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Attorneys for Plaintiff Lito De Guzman

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MONTEREY

LITO DE GUZMAN, as an aggrieved
employee pursuant to the Private
Attorneys General Act (“PAGA”), on
behalf of the State of California and
other non-party Aggrieved
Employees,

Plaintiff,

vs.

PEBBLE BEACH COMPANY, A
LIMITED PARTNERSHIP, a
California limited partnership;
PEBBLE BEACH CORPORATION, a
California corporation; PEBBLE
BEACH REALTY COMPANY, a
California corporation; THE PEBBLE
BEACH COMPANY FOUNDATION,
a California nonprofit corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: 25CV002945

**COMPLAINT – PAGA ENFORCEMENT
ACTION**

(1) Claim for Civil Penalties for Violations of
California Labor Code, Pursuant to PAGA,
§§ 2698, *et seq.*

Jury Trial Demanded

1 Plaintiff Lito De Guzman, as an aggrieved employee and on behalf of the State of
2 California and all other non-party Aggrieved Employees, alleges as follows:

3 JURISDICTION AND VENUE

4 1. This is an enforcement action under the Labor Code Private Attorneys General
5 Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
6 and any other available relief on behalf of Plaintiff, the State of California, and other current
7 and former employees who worked for Defendants in California as a non-exempt, hourly paid
8 employee and received at least one wage statement and against whom one or more violations
9 of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating
10 hours and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage
11 Order were committed, as set forth in this complaint, at any time between one year prior to the
12 filing of the pre-filing written notice to the Labor and Workforce Development Agency
13 (“LWDA”) in this case on April 4, 2025, until judgment (“non-party Aggrieved Employees”).
14 Plaintiff’s share of civil penalties sought in this action does not exceed \$75,000.

15 2. This Court has jurisdiction over this action pursuant to the California
16 Constitution, Article VI, section 10. The statute under which this action is brought does not
17 specify any other basis for jurisdiction.

18 3. This Court has jurisdiction over all Defendants because, on information and
19 belief, Defendants are either citizens of California, have sufficient minimum contacts in
20 California, or otherwise intentionally avail themselves of the California market so as to render
21 the exercise of jurisdiction over them by the California courts consistent with traditional
22 notions of fair play and substantial justice. There is no basis for federal diversity jurisdiction
23 in this action given that the State of California, as the real party in interest in this action, is not
24 a “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*,
25 726 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be
26 aggregated to satisfy the amount in controversy requirement for federal diversity jurisdiction
27 in this action, and that diversity jurisdiction cannot be established when Plaintiff’s share of the
28 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

4. Venue is proper in this Court, because Defendants filed Statement of Information forms with the California Secretary of State designating a principal place of business in Pebble Beach, County of Monterey, in accordance with California Corporations Code section 2105(a)(3). Cal. Code Civ. P. § 395.5. Venue is also proper in this Court because Defendants employ persons in this county, and employed Plaintiff in this county, and thus a substantial portion of the transactions and occurrences related to this action occurred in this county.

5. California Labor Code sections 2698, *et seq.*, the “Labor Code Private Attorneys General Act of 2004,” authorize aggrieved employees to sue as private attorneys general their current or former employers for various civil penalties for violations of various provisions in the California Labor Code.

THE PARTIES

6. Plaintiff Lito De Guzman is a resident of Marina, in Monterey County, California. Defendants employed Plaintiff as an hourly paid, non-exempt employee from approximately September 2017 to December 2024. Plaintiff worked for Defendants as a Server at Defendants' The Inn at Spanish Bay location in Pebble Beach, California. During his employment, Plaintiff typically worked six (6) to eight (8) or more hours per day and five (5) days or more per week. Plaintiff's primary job duties included, without limitation, taking food orders, preparing food orders, and delivering food orders to hotel guests.

7. PEBBLE BEACH COMPANY, A LIMITED PARTNERSHIP was and is, upon information and belief, a California limited partnership, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

8. PEBBLE BEACH CORPORATION was and is, upon information and belief, a California corporation, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

9. PEBBLE BEACH REALTY COMPANY was and is, upon information and belief, a California corporation, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

10. THE PEBBLE BEACH COMPANY FOUNDATION was and is, upon

1 information and belief, a California nonprofit corporation, and at all times hereinafter
2 mentioned, an employer whose employees are engaged throughout this county and the State of
3 California.

4 11. Plaintiff is unaware of the true names or capacities of the Defendants sued
5 herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to
6 amend the complaint and serve such fictitiously named Defendants once their names and
7 capacities become known.

8 12. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
9 were the partners, agents, owners, or managers of PEBBLE BEACH COMPANY, A
10 LIMITED PARTNERSHIP; PEBBLE BEACH CORPORATION; PEBBLE BEACH
11 REALTY COMPANY; and THE PEBBLE BEACH COMPANY FOUNDATION, at all
12 relevant times.

