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Electronically FILED by
Superior Court of California,
County of Los Angeles
9/15/2025 12:51 PM
David W. Slayton,
Executive Officer/Clerk of Court,
By Y. Ayala, Deputy Clerk

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On Behalf of Aggrieved Employees, and the General Public

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

MARGARITA GARMENDIA, in a
Representative capacity and on behalf of
aggrieved employees, and the general
public,

Plaintiff,

vs.

LABORNOW, INC., a Massachusetts
Corporation; EINSTEIN AND NOAH
CORP. d/b/a EINSTEIN BROS.
BAGELS, a Delaware Corporation; and
DOES 1 through 50, inclusive,

Defendants.

CASE NO. **25STCV26968**

COMPLAINT FOR:

- 1. CIVIL PENALTIES UNDER LABOR CODE
PRIVATE ATTORNEYS GENERAL ACT OF
2004, LABOR CODE 2698, ET. SEQ**

1 Plaintiff MARGARITA GARMENDIA, a representative of aggrieved employees, hereby
2 files this Complaint (“Complaint”) against Defendant LABORNOW, INC., a Massachusetts
3 Corporation; EINSTEIN AND NOAH CORP., d/b/a EINSTEIN BROS. BAGELS, a Delaware
4 Corporation; and DOES 1 through 50, inclusive, (hereinafter collectively, “Defendants”). Plaintiff,
5 in her representative capacity, is informed and believes and on the basis of that information and
6 belief alleges as follows:

7 **INTRODUCTION**

8 1. This representative lawsuit challenges Defendants’ employment practices with
9 respect to their non-exempt, hourly workers employed in the State of California at Defendants’
10 bakery facility locations (hereinafter “Bakery Employees”), based on Defendants’ policy and
11 practice of failing, among other things, to provide legally compliant meal and rest breaks, denying
12 earned wages, including overtime pay, and failing to provide accurate wage statements from July 12,
13 2024 to the present (“Relevant Time Period”). In particular, Defendants fail to provide timely and
14 adequate meal and rest breaks, fail to timely compensate employees for all wages earned, and fail to
15 properly and accurately calculate overtime and report wages earned, hours worked, and wage rates.

16 2. At all times relevant hereto, and with certain defined exceptions, Defendants’
17 compensation scheme did not fully compensate Plaintiff with at least minimum wages and/or
18 designated rates for all hours worked.

19 3. At all times relevant hereto, and with certain defined exceptions, Defendants’
20 compensation scheme did not fully compensate Plaintiff with overtime compensation for all
21 overtime hours worked.

22 4. At all times relevant hereto, and as a matter of policy and/or practice, Defendants
23 failed to provide Plaintiff with adequate off-duty meal periods and meal period compensation in
24 violation of Labor Code sections 226.7, 512, 551, 552 and 553 and IWC Wage Order No. 4 section
25 11.

26 5. At all times relevant hereto, and as a matter of policy and/or practice, Defendants
27 failed to provide Plaintiff with paid rest periods and rest period compensation in violation of Labor
28 Code sections 226.7 and 512 and IWC Wage Order No. 4 section 12.

6. At all times relevant hereto, and as a matter of policy and/or practice, Defendants' knowingly and intentionally utilized a timekeeping system, which failed to compensate Plaintiff for all hours worked.

7. At all times relevant hereto, and as a matter of policy and/or practice, Defendants knowingly and intentionally provided Plaintiff with wage statements that, among others, do not show all wages earned, all hours worked, or all applicable rates.

8. At all times relevant hereto, and as a matter of policy and/or practice, Defendants failed to maintain documentation of the actual hours worked each day by Plaintiff, all wages earned, and meal breaks taken in violation of Labor Code sections 1174 and IWC Wage Order No. 4 section 11.

9. At all times relevant hereto, and as a matter of policy and/or practice, Defendants failed to pay Plaintiff all wages due and owing upon termination of employment including, but not limited to, payment of wages for missed meal and rest periods compensation.

10. In this case, Plaintiff seeks civil penalties established by Labor Code section 2699, the Private Attorneys General Act (“PAGA”), against Defendants for their unlawful employment practices.

PARTIES

Plaintiff Margarita Garmendia

11. Plaintiff Margarita Garmendia is an individual over the age of eighteen (18) and is now and/or at all relevant times mentioned in this Complaint was a resident and domiciliary of the State of California. Plaintiff commenced her employment with Defendants in or around 2021 working in the warehouse preparing and processing baked goods at Defendants' bakery facility located in Pico Rivera, California. Plaintiff's employment with Defendants ended on or around January 23, 2025.

Defendant Labornow, Inc.

12. Plaintiff is informed and believes and based thereon alleges that Defendant Labornow, Inc. is a Massachusetts Corporation and now and/or at all times mentioned in this complaint, was licensed to do business, and actually doing business in the state of California.

1 Labornow, Inc. is a staffing agency located in the greater Los Angeles and San Bernardino area that
2 provides staffing solutions for businesses of all sizes. At all times during the Relevant Time Period,
3 Defendants maintained and operated out of five locations in California: Huntington Park, La Puente,
4 Ontario, Riverside and Oxnard.

5 ***Defendant Einstein and Noah Corp.***

6 13. Plaintiff is informed and believes and based thereon alleges that Defendant Einstein
7 and Noah Corp. is a Delaware Corporation and now and/or at all times mentioned in this complaint,
8 was licensed to do business, and actually doing business in the state of California. Einstein and Noah
9 Corp. operate a chain of specialty bagel and bakery shops identified as “Noah’s NY Bagels”,
10 “Einstein Bros. Bagels” in California. Defendant Einstein and Noah Corp. also own and/or operate a
11 warehouse located at 10050 Mission Mill Rd. in Pico Rivera, California 90601. At all times during
12 the Relevant Time Period, Defendants maintained and operated out of the Pico Rivera warehouse
13 location in California.

14 ***Does 1 through 50***

15 14. DOES 1 through 50 inclusive are now and/or at all times mentioned in this Complaint
16 were, licensed to do business and/or actually doing business in the State of California. Plaintiff does
17 not know the true names or capacities, whether individual, partner, or corporate, of DOES 1 through
18 50, inclusive and for that reason, DOES 1 through 50 are sued under such fictitious names pursuant
19 to California Code of Civil Procedure, section 474. Plaintiff will seek leave of court to amend this
20 Complaint to allege such names and capacities as soon as they are ascertained. DOES 1 through 50
21 are believed to be business entities who were also co-employers of the Plaintiff and the other
22 Aggrieved Employees.

