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February 11, 2025

VIA ONLINE SUBMISSION

Stewart Knox, Secretary
California Labor & Workforce
Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

VIA CERTIFIED MAIL

Paesanos II, Inc.
Attn: Human Resources
8519 Bond Rd., #101
Elk Grove, CA 95624

Paesanos II, Inc.
Attn: Legal Department
1806 Capitol Ave.
Sacramento, CA 95811

Paesanos II, Inc.
Attn: Legal Department
8519 Bond Rd., Ste. 100
Elk Grove, CA 95624

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CALIFORNIA LABOR CODE
SECTION 2698, ET SEQ.**

To: The California Labor and Workforce Development Agency; Paesanos II, Inc. doing
business as Paesanos

From: Allison Hurtado, on behalf of herself and all other current and former hourly nonexempt
employees for violations of the California Labor Code

To Whom It May Concern:

Abramson Labor Group has been retained by former employee Allison Hurtado ("Ms. Hurtado") to seek compensation and all other available relief, including civil penalties on her behalf and on the behalf of all those similarly aggrieved (collectively with Ms. Hurtado, "Claimants") who have been injured by Paesanos II, Inc.'s doing business as Paesanos ("Paesanos") violations of the California Labor Code. Ms. Hurtado, on behalf of herself and all other similarly aggrieved current and former hourly nonexempt employees of Paesanos, intend to seek civil penalties, attorneys' fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.* of the Labor Code Private Attorneys General Act of 2004 ("PAGA").

Factual Statement:

Paesanos operates three Paesanos restaurant locations in California, each of which offers patrons a casual dining atmosphere, including service of beer and wine, as well as pick-up/to-go orders, whether placed online, on the phone, or in person. Paesanos is operating three restaurants in Elk Grove, Sacramento, and Davis.

Claimant Ms. Hurtado worked at Paesanos' Elk Grove location from approximately August 1, 2022 to September 19, 2024 as an hourly, nonexempt employee in the positions of Cook (earning \$20.50 per hour), Prep Line Supervisor (earning \$22.30 per hour), and Dishwasher. Ms. Hurtado, on behalf of herself and all other similarly aggrieved current and former employees in California in various positions, are or were generally engaged in serving restaurant patrons and providing labor at Paesanos' various restaurant locations. As part of her employment with Paesanos, Ms. Hurtado and Claimant and other hourly, nonexempt employees, collectively, "hourly nonexempt employees," are or were assigned to and required to suffer and permitted to work without pay, while performing tasks collectively including, but not limited to, washing dishes; taking out the trash; janitorial work; ensuring food on the line was full and replenishing food when running low; cooking and preparing food ordered from tickets; washing and cleaning work stations; taking patrons' orders; serving patrons; bussing tables; assisting with inventory; placing orders through General Produce smartphone application; and preparing list of tasks for the next day.

Claimant Ms. Hurtado regularly worked five days per week for 8-10 hours or more hours per day. During the entire course of her employment, Paesanos failed to provide Ms. Hurtado and continues to fail to provide those similarly aggrieved with some overtime pay and compliant meal periods and rest breaks. Paesanos has also failed to pay minimum wages to Ms. Hurtado and other hourly, nonexempt employees in violation of Labor Code sections 510, 1194, 1197, and 1182.12, and section 4 of IWC Wage Order No. 5-2001. As a consequence of failing to pay minimum wages, Paesanos has failed to comply with Labor Code sections 226.7, 510, and 512, and sections 3, 11, and 12 of all applicable Industrial Welfare Commission ("IWC") Wage Orders, including but not limited to, IWC Wage Order No. 5-2001. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, Paesanos has failed to compensate Claimants at a rate of one and one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek.