13 13. Plaintiff is informed and believes, and thereon alleges, that each and all of the
14 acts and omissions alleged herein was performed by, or is attributable to, PEBBLE BEACH
15 COMPANY, A LIMITED PARTNERSHIP; PEBBLE BEACH CORPORATION; PEBBLE
16 BEACH REALTY COMPANY; THE PEBBLE BEACH COMPANY FOUNDATION; and/or
17 DOES 1 through 10 (collectively, “Defendants” or “PEBBLE BEACH COMPANY”), each
18 acting as the agent, employee, alter ego, and/or joint venturer of, or working in concert with,
19 each of the other co-Defendants and was acting within the course and scope of such agency,
20 employment, joint venture, or concerted activity with legal authority to act on the others’
21 behalf. The acts of any and all Defendants were in accordance with, and represent, the official
22 policy of Defendants.

23 14. At all relevant times, Defendants, and each of them, ratified each and every act
24 or omission complained of herein. At all relevant times, Defendants, and each of them, aided
25 and abetted the acts and omissions of each and all the other Defendants in proximately causing
26 the damages herein alleged.

27 15. Plaintiff is informed and believes, and thereon alleges, that each of said
28 Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts,

omissions, occurrences, and transactions alleged herein.

16. Under California law, Defendants are jointly and severally liable as employers for the violations alleged herein because they have each exercised sufficient control over the wages, hours, working conditions, and employment status of Plaintiff and other non-party Aggrieved Employees. Each Defendant had the power to hire and fire Plaintiff and other non-party Aggrieved Employees, supervised and controlled their work schedule and/or conditions of employment, determined their rate of pay, and maintained their employment records. Defendants suffered or permitted Plaintiff and other non-party Aggrieved Employees to work and/or “engaged” Plaintiff and other non-party Aggrieved Employees so as to create a common-law employment relationship. As joint employers of Plaintiff and other non-party Aggrieved Employees, Defendants are jointly and severally liable for the civil penalties available to Plaintiff and other non-party Aggrieved Employees under the law.

17. Plaintiff is informed and believes, and thereon alleges, that at all relevant times, Defendants, and each of them, have acted as joint employers with respect to Plaintiff and other non-party Aggrieved Employees because Defendants have:

- (a) jointly exercised meaningful control over the work performed by Plaintiff and other non-party Aggrieved Employees;
- (b) jointly exercised meaningful control over Plaintiff’s and other non-party Aggrieved Employees’ wages, hours, and working conditions, including the quantity, quality standards, speed, scheduling, and operative details of the tasks performed by Plaintiff and other non-party Aggrieved Employees;
- (c) jointly required that Plaintiff and other non-party Aggrieved Employees perform work which is an integral part of Defendants’ businesses; and
- (d) jointly exercised control over Plaintiff and other non-party Aggrieved Employees as a matter of economic reality in that Plaintiff and other non-party Aggrieved Employees were dependent on Defendants, who shared the power to set the wages of Plaintiff and other non-party

1 Aggrieved Employees and determined their working conditions, and
2 who jointly reaped the benefits from the underpayment of their wages
3 and noncompliance with other statutory provisions governing their
4 employment.

5 18. Plaintiff is informed and believes, and thereon alleges, that at all relevant times
6 there has existed a unity of interest and ownership between Defendants such that any
7 individuality and separateness between the entities has ceased.

8 19. PEBBLE BEACH COMPANY, A LIMITED PARTNERSHIP; PEBBLE
9 BEACH CORPORATION; PEBBLE BEACH REALTY COMPANY; THE PEBBLE
10 BEACH COMPANY FOUNDATION; and/or DOES 1 through 10 are therefore alter egos of
11 each other.

12 20. Adherence to the fiction of the separate existence of Defendants would permit
13 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
14 from liability for the wrongful acts committed by them under the name “PEBBLE BEACH
15 COMPANY.”

16 21. Plaintiff further alleges, upon information and belief, that the Defendants
17 PEBBLE BEACH COMPANY, A LIMITED PARTNERSHIP; PEBBLE BEACH
18 CORPORATION; PEBBLE BEACH REALTY COMPANY; and THE PEBBLE BEACH
19 COMPANY FOUNDATION are alter egos of each other for the following reasons:

20 (a) On the California Secretary of State’s website
21 (<https://bizfileonline.sos.ca.gov>), PEBBLE BEACH COMPANY, A
22 LIMITED PARTNERSHIP; PEBBLE BEACH CORPORATION;
23 PEBBLE BEACH REALTY COMPANY; and THE PEBBLE BEACH
24 COMPANY FOUNDATION share the same principal address and/or
25 mailing address of “2700 17[-]MILE DR[IVE], PEBBLE BEACH,
26 CA”;

27 (b) According to Statement of Information and Certificate of Limited
28 Partnership forms filed with the California Secretary of State, PEBBLE