23 ***All Defendants***

24 15. Plaintiff is informed and believes and based thereon alleges that at all times herein
25 mentioned, all Defendants, and each of them, were and are the agents, servants, employees, joint
26 venturers, and/or partners of each of the other Defendants, and were, at all such times, acting within
27 the course and scope of said employment and/or agency; furthermore, that each and every Defendant
28 herein, while acting as a high corporate officer, director and/or managing agent, principal and/or

1 employer, expressly directed, consented to, approved, affirmed and ratified each and every action
2 taken by the other co-Defendants, as herein alleged and was responsible in whole or in part for the
3 matters referred to herein.

4 16. Plaintiff is informed and believes and based thereon alleges that at all times herein
5 mentioned, Defendants, and each of them, proximately caused Plaintiff, all others similarly situated
6 and the general public to be subjected to the unlawful practices, wrongs, complaints, injuries and/or
7 damages alleged in this Complaint.

8 17. Plaintiff is informed and believes and based thereon alleges that Defendants, and each
9 of them, are now and/or at all times mentioned in this Complaint were members of and/or engaged in
10 a joint venture, partnership, and common enterprise, and were acting within the course and scope of,
11 and in pursuit of said joint venture, partnership, and common enterprise and, as such were co-
12 employers of the Plaintiff and the other Aggrieved Employees.

13 18. Plaintiff is informed and believes and based thereon alleges that Defendants, and each
14 of them, at all times mentioned in this Complaint, concurred with, contributed to, approved of, aided
15 and abetted, condoned and/or otherwise ratified, the various acts and omissions of each and every
16 one of the other Defendants in proximately causing the injuries and/or damages alleged in this
17 Complaint.

18 **JURISDICTION AND VENUE**

19 19. This Court has jurisdiction over all causes of action herein pursuant to the California
20 Constitution, Article VI, § 10, Code of Civil Procedure § 410.10 and Business and Professions Code
21 § 17203. Venue is proper in this Court under Code of Civil Procedure §§ 395 and 395.5 because
22 Defendants operate in this County, Plaintiff resides in and/or worked in this county and the injuries
23 that are the subject of this lawsuit arose in this county.

24 **FACTUAL ALLEGATIONS**

25 ***Background***

26 20. Plaintiff Margarita Garmendia commenced her employment with Defendants in or
27 around 2021. Plaintiff was employed by Defendant Einstein and Noah Corp. at their warehouse,
28 located at 10050 Mission Mill Rd. in Pico Rivera, California, preparing and producing various

1 bakery and bagel goods. During her tenure with Defendants, Plaintiff was classified as a non-
2 exempt, hourly employee. Plaintiff obtained the position at the warehouse through Defendant
3 Labornow, Inc. Plaintiff initially maintained a work schedule from 2:00 a.m. to 2:30 p.m. for the first
4 2 years of her employment. More recently, Plaintiff's work schedule changed and her work hours are
5 from 3:00 a.m. to 2:00 p.m., usually from Monday through Thursday.

6 ***Defendants' Failure to Provide Adequate and Timely Meal and Rest Breaks***

7 21. Bakery Employees are not provided with legally compliant meal periods and rest
8 breaks, as they were often not made available due to the press of work and as a result of Defendants'
9 scheduling practices. Bakery Employees must request permission from Einstein and Noah Corp.'s
10 supervisors in order to access their mandated breaks. While Einstein and Noah Corp. schedules meal
11 and rest breaks at certain intervals, it likewise instructs Plaintiff and other aggrieved Bakery
12 Employees to be ready to return to work to assist on the assembly line. As a result, rest breaks are
13 truly never "duty free" and likewise are cut short due to the press of work. Einstein and Noah Corp.
14 did not provide Plaintiff and Aggrieved Employees, who work over 12 hours in a day, with a
15 mandatory second meal period as required under the law. The time records reveal numerous
16 instances of Plaintiff working shifts over 12 hours with no corresponding clock out or premium pay
17 to account for a mandatory second meal break.

18 22. Plaintiff is further informed and believes and based thereon alleges that Defendants
19 rarely, if ever, issue any compensation to Bakery Employees for missed, late or shortened meal
20 and/or rest breaks. Indeed, Plaintiff's records reveal numerous instances of meal break violations
21 with no corresponding premium pay.

22 23. Plaintiff is informed and believes and based thereon alleges that as a matter of policy
23 and/or practice, Defendants routinely failed to provide their non-exempt employees, aggrieved
24 Bakery Employees, with meal periods during which they were relieved of all duties. Defendants did
25 this by requiring Plaintiff and the other non-exempt employees to essentially work through their
26 meal periods.

27 24. Specifically, throughout the Relevant Time Period, Defendants regularly:

28 a. Failed to provide Plaintiff and the other aggrieved employees with a first meal period

1 of not less than thirty (30) minutes during which they were relieved of all duty before
2 working more than five (5) hours;

3 b. Failed to provide Plaintiff and other aggrieved employees with a second meal break
4 of not less than (30) minutes during which they were relieved of all duty before
5 working more than ten (10) hours; and

6 c. Failed to pay Plaintiff and the other aggrieved employees one hour of pay at their
7 regular rate of compensation for each workday that a meal period was not provided.

8 25. Plaintiff is further informed and believes and based thereon alleges that as a matter of
9 policy and/or practice, Defendants routinely failed to provide their non-exempt Aggrieved Bakery
10 Employees, with rest breaks during which they were relived of all duties. Defendants did this by
11 requiring Plaintiff and the other non-exempt employees to essentially work through their rest breaks.

12 26. Specifically, throughout the Relevant Time Period, Defendants regularly:

13 a. Failed to provide paid rest periods of ten (10) minutes during which Plaintiff and the
14 other aggrieved employees were relieved of all duty for each four (4) hours of work;

15 b. Failed to compensate Plaintiff and the other aggrieved employees for break time
16 when breaks were taken; and

17 c. Failed to pay Plaintiff and the other aggrieved employees one (1) hour of pay at their
18 regular rate of compensation for each workday that a rest period was not permitted.

19 27. At all times relevant hereto, Labor Code section 226.7 and IWC Wage Order, number
20 4, section 12 required employers to authorize, permit, and provide a ten (10) minute paid rest for
21 each four (4) hours of work, during which employees are relieved of all duty.

22 28. At all times relevant hereto, Labor Code Section 226.7(b) and IWC Wage Order,
23 number 4, section 12 required employers to pay one hour of additional pay at the regular rate of
24 compensation for each employee and each workday that a proper rest period is not provided.

25 29. Throughout the Relevant Time Period, Plaintiff and the other aggrieved employees
26 were routinely denied the meal and rest breaks they were entitled to under California law.

27 ***Defendants' Failure to Pay Minimum Wages, including Overtime Payment***

28 30. IWC Wage Order, number 4 defines "hours worked" to mean "the time during which

1 an employee is subject to the control of an employer and includes all the time the employee is
2 suffered or permitted to work, whether or not required to do so.”

