

Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Mariela R. Romo (State Bar No. 341657)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 fax
nick@ferrarovega.com / lauren@ferrarovega.com
mariela@ferrarovega.com

Attorneys for Plaintiff Salvador Cruz

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Superior Court of California,
County of San Diego
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Clerk of the Superior Court
By A. Villasenor ,Deputy Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

SALVADOR CRUZ, on behalf of others
similarly situated and the State of California
under the Private Attorneys General Act,

Plaintiff,

vs.

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;
and DOES 1 through 50, inclusive,

Defendants.

Case No. 25CU014533C

*Hon. Loren Freestone
Dept. 64*

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

1. Meal Period Violations
2. Rest Period Violations
3. Untimely Payment of Wages
4. Wage Statement Violations
5. Waiting Time Penalties
6. Unfair Competition
7. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

1 Plaintiff SALVADOR CRUZ, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this FIRST AMENDED
3 CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants KHANNA
4 ENTERPRISES VI LP; KHANNA ENTERPRISES II LIMITED PARTNERSHIP; KHANNA
5 ENTERPRISES, LTD-III LP; KHANNA ENTERPRISES IV LIMITED PARTNERSHIP; KHANNA
6 ENTERPRISES LTD., A LIMITED PARTNERSHIP; KHANNA ENTERPRISES V LIMITED
7 PARTNERSHIP; and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

8 **INTRODUCTION**

9 1. This is a class and representative action for wage and hour violations of the California
10 Labor Code.

11 2. Defendants failed to compensate Plaintiff and class members for all hours suffered or
12 permitted to work in violation of the applicable IWC Wage Order.

13 3. Defendants failed to provide, authorize, and/or permit the class members to take all
14 meal and rest periods to which they were entitled. However, Defendants did not pay Plaintiff and the
15 class members’ meal or rest period premiums.

16 4. Defendants’ employment policies, practices, and payroll administration systems
17 enabled and facilitated these violations on a company-wide basis with respect to the class members.

18 5. Defendants are further liable for derivative claims for wage statements, untimely
19 payment, and other associated violations.

20 6. Plaintiff brings this action to recover the underpaid damages, plus interest, penalties,
21 attorneys’ fees, and costs.

22 **JURISDICTION & VENUE**

23 7. Jurisdiction of this action is proper in this Court under Article VI, Section 10 of the
24 California Constitution as the causes of action are premised upon violations of California law.

25 8. The monetary damages and restitution sought exceed the minimal jurisdiction limits of
26 the Superior Court.

27 9. This Court has jurisdiction over Defendants because, upon information and belief,
28 Defendants have sufficient minimum contacts in California, or otherwise intentionally avail

1 themselves to the California economy so as to render the exercise of jurisdiction over them by the
2 California courts consistent with traditional notions of fair play and substantial justice.

3 10. Venue is proper in this Court under Code of Civil Procedure sections 393(a), 395,
4 and/or 395.5 because, upon information and belief, Defendants conducted business and committed
5 some of the alleged violations in this County.

6 **PARTIES**

7 **A. Plaintiff Salvador Cruz**

8 11. Plaintiff Cruz is an individual over 18 years of age who worked for Defendants in
9 California as a non-exempt employee from about 1998 to November 2024. Plaintiff worked as a Dish
10 Washer.

11 12. The State of California, via the Labor and Workforce Development Agency
12 (“LWDA”), is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9
13 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff files suit is always the real party
14 in interest.”])

15 **B. Defendants**

16 13. Defendant Khanna Enterprises VI LP dba Hilton Mission Valley is a Delaware limited
17 partnership that maintains operations and conducts business throughout the State of California,
18 including in this county.

19 14. Defendant Khanna Enterprises II Limited Partnership dba Wyndham Sacramento is a
20 California limited partnership that maintains operations and conducts business throughout the State of
21 California.

22 15. Defendant Khanna Enterprises, LTD., - III, LP dba Four Points San Jose Downtown is
23 a California limited partnership that maintains operations and conducts business throughout the State
24 of California.