1 BEACH COMPANY, A LIMITED PARTNERSHIP; PEBBLE BEACH
2 CORPORATION; PEBBLE BEACH REALTY COMPANY; and THE
3 PEBBLE BEACH COMPANY FOUNDATION share the same officers,
4 partners, and/or managers or members, including, but not limited to:

5 (i) David L. Stivers, who serves as Chief Administrative Officer
6 and Partner of PEBBLE BEACH COMPANY, A LIMITED
7 PARTNERSHIP, Chief Executive Officer of PEBBLE
8 BEACH CORPORATION, and Secretary of PEBBLE
9 BEACH REALTY COMPANY;

10 (ii) Judah Matthews, who serves as Chief Financial Officer of
11 PEBBLE BEACH CORPORATION and THE PEBBLE
12 BEACH COMPANY FOUNDATION; and

13 (iii) William Perocchi, who serves as a Director of PEBBLE
14 BEACH CORPORATION, and Chief Executive Officer and
15 Director of PEBBLE BEACH REALTY COMPANY;

16 (c) On the California Secretary of State's website, PEBBLE BEACH
17 COMPANY, A LIMITED PARTNERSHIP; PEBBLE BEACH
18 CORPORATION; PEBBLE BEACH REALTY COMPANY; and THE
19 PEBBLE BEACH COMPANY FOUNDATION share the same agent
20 for service of process, Diane Goldman; and

21 (d) On information and belief, PEBBLE BEACH COMPANY, A LIMITED
22 PARTNERSHIP; PEBBLE BEACH CORPORATION; PEBBLE
23 BEACH REALTY COMPANY; and THE PEBBLE BEACH
24 COMPANY FOUNDATION utilize the same standardized employment
25 forms and issue the same employment policies.

26 **PAGA REPRESENTATIVE ALLEGATIONS**

27 22. Defendants operate a collection of luxury resorts, golf courses, fine dining
28 establishments, and related hospitality services in Monterey County, California. Upon

1 information and belief, Defendants maintain a single, centralized Human Resources (HR)
2 department at their corporate headquarters in Pebble Beach, California, for all non-exempt,
3 hourly paid employees working for Defendants in California, which is responsible for the
4 recruiting and hiring of new employees, and communicating and implementing Defendants'
5 company-wide policies, including timekeeping policies and meal and rest period policies, to
6 employees throughout California.

7 23. In particular, Plaintiff and other non-party Aggrieved Employees, on
8 information and belief, received the same standardized documents and/or written policies.
9 Upon information and belief, the usage of standardized documents and/or written policies,
10 including new-hire documents, indicate that Defendants dictated policies at the corporate level
11 and implemented them company-wide, regardless of their employees' assigned locations or
12 positions. Upon information and belief, Defendants set forth uniform policies and procedures
13 in several documents provided at an employee's time of hire.

14 24. Upon information and belief, Defendants maintain a centralized Payroll
15 department at their corporate headquarters in Pebble Beach, California, which processes
16 payroll for all non-exempt, hourly paid employees working for Defendants at their various
17 locations and jobsites in California, including Plaintiff and other non-party Aggrieved
18 Employees. Based upon information and belief, Defendants issue the same formatted wage
19 statements to all non-exempt, hourly paid employees in California, irrespective of their work
20 locations. Upon information and belief, Defendants process payroll for departing employees
21 in the same manner throughout the State of California, regardless of the manner in which each
22 employee's employment ends.

23 25. Defendants continue to employ non-exempt or hourly paid employees in
24 California.

25 26. Plaintiff is informed and believes, and thereon alleges, that at all times herein
26 mentioned, Defendants were advised by skilled lawyers and other professionals, employees
27 and advisors knowledgeable about California labor and wage law, employment and personnel
28 practices, and about the requirements of California law.

1 27. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other
2 non-party Aggrieved Employees were not paid for all hours worked because all hours worked
3 were not recorded.

4 28. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
5 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
6 receive certain wages for overtime compensation and that they were not receiving certain
7 wages for overtime compensation.

8 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
9 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
10 receive at least minimum wages for compensation and that they were not receiving at least
11 minimum wages for work that was required to be done off-the-clock. In violation of the
12 California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at
13 least minimum wages for work done off-the-clock.

14 30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
16 meal periods in accordance with the California Labor Code and applicable IWC Wage Order
17 or payment of one (1) additional hour of pay at their regular rates of pay when they were not
18 provided with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and
19 other non-party Aggrieved Employees were not provided with all meal periods or payment of
20 one (1) additional hour of pay at their regular rates of pay when they did not receive a timely,
21 uninterrupted, thirty (30) minute meal period.