3 31. Labor Code section 1182.12 and IWC Wage Order, number 4, section 4 formerly
4 provided that on and after January 1, 2008, the minimum wage shall be not less than eight dollars
5 (\$8.00) per hour.

6 32. Labor Code section 1182.12 and IWC Wage Order, number 4, section 4 provide that
7 on and after July 1, 2014, the minimum wage for all industries shall be not less than nine dollars (\$9)
8 per hour, that on and after January 1, 2016, the minimum wage for all industries shall be not less
9 than ten dollars (\$10) per hour, that on and after January 1, 2017, the minimum wage for all
10 industries shall be not less than ten dollars and fifty cents (\$10.50) per hour, and that on and after
11 January 1, 2018, the minimum wage for all industries shall be not less than eleven dollars (\$11) per
12 hour,

13 33. Labor Code section 1194(a) provides in relevant part: “Notwithstanding any
14 agreement to work for a lesser wage, any employee receiving less than the legal minimum wage is
15 entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage,
16 including interest thereon, reasonable attorney’s fees, and costs of suit.”

17 34. Labor Code section 1194.2(a) provides in relevant part: “In any action under Section
18 1193.6 or Section 1194 to recover wages because of the payment of a wage less than the minimum
19 wage fixed by an order of the commission, an employee shall be entitled to recover liquidated
20 damages in an amount equal to the wages unlawfully unpaid and interest thereon.”

21 35. Labor Code section 1197 provides: “The minimum wage for employees fixed by the
22 commission is the minimum wage to be paid to employees, and the payment of a less wage than the
23 minimum so fixed is unlawful.”

24 36. Defendants’ Bakery Employees are paid on an hourly basis for their time spent
25 working. Hours worked include, but are not limited to, all hours that an employee is permitted or
26 suffered to work including, but not limited to, off-the-clock work that an employer either knew or
27 should have known that an employee was performing.

28 37. As a matter of policy and/or practice, Defendants routinely suffered or permitted their

1 Bakery Employees to work portions of the day during which they were subject to Defendants'
2 control, but Defendants failed to compensate them. As a matter of policy and/or practice, Plaintiff
3 and Bakery Employees were frequently required to perform work during their meal and rest breaks.

4 38. Labor Code Section 1194 further provides that an employee receiving less than the
5 legal overtime compensation is entitled to recover in a civil action the unpaid balance of the full
6 amount of this minimum wage or overtime compensation, including interest thereon, reasonable
7 attorney's fees, and costs of suit.

8 39. Labor Code Section 510(a) states: "Any work in excess of eight hours in one workday
9 and any work in excess of 40 hours in any one workweek and the first eight hours worked on the
10 seventh day of work in any one workweek shall be compensated at the rate of no less than one and
11 one-half times the regular rate of pay for an employee." Labor Code Section 510(a) further states:
12 "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice
13 the regular rate of pay for an employee." Labor Code Section 510(a) further states: "[A]ny work in
14 excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less
15 than twice the regular rate of pay of an employee."

16 40. Throughout the Relevant Time Period, Wage Order No. 4-2001 provided for payment
17 of overtime wages equal to one and one-half (1 1/2) times an employee's regular rate of pay for all
18 hours worked over eight (8) hours per day and/or forty (40) hours in a workweek, and/or for
19 payment of overtime wages equal to double the employee's regular rate of pay for all hours worked
20 in excess of twelve (12) hours in any workday and/or for all hours worked in excess of eight (8)
21 hours on the seventh (7th) day of work in any one workweek.

22 41. Plaintiff was classified as non-exempt by Defendants and was therefore entitled to
23 payment for all hours worked, including overtime compensation for all hours worked in excess of
24 the hours and time specified in the Wage Order, statutes and regulations identified herein.

25 42. As a matter of policy and/or practice Defendants utilized a timekeeping system,
26 which failed to compensate Plaintiff and Bakery Employees for all hours worked, whether by
27 rounding, time-shaving, or otherwise.

28 43. Plaintiff is informed and believes, and based thereon alleges, Defendants' rounding of

1 time was not even-handed and has resulted in Plaintiff and Bakery Employees not being
2 compensated for all hours worked, including all minimum and overtime wages earned. This is so
3 because Aggrieved Employees do not record their hours for work. Instead, an Einstein and Noah
4 Corp. manager or supervisor, records the time entries for Plaintiff and the other Aggrieved
5 Employees without their knowledge or input. A review of Plaintiff's pay stubs shows multiple
6 instances of whole-round numbers suggesting a practice by which Defendant Einstein and Noah
7 Corp. compensate Aggrieved Employees based on their "scheduled" hours of work as opposed to
8 their actual time worked resulting in the underpayment of wages, up to and including overtime. For
9 example, for the pay date of January 6, 2025, Plaintiff earned 32 hours of regular time and 7 hours of
10 overtime. Plaintiff was paid the same exact amount based off of the same breakdown on January 17,
11 2025. For January 13, 2025, Plaintiff's earning statement shows 23 regular hours and 5 hours of
12 overtime. Accordingly, Defendant Einstein and Noah Corp. utilized a system that compensated
13 Aggrieved Employees for their scheduled time as opposed to all hours worked as mandated by
14 California law.

15 44. Defendant Einstein and Noah Corp. demonstrate that they do indeed have the ability
16 to record and capture time precisely to the minute when observing the sick time balances for its
17 employees. For example, Ms. Garmendia's sick time balance for January 6, 2025 was "80.27" and
18 "81.20" for January 13, 2025.

19 45. Additionally, since Bakery Employees are responsible for the processing, packaging,
20 and distribution of various baked goods, Defendants require Bakery Employees who handle food
21 products to change in and out of the protective equipment on their own time and without pay. This
22 protective uniform and gear includes the application of a bump cap, face shield, dust mask, goggles,
23 ear plugs, gloves or mitts. Bakery Employees are directed to arrive at work early before their
24 scheduled start time to change into their protective uniform and gear and be ready at the start of their
25 shifts. This also equally applies to when Bakery Employees clock out of shifts and then proceed to
26 change out of their protective uniforms and gears.

27 46. Throughout the Relevant Time Period, Defendants did not maintain adequate records
28 of all wages earned, hours worked, and meal and rest breaks taken.

1 47. Accordingly, Defendants failed to properly record the actual hours worked by
2 Plaintiff and Bakery Employees and thus failed to pay minimum wages and overtime wages for the
3 actual amount of minimum and overtime hours worked.