25 16. Defendant Khanna Enterprises IV Limited Partnership dba Marriott Anaheim Garden
26 Grove is a California limited partnership that maintains operations and conducts business throughout
27 the State of California.

- 1 a. All current and former non-exempt employees who worked for Defendants in
2 California at any time from four years (plus the additional 178-day statutory
3 tolling period under Emergency Rule 9) prior to the filing of this action through
4 date of class certification.

5 24. Plaintiff reserves the right to establish various subclass definitions as appropriate at the
6 class certification stage, according to proof.

7 25. The class is ascertainable and shares a well-defined community of interest in this
8 litigation:

9 a. Numerosity: The class is estimated to exceed 50 individuals, although the
10 precise membership of the entire class is unknown at this time. The class is so
11 numerous that joinder of all class members is impracticable. The identities of
12 class members are ascertainable by inspection of Defendants' employment and
13 payroll records.

14 b. Typicality: Plaintiff's claims are typical of the claims of the other class
15 members. They were subject to the same policies and practices of Defendants,
16 which resulted in losses to the class. Proof of common unlawful business
17 practices, which Plaintiff experienced, will establish the right of the class to
18 recover on the causes of action alleged herein.

19 c. Adequacy: Plaintiff is an adequate class representative; will take all necessary
20 steps to protect the class members' interests adequately and fairly; has no
21 interest antagonistic to other class members; and is represented by attorneys
22 who have substantial experience prosecuting, defending, resolving, and
23 litigating wage and hour class, collective, and representative actions in
24 California state and federal courts.

25 d. Superiority: A class action is superior to other means for adjudicating this
26 dispute. Individual joinder is impractical. Class treatment will allow for
27 common issues to be resolved in a single forum, simultaneously, and without
28 duplication of effort and expense.

e. Public Policy Considerations: Certification of this lawsuit as a class action advances the State of California's strong public interest in ensuring its approximately millions of employed residents are properly paid the wages they earned for the hours they worked. Class actions provide a mechanism for enforcement of labor laws and allow for vindication of employee rights by unnamed class members.

26. Common questions of law and fact as to the class members predominate over questions affecting only individual members. The common questions of law and fact exist as to whether the employment policies and practices formulated by Defendants and applied to the class members constitute violations of California law.

GENERAL ALLEGATIONS

1. Plaintiff and class members worked for Defendants as non-exempt employees and were compensated on an hourly basis.

2. Defendants failed to provide complaint meal periods. Specifically, Defendants consistently prevented Plaintiff and the class members from taking a 30-minute, uninterrupted meal period due to understaffing. Defendants often required Plaintiff and the class members 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.

3. Each time Plaintiff and the class members 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.

4. Defendants failed to provide complaint rest periods. Defendants often required Plaintiff and the class members to work through their shifts without breaks. Defendants prevented Plaintiff and the class members from taking rest periods until another employee was available to cover Plaintiff's responsibilities. Due to Defendants' policy of understaffing, Plaintiff and the class members rarely took any rest periods. Each time Plaintiff and the class members 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.

5. These violations create derivative liability for failure to timely pay all wages owed each payday or upon separation of employment.

6. As a result of the foregoing issues, Defendants failed to provide accurate itemized wage statements to Plaintiff and class members each pay period as a result of the policies set forth above. Defendants failed to list the correct “gross wages earned” as 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, 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.

7. Further, Plaintiff and class members cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. These wage statement violations are significant because they create confusion among Plaintiff and class members with respect to what amounts were owed and paid, at what rate, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and conceal the underpayments of employee wages.

FIRST CAUSE OF ACTION

MEAL PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 512

8. All outside paragraphs of this Complaint are incorporated into this section.

9. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or meal period premiums in lieu thereof), and which further provide a private right of action for an employer’s failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful regular rate of compensation.

10. Defendants willfully failed in their affirmative obligation to consistently provide Plaintiff and class members compliant, duty-free meal periods of not less than 30 minutes beginning before the fifth hour of hour for each work period of more than five hours per day and a second duty-free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the “Meal Periods” sections of the applicable orders).