22 31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
24 rest periods in accordance with the California Labor Code and applicable IWC Wage Order or
25 payment of one (1) additional hour of pay at their regular rates of pay when they were not
26 authorized and permitted to take a compliant rest period and that Plaintiff and other non-party
27 Aggrieved Employees were not authorized and permitted to take compliant rest periods or
28 provided with payment of one (1) additional hour of pay at their regular rates of pay when

1 they were not authorized and permitted to take a compliant rest period.

2 32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
3 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
4 receive complete and accurate wage statements in accordance with California law. In
5 violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees
6 were not provided complete and accurate wage statements.

7 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
8 should have known that they had a duty to maintain accurate and complete payroll records in
9 accordance with the Labor Code and applicable IWC Wage Order, but willfully, knowingly,
10 and intentionally failed to do so.

11 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
12 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
13 timely payment of wages during their employment. In violation of the California Labor Code,
14 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,
15 including, but not limited to, overtime wages, minimum wages, meal and rest period
16 premiums, and/or reporting time pay, within permissible time periods.

17 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
18 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
19 timely payment of all wages earned upon termination of employment. In violation of the
20 California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive
21 payment of all wages due, including, but not limited to, overtime wages, minimum wages,
22 meal and rest period premiums, and/or reporting time pay, within permissible time periods.

23 36. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
24 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
25 be paid reporting time pay when they reported to work for their usual or scheduled shift but
26 were put to work for less than half of the usual or scheduled shift. In violation of the
27 California Labor Code, Defendants did not pay Plaintiff and other non-party Aggrieved
28 Employees reporting time pay due.

1 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
2 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
3 receive reimbursement for all business-related expenses and costs they incurred during the
4 course and scope of their employment and that they did not receive reimbursement of
5 applicable business-related expenses and costs incurred.

6 38. Plaintiff is informed and believes, and thereon alleges, that at all times herein
7 mentioned, Defendants knew or should have known that they had a duty to compensate
8 Plaintiff and other non-party Aggrieved Employees for all hours worked, and that Defendants
9 had the financial ability to pay such compensation, but willfully, knowingly, and intentionally
10 failed to do so, and falsely represented to Plaintiff and other non-party Aggrieved Employees
11 that they were properly denied wages, all in order to increase Defendants' profits.

12 39. At all times herein set forth, PAGA provides that any provision of law under
13 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
14 assessed and collected by the LWDA for violations of the California Labor Code and
15 applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a
16 civil action brought on behalf of themselves and other current or former employees pursuant
17 to procedures outlined in California Labor Code section 2699.3.

18 40. PAGA defines an "aggrieved employee" in Labor Code section 2699(c)(1) as
19 "any person who was employed by the alleged violator and personally suffered each of the
20 violations alleged."

21 41. Plaintiff and other current and former employees of Defendants are "aggrieved
22 employees" as defined by Labor Code section 2699(c)(1) in that they are all Defendants'
23 current or former employees and each of the alleged violations were committed against them.

24 42. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved
25 employee, including Plaintiff, may pursue a civil action arising under PAGA after the
26 following requirements have been met:

- 27 (a) The aggrieved employee shall give written notice by online filing
28 (hereinafter "Employee's Notice") to the LWDA and by certified mail

1 to the employer of the specific provisions of the California Labor Code
2 alleged to have been violated, including the facts and theories to support
3 the alleged violations.

4 (b) An aggrieved employee's notice filed with the LWDA pursuant to
5 2699.3(a) and any employer response to that notice shall be
6 accompanied by a filing fee of seventy-five dollars (\$75).

7 (c) The LWDA shall provide notice (hereinafter "LWDA Notice") to the
8 employer and the aggrieved employee by certified mail that it does not
9 intend to investigate the alleged violation within sixty (60) calendar
10 days of the postmark date of the Employee's Notice. Upon receipt of
11 the LWDA Notice, or if the LWDA Notice is not provided within sixty-
12 five (65) calendar days of the postmark date of the Employee's Notice,
13 the aggrieved employee may commence a civil action pursuant to
14 California Labor Code section 2699 to recover civil penalties in addition
15 to any other penalties to which the employee may be entitled.

16 43. Pursuant to California Labor Code section 2699.3(c), aggrieved employees,
17 through Plaintiff, may pursue a civil action arising under PAGA for violations of any
18 provision other than those listed in Section 2699.5 after the following requirements have been
19 met:

20 (a) The aggrieved employee or representative shall give written notice by
21 online filing to the LWDA and by certified mail to the employer of the
22 specific provisions of the California Labor Code alleged to have been
23 violated (other than those listed in Section 2699.5), including the facts
24 and theories to support the alleged violation.

25 (b) An aggrieved employee's notice filed with the LWDA pursuant to
26 2699.3(c) and any employer response to that notice shall be
27 accompanied by a filing fee of seventy-five dollars (\$75).