4 ***Defendants’ Failure to Provide Accurate, Itemized Wage Statements***

5 48. At all times relevant hereto, Labor Code section 226 and IWC Wage Order, number
6 4, section 7 required employers to maintain adequate employment records and provide employees
7 with accurate itemized wage statements showing gross wages, total hours worked, all applicable
8 hourly rates worked during each pay period, the corresponding number of hours worked at each
9 hourly rate, and meal breaks taken.

10 49. Defendants’ wage statements are facially non-compliant by virtue of the defective
11 meal and rest period policies and practices, the uncompensated work, the unlawful timekeeping
12 systems which do not accurately record the total hours worked by aggrieved Bakery Employees.

13 50. Wage statements provided to Plaintiff and the other Bakery Employees by
14 Defendants do not show all wages earned, all hours worked, or all applicable rates, in violation of
15 the Labor Code section 226, and IWC Wage Order number 4, section 7.

16 51. Moreover, Defendants did not maintain adequate records of all wages earned, hours
17 worked, and breaks taken.

18 ***Exhaustion of Administrative Remedies***

19 52. Plaintiff has complied with the procedures for bringing suit specified in California
20 Labor Code Section 2699.3. By letter dated February 26, 2025, Plaintiff, on behalf of Aggrieved
21 Employees, gave written notice by electronic mail and certified mail to the Labor and Workforce
22 Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor
23 Code alleged to have been violated, including the facts and theories to support the alleged violations.
24 Attached as **Exhibit “1”** is a true and correct copy of the referenced letter.

25 53. More than sixty-five (65) calendar days have passed since Plaintiff provided the
26 LWDA with written notice. To date, Plaintiff has not received any written notice nor been notified
27 from the LWDA that it does intend to investigate the violations of the California Labor Code alleged
28 herein.

1 **FIRST CAUSE OF ACTION**

2 **CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT**

3 **(On Behalf of Aggrieved Employees Against All Defendants)**

4 54. Plaintiff incorporates by reference the allegations set forth above.

5 55. As set forth above, Plaintiff has complied with the procedures for bringing suit
6 specified in California Labor Code Section 2699.3. By letter dated February 26, 2025, Plaintiff, on
7 behalf of Aggrieved Employees, gave written notice by certified mail to the LWDA and to
8 Defendants of the specific provisions of the California Labor Code alleged to have been violated,
9 including the facts and theories to support the alleged violations. More than sixty-five (65) calendar
10 days have passed since Plaintiff provided the LWDA with written notice. To date, Plaintiff has not
11 received any written notice nor been notified from the LWDA that it does intend to investigate the
12 violations of the California Labor Code alleged herein.

13 56. This action arises out of the allegedly unlawful labor practices of Defendants in
14 California. Through this private attorneys' general action, Plaintiff represents Aggrieved Employees
15 of Defendants that were in California, against whom Defendants have allegedly committed labor law
16 violations alleged herein. As a result of the allegedly unlawful conduct described herein, Plaintiff
17 now seeks to recover civil penalties, attorneys' fees, and costs, pursuant to the Labor Code Private
18 Attorneys General Act of 2004, Labor Code Section 2698, *et seq.*

19 57. Labor Code Section 1198 makes it unlawful for an employer to employ an employee
20 under conditions that violate the applicable Wage Order.

21 58. Plaintiff is informed and believes that throughout the Relevant Time Period,
22 Defendants have applied centrally devised policies and practices to Plaintiff and the other Aggrieved
23 Employees with respect to wages, hours, and working conditions.

24 **Failure to Pay Minimum Wages and Designated Rates**

25 59. At all relevant times, California Labor Code sections 1194, 1197 and 1197.1 provide
26 that the minimum wage for employees fixed by the IWC is the minimum wage to be paid to
27 employees and the payment of a wage less than the minimum so fixed is unlawful. Additionally,
28 Code Section 1198 makes it unlawful for an employer to employ an employee under conditions that

1 violate the applicable Wage Order.

2 60. Where any statute or contract requires an employer to maintain the designated wage
3 scale, Labor Code Section 223 makes it unlawful for an employer to secretly pay a lower wage while
4 purporting to pay the wage designated by statute or by contract.

5 61. At all relevant times, Defendants maintained a policy and practice of requiring
6 Plaintiff and the other Aggrieved Employees to remain under Defendants' control without paying
7 therefore, which resulted in them earning less than the legal minimum wage in the State of
8 California for all hours worked. At all relevant times, Defendants maintained a policy and practice of
9 requiring Plaintiff and the other Aggrieved Employees to remain under Defendants' control, while
10 purportedly on a meal and rest break, and without paying therefore, which resulted in them earning
11 less than the legal minimum wage in the State of California for all hours worked.

12 62. As a matter of policy and/or practice, Defendants utilized a timekeeping system,
13 which failed to compensate Plaintiff and other Aggrieved Employees for all hours worked, whether
14 by rounding, time-shaving, or otherwise. Specifically, our investigation leads us to believe that
15 Defendants' rounding of time was not even-handed and has resulted in Plaintiff and other Aggrieved
16 Employees not being compensated for all hours worked.

17 63. Defendants also engaged in a policy and/or practice, in having aggrieved Bakery
18 Employees engage in off-the-clock work including time spent donning and doffing uniforms
19 necessary to perform their work and functions as Bakery Employees.

20 64. Defendants' failure to pay Plaintiff and other aggrieved Bakery Employees minimum
21 wages and designated violates California Labor Code sections 223, 1182.12, 1194, and 1197.
22 Plaintiff and other Aggrieved Employees are entitled to recover civil penalties pursuant to sections
23 1197.1 and 2699(a), (f), and (g).

24 **Failure to Pay Overtime Compensation**

25 65. Labor Code Section 1194 provides that an employee receiving less than the legal
26 overtime compensation is entitled to recover in a civil action the unpaid balance of the full amount
27 of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's
28 fees, and costs of suit.

1 66. Labor Code Section 510(a) states: “Any work in excess of eight hours in one workday
2 and any work in excess of 40 hours in any one workweek and the first eight hours worked on the
3 seventh day of work in any one workweek shall be compensated at the rate of no less than one and
4 one-half times the regular rate of pay for an employee.” Labor Code Section 510(a) further states:
5 “Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice
6 the regular rate of pay for an employee.” Labor Code Section 510(a) further states: “[A]ny work in
7 excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less
8 than twice the regular rate of pay of an employee.”

9 67. Throughout the Relevant Time Period, Wage Order No. 4-2001 provided for payment
10 of overtime wages equal to one and one-half (1 1/2) times an employee’s regular rate of pay for all
11 hours worked over eight (8) hours per day and/or forty (40) hours in a workweek, and/or for
12 payment of overtime wages equal to double the employee’s regular rate of pay for all hours worked
13 in excess of twelve (12) hours in any workday and/or for all hours worked in excess of eight (8)
14 hours on the seventh (7th) day of work in any one workweek.