Paesanos has also failed and continues to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, Paesanos has failed and continues to fail to provide timely, accurate wage statements to Ms. Hurtado and other aggrieved persons in violation of Labor Code section 226(a). With regard to those no longer employed by Paesanos, including Ms. Hurtado, Paesanos violated Labor Code section 203 by failing to timely pay all wages due upon separation. Paesanos has failed and continues to fail to fully reimburse Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs incurred for the use of their cell phones, which were required to carry out their duties such as placing orders, in violation of Labor Code section 2802. Ms. Hurtado is informed and believes that such violations are ongoing, systematic, and continuous. Ms. Hurtado intend to bring an action against Paesanos under the Private Attorneys General Act ("PAGA") to recover wages and penalties as provided by California law.¹

¹ Without limitation, Ms. Hurtado, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes each provision as set forth in Labor Code section 2699.5 as follows:

The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a,

Theories of Labor Code Violations and Remedies:

Claimant Ms. Hurtado was employed by Paesanos from approximately August 1, 2022 to September 19, 2024 as an hourly, nonexempt employee holding the positions of Cook, Prep Line Supervisor, and Dishwasher. For a period of at least four (4) years prior to February 2025, but for our purposes here, one (1) year prior, Paesanos has violated and continues to violate the California Labor Code sections as detailed below.

Claimants also were at all times entitled to payment of **minimum wages**. Paesanos has failed and continues to fail to pay Claimants minimum wages for all hours worked as required by Labor Code sections 510, 1194, and 1194.2 and sections 4 and 5 of IWC Wage Order No. 5-2001. First, Claimants worked while off-the-clock—meaning they were not punched in for work—and therefore, those working hours were not recorded and then compensated. This off-the-clock time primarily occurred (1) after clocking out at the end of their shifts to complete closing duties like discarding trash; and (2) meal period interruptions that required returning to work while still clocked out. Consequently, Claimants performed compensable work while clocked out. Defendant implemented policies and enforced practices requiring Claimants to perform this compensable work while clocked out, the effects of which Defendant could have mitigated by adjusting expectations and/or by adding more staff to reduce the expected daily workload. However, Defendant instead chose to instruct Claimants to continue working while clocked out, and as explained in the two paragraphs to follow, to skip meal periods and rest breaks. In effect, these policies and practices cause Claimants to have noncompliant meal periods and to remain on-duty during rest breaks, and therefore, constitute a failure on Paesanos' part to provide compliant rest breaks. With that, Paesanos' corresponding failure to provide premium pay at the correct regular rate, if any premiums were paid at all, in lieu of compliant meal periods and rest breaks constitutes Paesanos' failure to pay minimum wages and all hours worked every pay period and upon separation in violation of Labor Code sections 201, 202, 203, 204, 226(a), 510, 1182.12, 1194, and 1197. Second, Paesanos' failure to pay Claimants their meal period and rest break premiums for noncompliant meal periods and rest breaks, as explained in further detail below, also constitutes a failure to pay minimum wages to Claimants. For all of the foregoing reasons, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 1197.1 and section 20 of IWC Wage Order No. 5-2001.

Claimants were at all times entitled to unpaid off-duty, uninterrupted **meal periods**. As explained in the preceding paragraph, Paesanos failed to authorize and permit timely, full-length meal periods for Ms. Hurtado and all other similarly aggrieved employees as required by Labor Code sections 226.7 and 512 and section 11 of IWC Wage Order No. 5-2001. Ms. Hurtado and all similarly aggrieved persons were regularly unable to take their 30-minute meal periods or else were interrupted while clocked out for their meal periods. Despite that, Paesanos did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant meal periods for each workday on which they occurred. In fact, Ms. Hurtado's near final paycheck issued September 13, 2024 reveals that Paesanos failed to pay her a single meal period premium

204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230A, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651., and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

the entire year. Accordingly, since Paesanos required Ms. Hurtado and others similarly situated to commence their meal periods late in violation of Labor Code sections 226.7(a) and 512, Claimants seek all available penalties as set forth in Labor Code sections 558, section 20 of IWC Wage Order No. 5-2001, and 2699(f).

Claimants were at all times entitled to take paid, off duty 10-minute **rest breaks**. Paesanos failed to authorize and permit Ms. Hurtado and all other similarly aggrieved employees to take full-length, off-duty rest breaks as required by Labor Code sections 226.7 and section 12 of IWC Wage Order No. 5-2001. Paesanos enforced a policy that did not permit Claimants from taking their rest breaks because the restaurant was very busy and would be short-staffed if personnel took rest breaks. As such, Claimants were not able to take their requisite number of 10-minute rest breaks based on their shift duration; Claimants regularly worked through their rest breaks. Paesanos did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant rest breaks for each workday on which they occurred. In fact, Ms. Hurtado's near final paycheck issued September 13, 2024 reveals that Paesanos failed to pay her a single rest break premium the entire year. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 558 and section 20 of IWC Wage Order No. 5-2001. Furthermore, since Paesanos required their hourly nonexempt employees to perform work during rest periods in violation of Labor Code section 226.7(b), Claimants seek all available penalties set forth in Labor Code sections 558 and 2699.

