully failing to include all of the times that Employees worked in calculating Aggrieved Employees' wages during each pay-period that Employees were employed.

Furthermore, under California law, employers are obligated to pay the wages of an hourly employee for all time that the employee is under the control of the employer and includes all the time the employee is suffered or permitted to work, whether required to do so. The Employer failed to pay any wages, including overtime and minimum wages for work performed during meal periods.

Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney's fees, costs, and civil penalties to the extent allowed by law.

Failure to Provide Meal and Rest Periods

Labor Code §512(a) states that an employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 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.

Labor Code §226.7 prohibits employers from requiring employees to work during rest periods and mandates that employers pay premium wages for missed rest breaks. This section works in conjunction with the applicable Industrial Welfare Commission (IWC) Wage Order, section 12, which specifically outlines the requirements for rest periods.

Section 12(A) of the applicable IWC Wage Order requires employers to authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized 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. However,

Monro-Nicole Edokpa and Michelle O'Shea v. Laugh Factory, Inc.

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a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3½) hours.

Claimants and other Aggrieved Employees have been consistently denied statutory meal and rest period rights while working at the Laugh Factory, Inc. The Employer created an environment wherein Claimants and Aggrieved Employees were unable to take duty-free and uninterrupted meal and rest periods due to the demands of the job. Despite the fact that Claimants and Aggrieved Employees were regularly unable to take legally compliant meal and rest periods, the Employer failed to pay meal and/or rest period premiums for each workday a compliant meal and/or rest period was not provided.

Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney's fees, costs, and civil penalties to the extent allowed by law.

Failure to Pay Reporting Time Pay

The applicable IWC Wage Order section 5(A) provides in pertinent part, "Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage.

California law requires employers, such as the Laugh Factory, Inc. to pay employees reporting time pay when employees are required to "report" to work. Courts have recognized several scenarios as sufficient "reporting for work," for purposes of triggering the requirement to pay reporting time pay, including physically showing up to work when the shift begins; logging into a device for remote work; calling in before the start of the shift; and starting out on the employee's commute to work.

Here, the Employer does not provide Claimants and Aggrieved Employees with advanced notice of their scheduled shifts. Instead, the Employer requires Claimants and other Aggrieved Employees to check a scheduling app each day prior to reporting to work within a two-hour window to see if they are "confirmed" for their shift. If their shift is confirmed, Claimants and other Aggrieved Employees must go to their shift within two-hours, and at times, less. At times, the scheduling app is not updated, and Claimants and other Aggrieved Employees must report to work at the workplace to determine whether they are on the schedule for that shift. This on-call scheduling practice violates the applicable Wage Order, by placing a burden on Claimants and other Aggrieved Employees because they cannot use their time away from work to take other jobs, go to school, or make social plans. The Employer failed to pay any reporting time pay to Claimants and other Aggrieved Employees.

Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney's fees, costs, and civil penalties to the extent allowed by law.

Failure to Reimburse Business Expenses

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Labor Code § 2802(a) states that an employer shall indemnify their employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties. Claimants and other Aggrieved Employees were required to use their personal cell phones to communicate with the Employer's managers regarding their work schedule, and for several work-related applications including "HotSchedules" without any reimbursement. Additionally, Claimant and other Aggrieved Employees were not reimbursed for these expenses incurred in the discharge of his duties for the Employer.

The California Court of Appeal has held in *Cochran v. Schwan's Home Service, Inc.* that employers must reimburse employees for a reasonable percentage of their cell phone bills if they are required to use their personal phones for work-related calls, regardless of whether this causes the employee to incur any additional expenses.

Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney's fees, costs, and civil penalties to the extent allowed by law.

Failure to Provide Accurate Itemized Wage Statements

Labor Code section 226(a) states in pertinent part that every employer shall provide an accurate itemized statement in writing with respect to each one of its employees showing: 1) gross wages earned; 2) total hours worked by an employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission; (3) the number of piece rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer...; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Furthermore, Labor Code § 226(e)(2)(A) states: "An employee is deemed to suffer injury for purposes of this subdivision if the Employer fails to provide a wage statement."

Labor Code § 226.3 imposes an additional civil penalty on the Employers of \$250.00 per employee per violation of Labor Code § 226(a) in an initial citation and \$1,000.00 per employee for each violation in a subsequent citation. In addition, Labor Code § 226(e) imposes a penalty of the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of \$4,000, and Claimants are entitled to an award of costs and reasonable attorney's fees.

Due to the Employer's failure to pay all wages to Claimants, including meal and rest period premiums, minimum and overtime wages, and reporting time pay, the Employer did not provide accurate itemized wage statements with all accurate hours and rates of pay recorded.