15 68. Plaintiff and the other Bakery Employees were classified as non-exempt by
16 Defendants and were therefore entitled to overtime compensation for all hours worked in excess of
17 the hours and time specified in the Wage Order, statutes and regulations identified herein.

18 69. As a matter of policy and/or practice, Plaintiff and the other aggrieved Bakery
19 Employees were frequently required to performed work during meal and rest breaks.

20 70. As a matter of policy and/or practice, Defendants utilized a timekeeping system,
21 which failed to compensate Plaintiff and other Aggrieved Employees for all hours worked, whether
22 by rounding, time-shaving, or otherwise. Specifically, our investigation leads us to believe that
23 Defendants’ rounding of time was not even-handed and has resulted in Plaintiff and other Aggrieved
24 Employees not being compensated for all hours worked.

25 71. Defendants also engaged in a policy and/or practice, in having Aggrieved Employees,
26 engage in off-the-clock work including time spent donning and doffing uniforms necessary to
27 perform their work and functions as Aggrieved Employees.

28 72. Accordingly, Defendants failed to properly record the actual hours worked by

1 Plaintiff and other Aggrieved Employees and thus failed to pay overtime wages for the actual
2 amount of overtime hours worked.

3 **Failure to Provide Timely and Adequate Meal and Rest Breaks**

4 73. Labor Code Section 512 and Section 11 of the Wage Order impose an affirmative
5 obligation on employers to provide non-exempt employees with uninterrupted, duty-free, meal
6 periods of at least thirty (30) minutes for each work period of five (5) or more hours, and to provide
7 them with two uninterrupted, duty-free, meal periods of at least thirty (30) minutes for each work
8 period of more than ten (10) hours.

9 74. Labor Code Section 226.7 and Section 11 of the Wage Order prohibit employers from
10 requiring employees to work during required meal periods and require employers to pay non-exempt
11 employees an additional hour of premium wages on each workday that the employee is not provided
12 with a required meal period.

13 75. At relevant times during the applicable limitations period, Defendants failed to
14 provide Plaintiff and Aggrieved Employees with uninterrupted meal periods of at least thirty
15 (30) minutes on each day that they worked five (5) or more hours, as required by Labor Code
16 Section 512 and the Wage Order, as a result of duties and schedules that do not permit them to take
17 all legally required meal periods. Plaintiff is informed, believes, and thereon alleges that, at relevant
18 times during the applicable limitations period, Defendants maintained a policy or practice of not
19 providing the other Aggrieved Employees with uninterrupted meal periods of at least thirty
20 (30) minutes for each five (5) hour work period, as required by Labor Code Section 512 and the
21 Wage Order, as a result of duties and schedules that do not permit them to take all legally required
22 meal periods.

23 76. Section 12 of the Wage Order imposes an affirmative obligation on employers to
24 permit and authorize employees to take required rest periods at a rate of no less than ten (10) minutes
25 of net rest time for each four (4) hour work period, or major portion thereof, that must be in the
26 middle of each work period insofar as is practicable.

27 77. Labor Code Section 226.7 and Section 12 the Wage Order prohibit employers from
28 requiring employees to work during required rest periods and require employers to pay non-exempt

1 employees an additional hour of premium wages on each workday that the employee is not provided
2 with the required rest period.

3 78. At relevant times during the applicable limitations period, Defendants failed to
4 provide Plaintiff and Aggrieved Employees with a net rest period of at least ten (10) minutes for
5 each four (4) hour work period, or major portion thereof, as required by the Wage Order, as a result
6 of duties and schedules that do not permit Plaintiff and Aggrieved Employees to take all legally
7 required rest breaks.

8 79. Plaintiff is informed, believes, and thereon alleges that, at relevant times during the
9 applicable limitations period, Defendants maintained a policy or practice of not providing the other
10 Aggrieved Employees with net rest periods of a least ten (10) minutes for each four (4) hour work
11 period, or major portion thereof, as required by the Wage Order, as a result of duties and schedules
12 that do not permit them to take all legally required rest breaks.

13 80. Plaintiff is further informed, believes, and thereon alleges that Defendants rarely, if
14 ever, issue any compensation to Aggrieved Employees for missed, late or shortened meal and/or rest
15 breaks.

16 **Failure to Provide and Maintain Compliant Wage Statements**

17 81. Labor Code Section 1174 requires that every person employing labor in this state
18 shall keep (1) a record showing the names and addresses of all employees employed and the ages of
19 all minors; (2) at a central location in the state or at the plants or establishments at which employees
20 are employed, payroll records showing the hours worked daily by and the wages paid to, and the
21 number of piece-rate units earned by and any applicable piece rate paid to, employees employed at
22 the respective plants or establishments; (3) such records in accordance with rules established for this
23 purpose by the commission, but in any case, on file for not less than three years. This statute also
24 prevents an employer from prohibiting an employee from maintaining a personal record of hours
25 worked, or, if paid on a piece-rate basis, piece-rate units earned. Defendants have willfully failed to
26 keep the records required by Section 1174.

27 82. Pursuant to California Labor Code Section 226(a), Plaintiff and the other Aggrieved
28 Employees were entitled to receive, semimonthly or at the time of each payment of wages, an

1 accurate itemized statement showing: (a) gross wages earned; (b) net wages earned; (c) all applicable
2 hourly rates in effect during the pay period; and (d) the corresponding number of hours worked at
3 each hourly rate by the employee.

4 83. Defendants failed to provide Plaintiff with accurate itemized statements in accordance
5 with California Labor Code Section 226(a) by providing Plaintiff with wage statements with
6 inaccurate entries for hours worked, corresponding rates of pay, and total wages earned as a result of
7 the unlawful labor and payroll practices described herein.

8 84. Plaintiff is informed and believes and thereon alleges that, at all relevant times during
9 the applicable limitations period, Defendants maintained a policy or practice of not providing
10 Aggrieved Employees with accurate itemized wage statements by providing them with wage
11 statements with inaccurate entries for hours worked, corresponding rates of pay, total wages and
12 deductions from wages earned as a result of the unlawful labor and payroll practices described
13 herein.

14 85. Plaintiff is informed and believes and thereon alleges that Defendants' failure to
15 provide her and the other Aggrieved Employees with accurate written wage statements is knowing
16 and intentional.

17 86. Plaintiff is informed and believes and thereon alleges that Defendants had the ability
18 to provide her and the Aggrieved Employees with accurate wage statements, but intentionally
19 provided wage statements that they knew are not accurate.