At all times relevant herein, Claimants were entitled to the payment of **overtime**. That is, pursuant to Labor Code sections 510, 1194, 1197, and 1182.12, Paesanos was required to compensate Claimants at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over 12 hours per workday and eight hours on the seventh day of a workweek. Ms. Hurtado occasionally worked and Claimants regularly worked overtime hours. Paesanos has failed to and continues to fail to pay Claimants overtime wages owed for off-the-clock time worked that should have been compensated as overtime, yet regularly required them to work these overtime hours without premium pay under Labor Code section 1194. In short, during the entire course of their employment, Paesanos failed to provide Ms. Hurtado and continues to fail to provide all others similarly situated with all overtime pay in violation of 226.7, 510, and 512 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 5-2001, section 3.

Pursuant to Labor Code sections 201–203, Claimants who have since separated from Paesanos, including Ms. Hurtado, were entitled to be paid all **wages owed upon separation** within the statutorily allotted time—immediately (resignation with notice and termination) or within 72 hours (resignation without notice). Claimants, including Ms. Hurtado, did not receive her final pay of all wages within the requisite time based on the circumstances of her separation nor did she receive all wages Paesanos owed Ms. Hurtado based on Paesanos' prior failings to pay all wages owed every pay period, including but not limited to minimum and overtime wages and all meal and rest premiums owed, as explained above. Despite Ms. Hurtado's September 20, 2024 voluntary separation date, Paesanos paid Ms. Hurtado her final wages seven days later on September 27, 2024 via paper check, the day Paesanos notified her that her check was ready, not within 72 hours from separation as required by law.

Claimants were at all times entitled to be provided timely and accurate **wage statements** from Paesanos pursuant to Labor Code section 226. Because Paesanos failed to pay Claimants all of their meal period and rest break premiums for noncompliant meal periods and rest breaks and failed to pay Claimants minimum wages for all hours worked before, during, and after their shifts and for all overtime wages due, Claimants' wage statements were inaccurate in reflecting meal period and rest break premiums owed, overtime and minimum wages, and all hours worked every pay period. As a consequence, Claimants' wage statements also do not reflect the accurate amount of net and gross wages owed. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

Finally, Claimants were entitled to be reimbursed by Paesanos for all necessary, **business-related expenses** they incurred in executing their duties for Paesanos. California Labor Code section 2802 provides that “An employer shall indemnify his or his employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or his duties, or of his or his obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” Paesanos, however, has failed to fully reimburse Ms. Hurtado and Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs incurred for the use of Claimants’ personal cell phones, which were required to carry out their duties such as placing orders on the smartphone application General Produce and for submitting daily reports regarding the day’s productivity. Accordingly, Claimants are entitled to recover their unreimbursed expenditures and losses pursuant to Labor Code section 2802.

Paesanos’ uniform failure to pay overtime and minimum wages, failure to authorize and permit full-length, off-duty rest breaks and meal periods or pay Claimants adequate premium compensation in lieu thereof, failure to furnish timely and accurate wage statements, failure to reimburse all necessary, business-related expenses, and failure to timely pay all wages upon separation violate Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1182.12, 1194, 1197, and 2802, and as such, penalties are recoverable as set forth in Labor Code sections 210, 1194, *et seq.*, and 2699.

Claimants are entitled to recover unpaid wages, with interest, and are entitled to an award of attorneys’ fees as permitted by Labor Code section 1194, other penalties as permitted by Labor Code sections 210 and 2699, and waiting time penalties for former employees pursuant to Labor Code section 203.

Accordingly, Claimants seek the remedies set forth in the above-referenced Labor Code sections for themselves, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, Ms. Hurtado, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against Paesanos for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Should you require any additional information, please feel free to contact me.

Sincerely,

ABRAMSON LABOR GROUP

A handwritten signature in black ink that reads "Cheryl Kenner". The signature is written in a cursive, flowing style.

Cheryl A. Kenner