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Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney's fees, costs, and civil penalties to the extent allowed by law.

Failure to Maintain Accurate Records

Labor Code section 1174(d) requires every person, including Employers, employing labor in the state to “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.”

Labor Code section 1174.5 provides: “Any person employing labor who willfully fails to maintain the records required by subdivision (c) of §1174 or accurate and complete records required by subdivision (d) of §1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of §1174, shall be subject to a civil penalty of five hundred dollars (\$500).”

Section 7(A) of the applicable IWC Wage Order provides: “Every employer shall keep accurate information with respect to each employee including the following: . . . (3) time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded.” Employers failed to accurately record the hours worked and meal periods for Claimant and other non-exempt aggrieved employees.

Employer failed to keep accurate records of all hours worked, including hours worked during meal periods, and all wages due.

Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney's fees, costs, and civil penalties to the extent allowed by law.

Civil Penalties for Violation of the Labor Code and IWC Wage Orders

Labor Code section 558 subjects any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of Part 2, Chapter 1, of the Labor Code or any provision regulating hours and days of work in any IWC Wage Order to a civil penalty in the amount of \$50 for any initial violation for each pay period in which an employee is underpaid in addition to an amount sufficient to recover underpaid wages, and \$100 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

Labor Code section 558.1(a) states: “Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes

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to be violated, sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.” Labor Code section 558.1(b) expressly defines “other person acting on behalf of an employer” to include a “natural person who is an owner, director, officer, or managing agent of the employer.”

Labor Code section 1197.1 states that any employer or other person acting either individually or as an officer, agent or employee of another person, which pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty and restitution of wages payable to the employee in an amount of \$100 for the initial violation for each pay period in which an employee underpaid in addition to an amount sufficient to recover underpaid wages, and \$250 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

As set forth above, Employers violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 510, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order. As a result, Employers are liable for civil penalties under Labor Code sections 558, 558.1, 1197.1.

Accordingly, Claimants will pursue *civil penalties* under the PAGA on behalf of themselves all Aggrieved Employees, including recovery of attorney’s fees, costs, and civil penalties to the extent allowed by law.

Duties of Employer

Labor Code section 1174 describes certain duties of every employer in this state. Subsection (d) of this labor code section requires that payroll records show the hours worked daily by employees and the corresponding wages to be paid for the hours worked. Employer violated this requirement by their failure to accurately record employee hours and wages owed for meal and rest period premiums and reporting time pay. Labor Code §1174.5 imposes a civil penalty of \$500 for an employer’s failure to maintain accurate and complete records. This civil penalty is addition to the civil penalty of \$100 per pay period, per non-exempt aggrieved employee that would be imposed pursuant to Labor Code section 2699 for a violation of Labor Code §1174(d). Furthermore, Claimant and all other aggrieved current and former non-exempt employees are entitled to collect 35% of the penalty imposed pursuant to §2699.

The Employer failed to accurately record meal periods and failed to record all accurate wages to be paid, as a result of the Employer’s policy of not paying meal and rest period premiums for non-compliant breaks. Furthermore, the Employer failed to pay for all hours worked including time spent driving between pest control service jobs, and time spent completing paperwork off-the-clock after clocking out.

Claimants will pursue all remedies on behalf of themselves and other Aggrieved Employees, including but not limited to non-exempt employees in California, including recovery of attorney’s fees, costs, damages and penalties to the extent allowed by law.

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Attorneys' Fees, Costs, Interest and Penalties

Labor Code sections 218.6, 226(e), 1194, 1194.2, and 2699, *et seq.*, give employees the right to recover in a civil action the unpaid balance of the full amount of minimum wages, regular wages, overtime compensation, damages, liquidated damages, and penalties, including interest thereon, reasonable attorney's fees, and costs of suit.

Pursuant to Labor Code section 2699(m), aggrieved employees are entitled to collect 35% of the civil penalty assessment. Accordingly, Employers are liable for these items in addition to the unpaid wages. Claimant has already incurred in actual damages, costs and attorney's fees and will continue to incur costs because of the Employer's unlawful actions.

Conclusion

If the State of California intends to investigate the matters set forth herein, please inform our offices as soon as possible as prompt administrative action will permit the identified unlawful practices to be rectified in prompt fashion. If the State of California does not send notification of its intent to investigate the alleged violations set forth herein, then pursuant to Labor Code section 2698, *et seq.* (PAGA), Claimant reserves the right to file a PAGA cause of action seeking all available damages, penalties, and remedies as well as attorney's fees, interest, and costs against Employer, as permitted under the PAGA. Should the State of California require any additional information, please do not hesitate to contact the undersigned.

Sincerely,



Marta Manus, Esq.