12. Plaintiff and class members are entitled to recover the full amount of the meal period premiums owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

REST PERIOD VIOLATIONS

13. All outside paragraphs of this Complaint are incorporated into this section.

15. Defendants willfully failed in their affirmative obligation to consistently authorize and permit Plaintiff and class members to receive compliant, duty-free rest periods of not less than ten (10) minutes for every four hours worked (or major fraction thereof) in violation of Labor Code sections 226.7, 516, 558, and 1198 and the IWC Wage Orders (the “Rest Periods” sections of the applicable orders).

16. Further, Defendants willfully failed in their affirmative obligation to consistently pay Plaintiff and class members one additional hour of pay at the respective regular rate of compensation for each workday that a fully compliant rest period was not provided, in violation of Labor Code sections 226.7, 516, 558, and 1198 and the IWC Wage Orders.

THIRD CAUSE OF ACTION

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

17. All outside paragraphs of this Complaint are incorporated into this section.

18. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 204, 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay period, and which further provide a private right of action for an employer's failure to comply with this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due under these sections, including Labor Code § 210(c)'s statutory late payment penalties.

19. Defendants willfully failed in their affirmative obligation to timely pay all wages, including paid sick leave and meal and rest premiums, earned by Plaintiff and class members twice during each calendar month on days designated in advance by the employer as regular paydays (for employees paid on a non-weekly basis) and on the regularly-scheduled weekly payday for weekly employees, if any, in violation of Labor Code sections 204 and 204b and the IWC Wage Orders (the “Minimum Wages” sections of the applicable orders).

20. Plaintiff and class members are entitled to recover the full amount of the unpaid wages, in addition to a statutory penalty in the amount of \$100 for the initial violation for each failure to pay each employee and \$200 for all subsequent violations and for all willful or intentional violations for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld under provided in Labor Code § 210, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

FOURTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

Violation of Labor Code § 226

21. All outside paragraphs of this Complaint are incorporated into this section.

1 22. This cause of action is brought by a wage statement subclass pursuant to Labor Code
2 § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each
3 pay period, and which further provide a private right of action for an employer's failure to comply
4 with this obligation.

5 23. Defendants knowingly and intentionally failed in their affirmative obligation to provide
6 accurate itemized wage statements to Plaintiff and class members resulting in injury to Plaintiff and
7 class members. Specifically, the wage statements issued to Plaintiff and class members did not
8 accurately state each pay period all of the information required by Labor Code § 226(a)(1)-(9).

9 24. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
10 accurate itemized wage statements, causing confusion and concealing wage and premium
11 underpayments.

12 25. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
13 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
14 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in
15 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
16 Code section 226(e).

17 **FIFTH CAUSE OF ACTION**

18 **WAITING TIME PENALTIES**

19 **Violation of Labor Code §§ 201 *et seq.***

20 26. All outside paragraphs of this Complaint are incorporated into this section.

21 27. This cause of action is brought by a waiting time subclass pursuant to Labor Code
22 §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of
23 employment, and which further provide a private right of action to recover statutory waiting time
24 penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days
25 wages.

26 28. Defendants willfully failed and continue to fail in their affirmative obligation to pay all
27 wages earned and unpaid to Plaintiff and class members immediately upon termination of employment
28 or within 72 hours thereafter for employees who did not provide at least 72 hours prior notice of his

1 or her intention to quit, and further failed to pay those sums for 30 days thereafter in violation of Labor
2 Code sections 201 through 203 and the IWC Wage Orders.

3 29. Plaintiff and class members are entitled to recover a waiting time penalty for a period
4 of up to 30 days, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

5 **SIXTH CAUSE OF ACTION**

6 **UNFAIR COMPETITION**

7 **Violation of Business and Professions Code §§ 17200 *et seq.***

8 30. All outside paragraphs of this Complaint are incorporated into this section.

9 31. Defendants have engaged and continue to engage in unfair and/or unlawful business
10 practices in the State of California in violation of California Business and Professions Code § 17200
11 by committing the foregoing wage and hour violations alleged throughout this Complaint.