28 (c) The employer may cure the alleged violation within thirty-three (33)

1 calendar days of the postmark date of the notice. The employer shall
2 give written notice by certified mail within that period of time to the
3 aggrieved employee or representative and the agency if the alleged
4 violation is cured, including a description of actions taken, and no civil
5 action pursuant to Section 2699 may commence. If the alleged violation
6 is not cured within the 33-day period, the employee may commence a
7 civil action pursuant to Section 2699.

8 44. On April 4, 2025, Plaintiff provided written notice by online filing to the
9 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
10 Code alleged to have been violated, including facts and theories to support the alleged
11 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
12 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
13 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
14 Plaintiff PAGA Case Number LWDA-CM-1090443-25. A true and correct copy of Plaintiff's
15 written notice to the LWDA and Defendants is attached hereto as "Exhibit 1."

16 45. As of the filing date of this complaint, over 65 days have passed since Plaintiff
17 sent the written notice described above, and the LWDA has not responded that it intends to
18 investigate Plaintiff's claims, and Defendants have not cured the violations.

19 46. Thus, Plaintiff has satisfied the administrative prerequisites under California
20 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
21 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516,
22 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

23 47. Labor Code section 558(a) provides "[a]ny employer or other person acting on
24 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
25 provision regulating hours and days of work in any order of the Industrial Welfare
26 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
27 dollars (\$50) for each underpaid employee for each pay period for which the employee was
28 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each

1 underpaid employee for each pay period for which the employee was underpaid” Labor
2 Code section 558(c) provides “[t]he civil penalties provided for in this section are in addition
3 to any other civil or criminal penalty provided by law.” Plaintiff, acting in the public interest
4 as a private attorney general, seeks assessment and collection of civil penalties under Labor
5 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
6 California against Defendants for violations of Labor Code sections 510, 512(a), 516, and
7 1198, and the applicable IWC Wage Order. Plaintiff, acting in the public interest as a private
8 attorney general, does not seek the recovery of unpaid wages under Labor Code section 558
9 from Defendants for violations of Labor Code sections 510, 512(a), 516, and 1198, and the
10 applicable IWC Wage Order.

11 48. Defendants, at all times relevant to this complaint, were employers or persons
12 acting on behalf of an employer(s) who violated Plaintiff’s and other non-party Aggrieved
13 Employees’ rights by violating various sections of the California Labor Code as set forth
14 above.

15 49. As set forth below, Defendants have violated numerous provisions of both the
16 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
17 Order.

18 50. Pursuant to PAGA, and in particular, California Labor Code sections 1194.5,
19 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public
20 interest as a private attorney general, seeks assessment and collection of civil penalties and
21 injunctive relief for himself, all other non-party Aggrieved Employees, and the State of
22 California against Defendants for violations of California Labor Code sections 201, 202, 204,
23 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

24 **FIRST CAUSE OF ACTION**

25 **For Civil Penalties, Pursuant to California Labor Code §§ 2698, *et seq.***

26 **(Against all Defendants)**

27 51. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
28 and every allegation set forth above.

1 52. California Labor Code sections 2698, *et seq.* permit Plaintiff to recover civil
2 penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section
3 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 1174(d), and 1198.
4 Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiff, to recover
5 civil penalties for violations of those Labor Code sections not found in section 2699.5,
6 including sections 226(a), 226.7, 510, 512(a), 516, 1182.12, 1194, 1197, and 2802.

7 53. Defendants' conduct, as alleged herein, violates numerous sections of the
8 California Labor Code, including, but not limited to, the following:

- 9 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC
10 Wage Order for Defendants' failure to compensate Plaintiff and other
11 non-party Aggrieved Employees with all required overtime pay, as set
12 forth below;
- 13 (b) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and
14 the applicable IWC Wage Order for Defendants' failure to compensate
15 Plaintiff and other non-party Aggrieved Employees with at least
16 minimum wages for all hours worked, as set forth below;
- 17 (c) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
18 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
19 and other non-party Aggrieved Employees with meal periods, as set
20 forth below;
- 21 (d) Violation of Labor Code sections 226.7, 516, and 1198, and the
22 applicable IWC Wage Order for Defendants' failure to authorize and
23 permit Plaintiff and other non-party Aggrieved Employees to take rest
24 periods, as set forth below;
- 25 (e) Violation of Labor Code sections 226(a) and 1198, and the applicable
26 IWC Wage Order for failure to provide accurate and complete wage
27 statements to Plaintiff and other non-party Aggrieved Employees, as set
28 forth below;

- 1 (f) Violation of Labor Code sections 1174(d) and 1198, and the applicable
2 IWC Wage Order for failure to maintain payroll records, as set forth
3 below;
- 4 (g) Violation of Labor Code sections 204 for failure to pay all earned wages
5 during employment, as set forth below;
- 6 (h) Violation of Labor Code sections 201 and 202 for failure to pay all
7 earned wages upon termination, as set forth below;
- 8 (i) Violation of Labor Code section 1198 and the applicable IWC Wage
9 Order for failure to pay reporting time pay when Plaintiff and other non-
10 party Aggrieved Employees were put to work for less than half of their
11 usual or scheduled shifts, as set forth below; and
- 12 (j) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff
13 and other non-party Aggrieved Employees for all business expenses
14 necessarily incurred, as set forth below.

