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March 10, 2025

NOTICE OF LABOR CODE VIOLATIONS
CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.*

VIA CERTIFIED U.S. MAIL
- Electronic Return Receipt -

Khanna Enterprises VI LP dba Hilton
Mission Valley
Khanna Enterprises II Limited
Partnership dba Wyndham Sacramento
Khanna Enterprises Ltd-III LP dba
Four Points San Jose Downtown
2601 Main Street, Suite 680
Irvine, CA 92614

- PAGA Notice & Filing Fee -
Submitted electronically to the Labor and
Workforce Development Agency

Khanna Enterprises IV Limited Partnership dba Marriott Anaheim Garden Grove
Khanna Enterprises Ltd., A Limited Partnership dba Sheraton Agoura Hills
Khanna Enterprises V Limited Partnership dba Westin San Jose Downtown
2601 Main Street, Suite 320
Irvine, CA 92614

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **SALVADOR CRUZ** ("Plaintiff(s)") and all other "aggrieved employees" of the following "Defendant(s)":

**KHANNA ENTERPRISES VI LP; KHANNA ENTERPRISES II LIMITED
PARTNERSHIP; KHANNA ENTERPRISES LTD-III LP; KHANNA
ENTERPRISES IV LIMITED PARTNERSHIP; KHANNA ENTERPRISES LTD.,
A LIMITED PARTNERSHIP; KHANNA ENTERPRISES V LIMITED
PARTNERSHIP**

Defendant(s) shall mean and include the foregoing in addition to any other related employer entities, individuals under Labor Code sections 558 and 558.1, and all others who may be later added upon further investigation and discovery as liable employers.

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiff requests that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good faith effort to correct any violations. Plaintiff attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in judgment or settlement approved by the Superior Court of California under Labor Code section 2699(s). Defendants are notified that any attempt to resolve this case should be conducted in coordination with Plaintiff’s counsel to protect the interests of Plaintiff, the aggrieved employees, and the State of California via the LWDA. Plaintiff advises Defendants this letter should be also considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Dish Washer from about 1998 to November 2024. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The “aggrieved employees” include Plaintiff and the following individuals:

All current and former non-exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the “aggrieved employees” and the “PAGA Period”).

Plaintiff reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants’ violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

Unpaid Meal Period Premium Wages **Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders**

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Defendants failed to provide complaint meal periods. Specifically, defendants consistently prevented Plaintiff and the aggrieved employees from taking a 30-minute, uninterrupted meal period due to understaffing. Defendants often required Plaintiff and the aggrieved employees to work through their days without breaks to keep up with the demands of the job. Defendants prevented Plaintiff from taking a meal period until another employee was available to cover his responsibilities. Due to Defendants' practice of understaffing, Plaintiff rarely took a 30-minute uninterrupted meal period. An illustrative example of these violations is shown below:

Sat (03/30)		--	--							Ptapia01 (03/30/2024)
Sun (03/31)		--	--							Ptapia01 (03/31/2024)
Mon (04/01)		ID-2024-04-01 7:24:00 AM	OD-2024-04-01 1:32:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.13			Ptapia01 (04/01/2024)
Mon (04/01)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.13		Ptapia01 (04/01/2024)
Tue (04/02)		ID-2024-04-02 7:00:00 AM	OD-2024-04-02 1:06:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.10			Ptapia01 (04/02/2024)
Tue (04/02)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.10		Ptapia01 (04/02/2024)
Wed (04/03)		ID-2024-04-03 7:00:00 AM	OD-2024-04-03 1:04:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.07			Ptapia01 (04/03/2024)
Wed (04/03)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.07		Ptapia01 (04/03/2024)
Thu (04/04)		ID-2024-04-04 7:06:00 AM	OD-2024-04-04 1:09:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.05			Ptapia01 (04/04/2024)
Thu (04/04)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.05		Ptapia01 (04/04/2024)
Fri (04/05)		ID-2024-04-05 7:01:00 AM	OD-2024-04-05 1:09:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.13			Ptapia01 (04/05/2024)
Fri (04/05)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.13		Ptapia01 (04/05/2024)
Total Units/Hours For Week:								30.48		
Sat (04/06)		--	--							Ptapia01 (04/06/2024)
Sun (04/07)		--	--							Ptapia01 (04/07/2024)
Mon (04/08)		ID-2024-04-08 7:20:00 AM	OD-2024-04-08 1:35:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.25			Ptapia01 (04/08/2024)
Mon (04/08)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.25		Ptapia01 (04/08/2024)