20 87. As a result of being provided with inaccurate wage statements by Defendants,
21 Plaintiff and the Aggrieved Employees have suffered an injury. Their legal rights to receive accurate
22 wage statements were violated and they were misled about the amount of wages they had actually
23 earned and were owed. In addition, the absence of accurate information on their wage statements
24 prevented immediate challenges to Defendants' unlawful pay practices, has required discovery and
25 mathematical computations to determine the amounts of wages owed, has caused difficulty and
26 expense in attempting to reconstruct time and pay records, and/or has led to the submission of
27 inaccurate information about wages and amounts deducted from wages to state and federal
28 government agencies.

1 88. California Labor Code sections 2699(a) and (g) authorize an aggrieved employee, on
2 behalf of themselves and other current or former employees, to bring a civil action to recover civil
3 penalties pursuant to the procedures specified in California Labor Code Section 2699.3.

4 **Section 558 Penalties**

5 89. The PAGA claims are also brought against Defendants pursuant to provisions of the
6 labor code including § 558 which permits liability of persons or employers who violate or cause to
7 be violated Labor Code and IWC regulations. California Labor Code Section 2699.

8 90. The PAGA states:

9 Notwithstanding any other provision of law, any provision of this code that
10 provides for a civil penalty to be assessed and collected by the Labor and
11 Workforce Development Agency or any of its departments, divisions,
12 commissions, boards, agencies, or employees, for a violation of this code, may, as
13 an alternative, be recovered through a civil action brought by an aggrieved
14 employee on behalf of herself or herself and other current or former employees...

15 91. One provision of law enforceable through PAGA as to civil penalties, though not
16 unpaid wages, is Labor Code § 558, which states the following:

17 (a) Any employer or other person acting on behalf of an employer who violates,
18 or causes to be violated, a section of this chapter or any provision regulating hours
19 and days of work in any order of the Industrial Welfare Commission shall be
20 subject to a civil penalty as follows:

21 (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for
22 each pay period for which the employee was underpaid in addition to any amount
23 sufficient to recover underpaid wages.

24 (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid
25 employee for each pay period for which the employee was underpaid in addition
26 to an amount sufficient to recover underpaid wages...

27 **Penalties Authorized by PAGA**

28 92. Pursuant to California Labor Code sections 2699(a) and (f), Plaintiff and the other
Aggrieved Employees of Defendants are entitled to, and seek to, recover civil penalties for
Defendants' violations of California Labor Code sections 201, 202, 203, 204, 210, 216, 221, 223,
225.5, 226, 226.3, 226.7, 510, 511, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.1, 1198, and 2698
et seq., during the applicable limitations period in the following amounts:

- a. For violations of California Labor Code sections 201, 202, 203, 226.7, 1198, one
hundred dollars (\$100.00) for each aggrieved employee per pay period for each
initial violation and two hundred dollars (\$200.00) for each aggrieved employee per

1 pay period for each subsequent violation (penalty amounts established by California
2 Labor Code Section 2699(f)(2));

3 b. For violations of California Labor Code Section 1194-1197.1, one hundred
4 dollars (\$100.00) for each aggrieved employee per pay period for each initial
5 violation and two hundred dollars and fifty (\$250.00) for each aggrieved
6 employee per pay period for each subsequent violation regardless of whether the
7 initial violation is intentionally committed (penalty amounts established by
8 California Labor Code § 1197.1);

9 c. For violations of California Labor Code Sections 216, 221, 223 one hundred
10 dollars (\$100.00) for each aggrieved employee for each initial violation and two
11 hundred dollars (\$200.00) for each aggrieved employee for each subsequent or
12 willful violation (penalty amounts established by California Labor Code §
13 225.5);

14 d. For violations of California Labor Code Section 1174, five hundred dollars
15 (\$500.00) for each of Defendants' violations in addition to any other penalties or
16 fines permitted by law (penalty amounts established by California Labor Code §
17 1174.5);

18 e. For violations of California Labor Code Section 226, two hundred fifty dollars
19 (\$250.00) per employee for initial violation and one thousand dollars (\$1,000.00)
20 per employee for each subsequent violation (penalty amounts established by
21 California Labor Code Section 226.3);

22 f. For violations of California Labor Code Section 204, one hundred dollars (\$100.00)
23 per employee for initial violation and two hundred dollars (\$200.00) per employee
24 for each subsequent violation, plus 25 percent of the amount unlawfully withheld
25 (penalty amounts established by California Labor Code Section 210);

26 g. For violations of California Labor Code section 510, 511, 512, 551, 552 and,
27 Wage Order 4-2001 Sections 9, 11, and 12, fifty dollars (\$50.00) for each
28 aggrieved employee for each initial violation for pay period for which the

employee was underpaid in addition to an amount sufficient to recover unpaid wages and one hundred dollars (\$100.00) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover unpaid wages (penalty amounts established by California Labor Code Section 558).

- h. For violations of California Labor Code Section 558, fifty dollars (\$50.00) for initial violation, fifty dollars (\$50.00) for each underpaid employee for each pay period for which the employee was underpaid; for each subsequent violation, one hundred dollars (\$100.00) for each underpaid employee for each pay period for which the employee was underpaid (penalty amounts established by California Labor Code Section 558).

93. Pursuant to California Labor Code Section 2699(g), Plaintiff, on behalf of the Aggrieved Employees, is entitled to an award of reasonable attorneys' fees and costs.

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1 **PRAYER FOR RELIEF**

2 Wherefore, Plaintiff on behalf of all aggrieved employees, prays for judgment against
3 Defendants as follows:

- 4 a. Civil penalties;
5 b. Other penalties and fines permitted by law;
6 c. Costs of suit;
7 d. Reasonable attorneys' fees;
8 e. Pre-judgment and post-judgment interest as provided by law; and
9 f. Such other and further relief as the Court deems just and proper.

10 DATED: September 15, 2025

BOYAMIAN LAW, INC.

11
12 By: _____


13 Michael H. Boyamian
14 Armand R. Kizirian
15 Christina Tajerian
16 Attorneys for Plaintiff MARGARITA
17 GARMENDIA, in a Representative
18 capacity, On Behalf of Aggrieved
19 Employees, and the General Public
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27
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EXHIBIT 1

EXHIBIT 1



BOYAMIAN LAW

February 26, 2025

Via Online Submission

Labor Workforce and Development Agency
Attention: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, California 94102

Re: *Notice of PAGA Claims Pursuant to Labor Code Section 2699.3*
Margarita Garmendia v. Einstein and Noah Corp., et al.

Dear Labor and Workforce Development Agency:

My office represents Margarita Garmendia (“Claimant”) with respect to various wage and hour claims on behalf of herself and current and former non-exempt, hourly employees, and any other similarly titled positions, (hereinafter referred to as “Aggrieved Employees” or “Bakery Employees”) employed by Einstein and Noah Corp. (“Einstein”) and Labornow, Inc. (“Labornow”) (both Einstein and Labornow collectively referred to as “Respondents”) in California between one year prior to the date of this correspondence and continuing through the present. The purpose of this letter is to satisfy the notice requirements of Labor Code Section 2699.3(a).