15 **FAILURE TO PAY OVERTIME**

16 **VIOLATION OF LABOR CODE SECTIONS 510 AND 1198**

17 54. Labor Code section 1198 makes it illegal to employ an employee under
18 conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor
19 Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission
20 shall be the . . . standard conditions of labor for employees. The employment of any employee
21 . . . under conditions of labor prohibited by the order is unlawful.”

22 55. California Labor Code section 1198 and the applicable IWC Wage Order
23 provide that it is unlawful to employ persons without compensating them at a rate of pay
24 either time-and-one-half or two-times that person’s regular rate of pay, depending on the
25 number of hours worked by the person on a daily or weekly basis.

26 56. Specifically, the applicable IWC Wage Order provides that Defendants are and
27 were required to pay Plaintiff and other non-party Aggrieved Employees working more than
28 eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and

1 one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty
2 (40) hours in a workweek.

3 57. The applicable IWC Wage Order further provides that Defendants are and were
4 required to pay Plaintiff and other non-party Aggrieved Employees working more than twelve
5 (12) hours in a day, overtime compensation at a rate of two (2) times their regular rate of pay.
6 An employee's regular rate of pay includes all remuneration for employment paid to, or on
7 behalf of, the employee, including nondiscretionary bonuses and incentive pay.

8 58. California Labor Code section 510 codifies the right to overtime compensation
9 at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8)
10 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
11 seventh (7th) day of work, and to overtime compensation at twice the employee's regular rate
12 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
13 in a day on the seventh (7th) day of work.

14 59. During the relevant time period, Defendants willfully failed to pay all overtime
15 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time
16 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums
17 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)
18 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were
19 not recorded.

20 60. First, during the relevant time period, Defendants had, and continue to have, a
21 company-wide policy and/or practice of discouraging and impeding Plaintiff and other non-
22 party Aggrieved Employees from recording hours worked that were outside of their scheduled
23 shifts in order to limit employees' accrual of overtime. This policy of limiting employees'
24 overtime led Plaintiff and other non-party Aggrieved Employees to work off-the-clock outside
25 of their scheduled shift times. In particular, Defendants' management warned Plaintiff and
26 other non-party Aggrieved Employees that they were not allowed to accrue overtime and
27 pressured Plaintiff and other non-party Aggrieved Employees to record their scheduled shift
28 start-times and shift end-times instead of their actual hours worked to limit the overtime hours

1 employees were eligible to be compensated for. This policy of limiting overtime, coupled with
2 Defendants' practices of understaffing while pressuring employees to meet productivity quotas
3 (*see infra*), led Plaintiff and other non-party Aggrieved Employees to work off-the-clock before
4 and after their scheduled shifts in order to complete their assigned tasks. For example, about
5 twice per week, under the threat of discipline, Plaintiff was required to work approximately
6 fifteen (15) minutes off-the-clock after the end of his shifts to complete his job duties such as
7 cleaning food trays and dishes.

8 61. Additionally, Defendants had, and continue to have, a company-wide policy
9 and/or practice requiring Plaintiff and other non-party Aggrieved Employees to respond to
10 work-related communications while off-the-clock before and after their shifts, and on their days
11 off. For example, Plaintiff received phone calls from Defendants' management about work-
12 related issues, such as questions about food orders Plaintiff delivered during his shifts,
13 approximately four (4) times per week, for about five (5) to ten (10) minutes per call. This off-
14 the-clock work could have been recorded by Defendants, but they refused to do so to avoid the
15 payment of additional wages to Plaintiff and other non-party Aggrieved Employees.

16 62. Second, during the relevant time period, Defendants implemented, on a
17 company-wide basis, an employer-imposed requirement that Plaintiff and other non-party
18 Aggrieved Employees undergo mandatory temperature checks and/or health screenings before
19 clocking in for their scheduled shifts. Prior to his shift, Plaintiff was required to spend time
20 waiting for and then undergoing a mandatory temperature check, before being permitted to
21 clock in for his shift. Even though Defendants required these health screenings, Defendants did
22 not provide Plaintiff and other non-party Aggrieved Employees a mechanism to record this time
23 worked so they could be compensated for the time spent undergoing mandatory temperature
24 checks and/or health screenings.

