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January 31, 2025

Sent Via Certified U.S. Mail

Zane Harris Koss
Zane Koss Enterprises, LLC
12410 Santa Monica Blvd.
Los Angeles, CA 90025

[Certified No.: 7018 0360 0000 8464 3695]

RE: Steven Hood Jr. v. Zane Koss Enterprises, LLC., et al.

To Whom It May Concern:

This letter is the written notice required by the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code Section 2698 *et seq.*, including without limitation California Labor Code Sections 2699.3 (a)(1), 2699.3(b)(1), and/or 2699.3(c)(1) of the California Labor Code, and any other applicable provision of statute, rule, or law. On January 30, 2025, we filed this letter with the California Labor and Workforce Development Agency ("LWDA"). This letter is an important formal legal notice which may lead to immediate action against your company in a court of law and in administrative proceedings, or both and the imposition of substantial penalties and other orders and remedies against your company.

This office represents Steven Hood Jr., a former employee of Zane Koss Enterprises LLC, located at 1150 Hermosa Ave., Hermosa Beach, CA 90254. We are investigating a potential class and representative California Labor Code Private Attorneys General Act ("PAGA") action on behalf of current and former employees, who worked for Zane Koss Enterprises, LLC.

FACTS AND THEORIES UPON WHICH THE ACTION WILL BE BASED:

A. *Failure to Provide Compliant Rest Period/Meal Period Premium Payments*

IWC Wage Order 5-2001(11) and (12), as well as Labor Code Section 512, require employers to provide a ten-minute, duty-free, paid rest break, for every four-hour work period or major fraction thereof, as well as a thirty-minute unpaid, duty-free meal period which must begin by the end of the fifth hour of a shift.

Labor Code 226.7 requires premium payments for each shift in which an employee is not provided with a meal period or rest break compliant with the Wage Order and Labor Code.

Mr. Hood Jr. was employed by Zane Koss Enterprises, LLC., as a line cook from May 2023 to August 2024. During his employment, Zane Koss Enterprises, LLC., regularly failed to authorize and permit Mr. Hood Jr. and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. If Mr. Hood Jr. and other aggrieved employees were allowed to have a rest period, they were always interrupted and brought back to work on the line.

Furthermore, Mr. Hood Jr., as well as other aggrieved employees were not given the opportunity to take a duty-free thirty-minute meal break within the first five (5) hours of their shift as required by California Labor Code Section 512 and IWC Wage Order 5-2001 (11)(A). Mr. Hood Jr., and other aggrieved employees were required by the employer to delay their meal break until the end of their shift when they were clocked out to maintain all employees on the line during business hours, thus preventing paying overtime wages.

An employer's calculation of "regular rate of pay" and "regular rate of compensation" for the purposes of paying overtime and meal and rest period premium payments must include "all nondiscretionary payments, not just hourly wages." *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021). "Nondiscretionary payments" are payments and benefits made "pursuant to a prior contract, agreement, or promise. ... [A] payment is discretionary if both the fact that the payment is to be made and the amount of the payment are determined at the sole discretion of the employer ... and not pursuant to any prior contract, agreement, or promise causing the employee to expect such payments regularly." *Ferra v. Loews, Id.* (internal quotation marks omitted).

During Mr. Hood Jr.'s employment, in addition to his regular hourly rate, employees received employer provided meals and drinks as part of their regular compensation. However, in violation of the statutory and wage order provisions cited above, Zane Koss Enterprises, LLC excluded non-discretionary compensation, including, but not limited to, employer-provided meals and drinks, when calculating overtime and meal period/rest break premium payments. Employers are required to make premium payments to employees who are denied compliant meal periods and rest breaks. However, Zane Koss Enterprises, LLC. routinely fails to make required premium payments. Mr. Hood Jr. alleges that the foregoing unlawful exclusions were accomplished pursuant to payroll policies and practices that were uniform throughout his employment.

B. *Failure to Pay Overtime*

California Labor Code § 510(a) provides, in pertinent part states:

“Eight hours of labor constitutes a day’s work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.”

During the relevant time period, Mr. Hood Jr., 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 properly recorded.

Furthermore, given that Mr. Hood Jr. and other aggrieved employees work in an environment dependent on peak meal-time activity, it is unlikely that accurate wage statements have been provided, reflecting the hours worked had they been given the opportunity for compliant meal periods and rest breaks. Zane Koss Enterprises, LLC., willfully failed to pay all overtime wages owed to Mr. Hood Jr. and other aggrieved employees.

C. *Failure to Maintain Employee Time Records*

IWC Wage Order 5-2001(7)(A) provides:

“Every employer shall keep accurate information with respect to each employee including the following: (1) Full name, home address, occupation and social security number. (2) Birth date, if under 18 years, and designation as a minor. (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. Meal periods during which operations cease and authorized rest periods need not be recorded.”

Zane Koss Enterprises, LLC., failed to record employee meal period start and stop times as a matter of policy and practice throughout their employment. Mr. Hood Jr. alleges that employees of Zane Koss Enterprises, LLC did not have a policy or system in place for employees to record meal periods. Instead, employees would take their meal breaks at the end of their shift when they were clocked out. As a result, Mr. Hood Jr., and other aggrieved employees were not given accurate wage statements that would reflect the meal premiums owed.

D. *Notice of Representation and Scope of Claims*

This notice is hereby given to and is made against Zane Koss Enterprises, LLC., and all related and/or alter ego companies, corporations, partnerships, and/or business entities, as well as against any and all officers, owners, directors, managers, managing agents, or entities who are or may be liable under law for any of these alleged violations as to any locations or employees who worked at any time in the State of California.

This notice is made on behalf of all persons who are, were, or will be employees of Zane Koss Enterprises, LLC., or any related or alter ego company, corporation, partnership, and/or business entity, at any time on or after a date four years prior to the date of this letter at any location within the State of California.

This notice shall apply without limitation to any past, present, future, or continuing violation of the California Labor Code or regulations thereunder which might be discovered because of reasonable and diligent investigation made pursuant to this notice.

Zane Harris Koss
Zane Koss Enterprises, LLC
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Very truly yours,

Rastegar Law Group, APC

A handwritten signature in blue ink, appearing to read 'Farzad Rastegar', with a stylized flourish extending to the right.

Farzad Rastegar, Esq.