Below we set forth the facts and theories which we believe support our contention that Einstein and Labornow have violated and continue to violate various provisions of the California Labor Code including, but not limited to, failure to provide regular and overtime compensation for all hours worked and failure to provide legally requisite meal and rest breaks.

Facts and Theories Regarding the Case

Respondent Labornow, Inc. is a staffing agency that provides staffing solutions for businesses of all sizes. Respondent Einstein and Noah Corp. operate a chain of specialty bagel and bakery shops identified as “Noah’s NY Bagels”, “Einstein Bros. Bagels” and others in California. Respondent Einstein and Noah Corp. also own and/or operate a warehouse located at 10050 Mission Mill Rd. in Pico Rivera, California 90601. This warehouse employs non-exempt, hourly employees, like Claimant, who prepare and process the various bakery and bagel goods for Einstein’s restaurant and cafe locations.

Claimant worked as a non-exempt, hourly employee at Respondent Einstein’s warehouse from in or around 2021 to on or about January 23, 2025. Claimant obtained the position at the warehouse through Labornow. Claimant maintained a work schedule initially for the first 2 years, from 2:00 a.m. to 2:30 p.m. and more recently from 3:00 a.m. to 2:00 p.m., usually from Monday through Thursday.

Aggrieved Employees, including Claimant, are able to assert their claims against Einstein and Noah Corp. in their capacity as a Client Employer. *See* Labor Code § 2810.3(1)(A) (“Client employer” means a business entity, regardless of its form, that obtains or is provided workers to perform labor within its usual course of business from a labor contractor.”) The fact of the matter is Bakery Employees, including Ms. Garmendia, do not have to show a joint employment relationship between Labornow and Einstein and Noah Corp. to hold the latter accountable for the wage and hour violations. It is enough that Einstein and Noah Corp. retained Labornow for the labor and workforce needed to produce, prepare and transport its bagel and bakery products. However, as discussed, further below, Einstein went even further by proceeding to violate California’s wage and hour laws as to Ms. Garmendia’s and other Warehouse Employees’ work and rights as California employees.

Failure to Pay Minimum Wage and Overtime Compensation

Our investigation has revealed that Respondents utilize a type of “rounding” mechanism with respect to its timekeeping system for purposes of processing payroll which results in the underpayment of wages and that use of a rounding system is not in accordance with the prevailing wage and hour laws in California. This is so because Aggrieved Employees, including Claimant, do not record their hours for work. Instead, an Einstein manager or supervisor, records the time entries for Claimant and the other Aggrieved Employees without their knowledge or input. A review of Claimant’s pay stubs show multiple instances of whole-round numbers suggesting a practice by which Respondents compensate Aggrieved Employees based on their *scheduled* hours of work as opposed to their *actual* time worked resulting in the underpayment of wages, up to and including overtime.

By way of example, for the pay date of January 6, 2025, Claimant earned 32 hours of regular time and 7 hours of overtime. Claimant was paid the same exact amount based off of the same breakdown on January 17, 2025. For January 13, 2025, Claimant’s earning statement shows 23 regular hours and 5 hours of overtime. Accordingly, Respondents utilized a system that compensated Aggrieved Employees, including Claimant, for their scheduled time as opposed for all hours worked as mandated by California law.

Rounding or the functional equivalent thereof has been consistently called into question by recent law, given technological advances. It does not serve any administrative efficiency where employers, like Einstein and/or Labornow, can accurately record employee time to the minute. *Camp, et al v. Home Depot U.S.A., Inc.*, 84 Cal.App.5th 638 (Cal. Ct. App. October 24, 2022). The California Supreme Court stated that “[a]s technology continues to evolve, the practical advantages of rounding policies may diminish further.” *Donahue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 74; *see also Troester v. Starbucks Corp.* (2018) 5 Cal.5th 829, 848 [“technological advances may help with tracking small amounts of time”].) Likewise, it is not clear that any efficiencies were gained by Respondents in capturing time worked based off of the scheduled hours worked by Aggrieved Employees, including Ms. Garmendia.

Respondents demonstrate that they do indeed have the ability to record and capture time precisely to the minute when observing the sick time balances for its employees. For example, Ms. Garmendia's sick time balance for January 6, 2025 is "80.27" and "81.20" for January 13, 2025.

Our investigation has further uncovered that Respondents do not compensate Aggrieved Employees for all hours worked – separate and apart from the recordation of scheduled time. Since Aggrieved Employees, including Ms. Garmendia, are responsible for the processing, packaging, and distribution of various baked goods, our investigation has also revealed that Einstein requires Bakery Employees, including Ms. Garmendia, who handle food products to change in and out of the protective equipment on their own time and without pay. This protective uniform and gear includes the application of a bump cap, face shield, dust mask, goggles, ear plugs, gloves or mitts. Our investigation has uncovered that Bakery Employees, including Ms. Garmendia, are directed to arrive at work early before their scheduled start time to change into their protective uniform and gear and be ready at the start of their shifts. This also equally applies to when Bakery Employees, including Ms. Garmendia, clock out of shifts and then proceed to change out of their protective uniforms and gears.

Claimant seeks to recover civil penalties pursuant to the unpaid compensation for all hours worked as defined by the Labor Code and the applicable Industrial Welfare Commission wage order as to the time during which an employee is subject to the control of an employer, and includes all the time the employee is engaged, suffered or permitted to work, whether or not required to do so, or as otherwise set forth in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles*, (2018) 4 Cal.5th 903. See also *Morillion v. Royal Packing Co.* (2000) 22 Cal.4th 575; *Troester v. Starbucks Corp.* (2018) 421 P.3d 1114 (California Supreme Court decision affirming that relevant statutes and wage order do not allow employers to require employees to routinely work for minutes off-the-clock without compensation.) In California, the employer is required to keep records of all hours worked. Labor Code § 1174(d). California law also requires that all hours worked over 8 in a day or 40 in a week or worked on the 7th consecutive day of a work week be paid 1.5 times an employee's regular rate of pay. See, e.g., Lab. Code §§ 510, 1194; Cal. Code Regs., tit. 8, § 11090, et seq. In addition, hours worked over 12 in a day or hours over 8 worked on the 7th consecutive day in a week are paid at 2 times an employee's regular rate of pay.