25 63. Third, during the relevant period, Defendants had, and continue to have, a
26 company-wide policy and/or practice of understaffing while pressuring employees to meet
27 productivity quotas and expectations. As an example, Defendants' management pressured
28 Plaintiff into meeting food delivery quotas, including requiring all food orders to be delivered to

1 patrons within a specified period of time from when the order was placed, resulting in a failure
2 to provide Plaintiff and other non-party Aggrieved Employees with adequate meal period
3 coverage. Also, Defendants systematically, and on a company-wide basis, understaffed their
4 facilities, thereby failing to provide adequate meal period coverage to permit employees to take
5 compliant meal periods. Because Defendants did not employ or staff a sufficient number of
6 employees to meet customer demand and company-imposed quotas, there was no one available
7 to relieve employees needing meal period coverage, and Plaintiff and other non-party Aggrieved
8 Employees were not always afforded uninterrupted 30-minute meal periods during shifts when
9 they were entitled to receive a meal period. Moreover, Defendants have a practice of failing to
10 schedule meal periods, which further caused Plaintiff and other non-party Aggrieved Employees
11 to not be relieved of their duties for compliant meal periods. Consequently, Plaintiff and other
12 non-party Aggrieved Employees were required to work through and/or had their unpaid meal
13 periods interrupted in order to complete their assigned duties, handle customer demand, and
14 meet quotas, time for which they were not paid.

15 64. Further, on information and belief, because Defendants frowned upon employees
16 accruing meal period premiums, Defendants' management pressured employees to clock out for
17 meal periods to reflect compliant meal periods, regardless of whether they had received a
18 compliant meal period or not. Additionally, Defendants' company-wide timekeeping system
19 prevented Plaintiff and other non-party Aggrieved Employees from recording all hours worked
20 when their meal periods were shortened or interrupted, because the system locked out Plaintiff
21 and other non-party Aggrieved Employees once they clocked out for a meal period, and would
22 not permit them to clock back in from a meal period before 30 minutes had elapsed. Thus,
23 Defendants did not record all hours worked during meal periods, and Plaintiff and other non-
24 party Aggrieved Employees performed work during meal periods for which they were not paid.

25 65. Fourth, upon information and belief, because Defendants frowned upon
26 employees accruing meal period premiums, Defendants pressured employees who had signed
27 invalid meal period waivers (*see infra*) to clock out before they had worked six (6) hours in a
28 day, in order to limit their eligibility for meal periods they otherwise would have received. As

1 stated, Defendants did not permit Plaintiff to clock in before his scheduled shift start-time or to
2 clock out after his scheduled end-time, but required him to undergo pre-shift temperature checks
3 and continue working after his scheduled shift end-time to complete his job duties. Thus,
4 Plaintiff and other non-party Aggrieved Employees were required to perform work-related tasks
5 off-the-clock because Defendants wanted to avoid paying premiums for missed meal periods.

6 66. Defendants knew or should have known that as a result of these company-wide
7 practices and/or policies, Plaintiff and other non-party Aggrieved Employees were performing
8 their assigned duties off-the-clock outside of their shifts and during meal periods, and were
9 suffered or permitted to perform work for which they were not paid. Because Plaintiff and
10 other non-party Aggrieved Employees worked shifts of eight (8) hours or more a day or forty
11 (40) hours a week or more, some of this off-the-clock work qualified for overtime premium
12 pay. Therefore, Plaintiff and other non-party Aggrieved Employees were not paid overtime
13 wages for all of the overtime hours they actually worked.

14 67. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
15 the balance of overtime compensation as required by California law, violates the provisions of
16 California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved
17 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
18 558 and/or 2699(a), (f), and (k).

19 **FAILURE TO PAY MINIMUM WAGES**

20 **VIOLATION OF LABOR CODE SECTIONS 1182.12, 1194, 1197, AND 1198**

21 68. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
22 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment
23 of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in
24 IWC Wage Order No. 5-2001 as "the time during which an employee is subject to the control
25 of an employer, and includes all the time the employee is suffered or permitted to work,
26 whether or not required to do so." Cal. Code Regs. tit. 8, § 11050(2)(M) (defining "Hours
27 Worked").

28 69. First, as set forth above, as a result of Defendants' policy of limiting the amount

1 of overtime employees could accrue, Defendants had a company-wide policy and/or practice
2 requiring Plaintiff and other non-party Aggrieved Employees to perform work-related tasks
3 while off-the-clock outside of their scheduled shifts, including completing their job duties after
4 their scheduled shift end-times, responding to work-related communications off-the-clock, and
5 undergoing mandatory temperature checks and/or health screenings before clocking in for their
6 scheduled shifts. Defendants failed to track this time Plaintiff and other non-party Aggrieved
7 Employees spent working off-the-clock, and Plaintiff and other non-party Aggrieved Employees
8 received no compensation for this time.

9 70. Second, as set forth above, due to Defendants' policies and/or practices of
10 understaffing while assigning heavy workloads (including pressuring employees to meet
11 productivity quotas), failing to schedule meal periods, and subsequent lack of meal period
12 coverage, Plaintiff and other non-party Aggrieved Employees were impeded from taking all
13 uninterrupted meal periods to which they were entitled and were required to work off-the-clock
14 during meal periods, time for which they were not paid.