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KHANNA ENTERPRISES VI LP Client: (ONP77)				Time Detail Report				Date Range (01/01/2022 - 01/31/2025) Freeze Time (Unknown) Generated (01/22/2025 16:47:37)		
Tue (04/09)		ID-2024-04-09 7:09:00 AM	OD-2024-04-09 1:13:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.07			Ptapia01 (04/09/2024)
Tue (04/09)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.07		Ptapia01 (04/09/2024)
Wed (04/10)		ID-2024-04-10 7:06:00 AM	OD-2024-04-10 1:12:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.10			Ptapia01 (04/10/2024)
Wed (04/10)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.10		Ptapia01 (04/10/2024)
Thu (04/11)		ID-2024-04-11 7:12:00 AM	OD-2024-04-11 1:16:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.07			Ptapia01 (04/11/2024)
Thu (04/11)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.07		Ptapia01 (04/11/2024)
Fri (04/12)		ID-2024-04-12 7:05:00 AM	OD-2024-04-12 1:11:00 PM	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		6.10			Ptapia01 (04/12/2024)
Fri (04/12)	Fixed: (CLL)	n/a	n/a	[700]-KHANNA ENTERPRISES VI LP-Dishwasher	1		0.00	6.10		Ptapia01 (04/12/2024)
Total Units/Hours For Week:								30.59		

Extract from Plaintiff's Time Records dated 03/30/2024 – 04/12/2024 showing Plaintiff worked more than 6 hours in a day without clocking out for a compliant meal period.

Each time Plaintiff and the aggrieved employees experienced a non-complaint meal period, Defendants owed a meal period premium. However, as a matter of policy and practice, defendants failed to pay all meal period premiums owed. An illustrative example of this violation is shown below:

Earnings Statement			CRUZ BRITO, SALVADOR			
Pay Date:	04/19/2024	Company:	0NR03 - KHANNA ENTERPRISES VI LP		Emp #: 3054	
Period Start:	03/30/2024		2601 MAIN ST STE 680		Dept: 700 - KITCHEN	
Period End:	04/12/2024		IRVINE CA 92614 (816) 665-4257		Pay Basis: Hourly	
		Rate	Hours/Units	Current Period	Year To Date	
Earnings						
Regular		16.85	61.07	1029.03	7697.38	
Vacation		16.85	0.00	0.00	404.40	
Charge Tips				20.00	191.28	
	Gross		61.07	1049.03	8293.06	
W/H Taxes						
Federal W/H(S)				0.00	0.00	
Medicare				15.21	120.25	
Social Security				65.04	514.17	
California State W/H(S/O)				14.14	110.91	
CaliforniaSDI Tax				11.54	91.22	
Deductions						
	Net Pay			943.10	7456.51 Check No. 2697	
Net Pay Distribution						
Payroll Net Check				943.10	7456.51 A/C:	
Employee Benefits, Allowances, and Other				Current Period	Year To Date	YTD Taken Available
Sick Time Hours **					40.00	0.00 40.00
**Accruals balances are accurate as of processing 04/17/2024 11:14 am						

Extract from Plaintiff's Wage Statement with the corresponding pay period of 03/30/2024 to 04/12/2024 showing that Defendants failed to pay any meal period premiums for the missed meals apparent on Plaintiff's time sheet above.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Rest Period Premium Wages
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the aggrieved employees.

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all

nondiscretionary payments, not just hourly wages”). Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee’s regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Defendants failed to provide complaint rest periods. As discussed in the “Unpaid Meal Period Premium” section above, Defendants often required Plaintiff and the aggrieved employees to work through their shifts without breaks. Defendants prevented Plaintiff and the aggrieved employees from taking rest periods until another employee was available to cover Plaintiff’s responsibilities. Due to Defendants’ policy of understaffing, Plaintiff and the aggrieved employees rarely took any rest periods. Each time Plaintiff and the aggrieved employees experienced a non-compliant rest period, Defendants owed a rest period premium. However, a matter of policy and practice, Defendants failed to pay all rest period premiums owed.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages During Employment **Violation of Labor Code §§ 204, 204b, 210**

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the aggrieved employees.

Labor Code section 204(a) requires payment of “all wages” for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid “not more than seven calendar days following the close of the payroll period.” Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides “every person who fails to pay the wages of an employee as provided in Section ... 204 ... shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages Upon Separation of Employment
Violation of Labor Code §§ 201, 202, 203, 256

Defendants violated Labor Code sections 201, 202, and 203 with respect to the aggrieved employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours' notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours' notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements
Violation of Labor Code §§ 226, 226.3

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the aggrieved employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Maintain Accurate Records **Violation of Labor Code § 1174; IWC Wage Orders**

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and other aggrieved employees.

Labor Code section 1174 requires that employers maintain accurate “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.” Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Attorneys' Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other aggrieved employees and the State of California. Plaintiff continues to incur attorneys' fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

A handwritten signature in black ink, appearing to read "Mariela Romo". The signature is fluid and cursive, with a large initial "M" and a distinct "R" at the end.

Mariela Romo

Cc Plaintiff Salvador Cruz

HR Representative, Patricia Tapia
Patricia.tapia@hiltonmv.com