Meal and Rest Break Violations

California law likewise requires that an employer provide an employee who works more than five hours a meal break that is no less than 30 minutes in duration. 8 CCR 11090(11)(A). Unless an employee is relieved of all duty during the 30-minute meal period, the meal period is considered an on-duty meal period and counted as time worked. However, an on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty and the parties agree in writing to an on-the-job paid meal period. Id. If an employer fails to provide an employee a lawful meal period, the employer must pay the employee one hour of pay for each violation. 8 CCR 11090(11)(D). Additionally, California law mandates that an

employer must “authorize and permit” an employee to take a duty-free rest period not less than 10 minutes in duration for every four hours of work. 8 CCR 11090(12)(A). Violation of the rest break provisions requires the employer pay the employee one hour of pay for each workday a rest period was not provided. 8 CCR 11090(12)(B). In addition, if an employee works over ten hours, he or she is entitled to a second meal period unless there is a valid meal period waiver for shifts lasting less than twelve hours. See IWC Wage Order No. 4, § 11. Said differently, a second meal period of not less than thirty minutes is required if an employee works more than ten hours per day, 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 employee only if the first meal period was not waived. Labor Code Section 512.

Our investigation has revealed that Bakery Employees, including Ms. Garmendia, are also prevented from taking their statutorily mandated meal and rest breaks due to Einstein’s scheduling practices and policies and the nature of the work does not relieve them from all duty. The substantive requirements of the meal and rest break laws set forth clearly in the Supreme Court’s controlling Brinker decision are dispositive. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004, 1037 (2012). An employer violates the law by maintaining a policy that “fails to give full effect” to the timing, duration, and relief from duty requirements of the Wage Order. Such a defective policy or practice, by itself, establishes a substantive violation of the law. Compliant rest breaks must likewise be “duty-free.” *Faulkinbury v. Boyd*, 216 Cal.App.4th 220, 237 (2013).

Our investigation has further revealed that Aggrieved Employees, including Claimant, must request permission from Einstein’s supervisors in order to access their mandated breaks. Such a policy or practice effectively discourages or prevents Aggrieved Employees from taking their statutory breaks. Specifically, such a practice creates a sense of fear or intimidation, allows Einstein’s supervisors to arbitrarily deny breaks if work orders need to be processed, results in consistent delays or denial of breaks. This all the more creates a false impression for Aggrieved Employees that they do not have the right to the break, and that it is a privilege that the supervisor can withhold. See *Brinker*, 53 Cal.4th at 1040; *Donohue v. AMN Services, LLC*, 11 Cal.5th 58, 67 (2021).

Bakery Employees, including Ms. Garmendia, are instructed to take their mandated breaks on premises. While Einstein schedules ten-minute rest breaks to be taken at certain intervals, it likewise instructs Ms. Garmendia and other aggrieved Bakery Employees to be ready to return to work to assist on the assembly line. As a result, rest breaks are truly never “duty free” and likewise are cut short due to the press of work.

As with rest breaks, in an explication of employer “control,” the California Supreme Court held, in *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257 (2018), that employees are under employer control when the employer directs them to be ready to respond during breaks. *Augustus*, 2 Cal. 5th. The Court further clarified that employees who must keep phones with them during allegedly off-duty breaks are under employer control even if the phone never rings during those periods and the employee is never called back to full duty. *Augustus*, 2 Cal. 5th at 271-272 (expressly refusing to

adopt an unclear rule that control only exists in on-call situations when the employer actually calls the employee back to work.)

Because Claimant and other similarly situated Bakery Employees were not compensated for all hours worked, were deprived of overtime compensation, and were not provided the statutorily mandated meal and rest breaks, Einstein also failed to provide accurate wage statements in a violation of Labor Code Section 226, and failed to fully compensate former employees in a timely manner when their employment ended, in violation of Labor Code Section 201 et seq.

California Labor Code Section 2699.3(a) requires an aggrieved employee to inform the Agency before filing a civil action under the Private Attorneys General Act of 2004 (“PAGA”). Based on the foregoing facts, Claimant is asserting PAGA claims on behalf of herself and on behalf of all other non-exempt, hourly employees employed by Respondents in its locations from one year preceding the date of this correspondence and continuing to the present. Claimant seeks civil penalties under PAGA for the following Labor Code violations:

1. Violations of Labor Code sections 216, 1194, 225.5, 558 for failing to pay minimum and overtime wages due. Specifically, does not pay minimum and overtime wages to Claimant and other non-exempt, hourly employees for all hours worked, as required by Labor Code sections 216, 510, 511, 558, 1182.1-1182.3, 1194-1197.1 and 1198.

2. Violations of Labor Code section 558 for failing to pay wages due, including those for missed meal and rest periods as required by Labor Code sections 226.7, 512, 551-553. Specifically, with respect to meal breaks, Respondents do not permit Claimant and other non-exempt, hourly Bakery Employees to take an uninterrupted, off-duty, and/or full meal periods, and does not pay one additional hour of pay at their regular rate of compensation for each missed meal period. The Company also does not provide Claimant and other non-exempt, hourly employees with rest periods. Nor do they pay one additional hour of pay at their regular rate of compensation for each missed rest period.

3. Violations of Labor Code sections 226 and 226.3, requiring employers to provide specific information on employees' itemized wage statements, as Respondents does not include all hours worked and wages earned on the wage statements of Claimant and other non-exempt, hourly Bakery Employees.

4. Violations of Labor Code sections 204 and 210, based on Respondents' failure to pay Claimant and similarly situated non-exempt, hourly employees on the regular pay day all owed wages, and Respondents' failure to fully compensate former employees in a timely manner when their employment ended, in violation of Labor Code Section 201 et seq.

5. Willfully and knowingly failed to pay Bakery Employees, including Claimant, upon termination of employment, all accrued compensation, including, payment of

missed meal and rest period compensation, and payment of minimum wage and overtime compensation.

Accordingly, we believe Einstein and Labornow have violated, and continue to violate, numerous provisions of California law, including, without limitation Labor Code Sections §§ 201, 202, 203, 204, 210, 216, 221, 223, 225.5, 226, 226.3, 226.7, 510, 511, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.1, 1198, and 2698, et seq., as well as the relevant IWC orders and regulations, and that Claimant and other similarly situated current and former nonexempt, hourly employees are entitled to all damages, restitution and statutory penalties allowed by law. Our investigation is continuing, and there may be more violations uncovered.

We respectfully request that the Labor Workforce Development Agency notify this office within sixty (60) days if it wishes to investigate this matter further or, in the alternative, notify us that you will not pursue an investigation so that we may pursue these penalties under the Private Attorney General Act of 2004. Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned. If Respondents wish to resolve these claims without resorting to protracted litigation, please contact the undersigned forthwith to discuss this matter further.

Thank you for your immediate attention to this matter.

Sincerely,

BOYAMIAN LAW, INC.



Michael H. Boyamian