12 32. Defendants' dependence on these unfair and/or unlawful business practices deprived
13 Plaintiff and continue to deprive other class members of compensation to which they are legally
14 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage to
15 Defendants over competitors who have been and/or are currently employing workers in compliance
16 with California's wage and hour laws. These failures constitute unlawful, deceptive, and unfair
17 business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

18 33. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this
19 Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full
20 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,
21 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

22 34. Plaintiff does not have an adequate remedy at law for past or future violations, to the
23 extent the statute of limitations on each of the alleged causes of action do not extend to the four year
24 limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order
25 violations do not provide a private right of action.

26 35. Plaintiff and class members are entitled to injunctive relief against Defendants,
27 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
28 an ownership interest and to prevent future damage and the public interest under Business and

Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest, attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure § 1021.5.

SEVENTH CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

Violation of Labor Code §§ 2698 *et seq.*

(By Plaintiff on Behalf of the State and the Aggrieved Employees Against All Defendants)

36. All outside paragraphs of this Complaint are incorporated into this section.

37. Plaintiff brings this cause of action as a proxy for the State of California on behalf of the following "aggrieved employees" pursuant to the Private Attorneys General Act ("PAGA"), codified as Labor Code section 2698 *et seq.*:

a. All current and former non-exempt employees who worked for Defendants in California at any time from one year prior to the postmark date of the initial PAGA notice through date of trial.

38. Plaintiff reserves the right to amend, supplement, or add to this description of the aggrieved employees, according to proof.

39. The State of California, via the Labor and Workforce Development Agency ("LWDA"), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The "government entity on whose behalf the plaintiff files suit is always the real party in interest."])

40. Labor Code section 2699(a) provides: "Notwithstanding any other provision of law,, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of the employee and other current or former employees against whom a violation of the same provision was committed pursuant to the procedures specified in Section 2699.3. "

1 41. Any allegations regarding violations of the IWC Wage Orders are enforceable as
2 violations of Labor Code section 1198, which states: “[t]he employment of any employee for longer
3 hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

4 42. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
5 penalties under the PAGA.

6 43. On or about **March 10, 2025**, Plaintiff paid the requisite PAGA filing fee and provided
7 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
8 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
9 violations.

10 44. A true and correct copy of Plaintiff’s written PAGA notice, entitled “Notice of Labor
11 Code Violations” is attached hereto as Exhibit 1 and incorporated by reference as though fully set
12 forth herein (the “PAGA notice”).

13 45. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
14 written PAGA notice from the LWDA.

15 46. Within 33 calendar days of the postmark date of the notice sent by Plaintiff, neither
16 Plaintiff nor Plaintiff’s counsel has received written notice by certified mail from any defendant
17 providing a description of any actions taken to cure the alleged violations.

18 47. Now that at least 65 days have passed from Plaintiff notifying Defendants of these
19 violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate
20 the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all
21 prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

22 48. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this
23 Complaint, Defendants committed the following violations and are liable for all corresponding civil
24 penalties:

25 a. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
26 1198; IWC Wage Orders.

27 b. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516,
28 1198; IWC Wage Orders.

- c. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- d. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- e. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- f. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

49. Plaintiff seeks to collect all recoverable civil penalties for the Labor Code violations alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the extent permitted by law, including under Labor Code section 2699(k).

PRAAYER

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;
- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;
- k. For this action to be maintained as a representative action under the PAGA;

- 1 l. For Plaintiff and counsel of record to be provided with all enforcement capability as if
2 the action were brought by the State of California or the California Division of Labor
3 Enforcement;
4 m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
5 n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
6 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
7 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
8 o. For such other relief the Court deems just and proper.

9
10 Dated: May 19, 2025

Ferraro Vega Employment Lawyers, Inc.

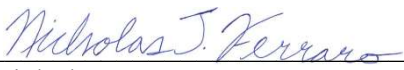
11 
12 _____
13 Nicholas J. Ferraro
14 Lauren N. Vega
15 Mariela R. Romo
16 *Attorneys for Plaintiff Salvador Cruz*

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

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 stylized "R".

Mariela Romo

Cc Plaintiff Salvador Cruz

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