15 71. Moreover, as also stated, in order to prevent employees from accruing meal
16 period premiums, Defendants' management pressured Plaintiff and other non-party Aggrieved
17 Employees to clock out for meal periods, even when meal periods were missed, short, and/or
18 interrupted. Similarly, Defendants also pressured Plaintiff and other non-party Aggrieved
19 Employees to clock out before they worked six (6) hours in day to limit their eligibility for meal
20 periods, but required them to perform work outside of their scheduled shifts, time for which they
21 were not paid. Further, as stated, Defendants' timekeeping system prevented Plaintiff and other
22 non-party Aggrieved Employees from entering time worked during meal periods because the
23 system locked out Plaintiff and other non-party Aggrieved Employees for a full 30 minutes.
24 Thus, Defendants systematically failed to pay Plaintiff and other non-party Aggrieved
25 Employees for actual hours worked during unpaid meal periods because these hours were not
26 always correctly recorded.

27 72. Defendants did not pay minimum wages for all hours worked by Plaintiff and
28 other non-party Aggrieved Employees. To the extent that these off-the-clock hours did not

1 qualify for overtime premium payment, Defendants did not pay at least minimum wages for
2 those hours worked off-the-clock in violation of California Labor Code sections 1182.12,
3 1194, 1197, and 1198.

4 73. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
5 minimum wages violates California Labor Code sections 1182.12, 1194, 1197, and 1198.
6 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
7 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

8 **FAILURE TO PROVIDE AND RECORD MEAL PERIODS**
9 **VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198**

10 74. At all relevant times herein set forth, the applicable IWC Wage Order and
11 California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and
12 non-party Aggrieved Employees' employment by Defendants.

13 75. At all relevant times herein set forth, California Labor Code section 512(a)
14 provides that an employer may not require, cause, or permit an employee to work for a period
15 of more than five (5) hours per day without providing the employee with a meal period of not
16 less than thirty (30) minutes, except that if the total work period per day of the employee is
17 not more than six (6) hours, the meal period may be waived by mutual consent of both the
18 employer and the employee. Under California law, first meal periods must start after no more
19 than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012).

20 76. At all relevant times herein set forth, California Labor Code sections 226.7,
21 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
22 meal period mandated by an applicable order of the IWC.

23 77. At all relevant times herein set forth, Labor Code sections 226.7, 512(a), 1198,
24 and the applicable IWC Wage Order also require employers to provide a second meal period
25 of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay
26 an employee one (1) additional hour of pay at the employee's regular rate, except that if the
27 total hours worked is no more than twelve (12) hours, the second meal period may be waived
28 by mutual consent of the employer and the employee only if the first meal period was not

1 waived.

2 78. During the relevant time period, as stated, Defendants had, and continue to have,
3 company-wide policies and/or practices of understaffing while assigning heavy workloads,
4 including implementing productivity quotas, which has resulted in a lack of meal period
5 coverage and prevented Plaintiff and other non-party Aggrieved Employees from taking all
6 timely, uninterrupted meal periods to which they were entitled. Further, as stated, Defendants
7 had a company-wide policy and/or practice of failing to schedule meal periods, which further
8 caused Plaintiff and other non-party Aggrieved Employees to not be relieved of their duties for
9 compliant meal periods. As a result, Plaintiff and other non-party Aggrieved Employees had to
10 work through all or part of their meal periods, had their meal periods interrupted, and/or had to
11 wait extended periods of time before taking meal periods.

12 79. Additionally, as stated, Defendants' company-wide timekeeping system
13 prevented Plaintiff and other non-party Aggrieved Employees from recording when their meal
14 periods were shortened or interrupted, because the system locked out Plaintiff and other non-
15 party Aggrieved Employees once they clocked out for a meal period, and would not permit them
16 to clock back in from a meal period before 30 minutes had elapsed. Plaintiff and other non-
17 party Aggrieved Employees did not sign valid meal period waivers on days that they were
18 entitled to meal periods and were not relieved of all duties.

19 80. Moreover, Defendants had a company-wide policy of requiring all newly hired
20 employees to sign blanket meal period waivers at or near their time of hire. Defendants took the
21 position that non-exempt, hourly paid employees had waived their rights to first meal periods
22 for the entirety of their employment and, on that basis, did not provide them with all meal
23 periods to which they were entitled. Further, Defendants' "Short-Shift Lunch Waiver" form
24 requires employees to provide written notice should they wish to revoke the waiver.
25 Defendants' presumption that meal periods would not be provided for shifts in excess of five (5)
26 hours but less than six (6) hours, due to blanket meal period waivers signed at or near the time
27 of hire, and imposition on employees to revoke the waivers in writing, discouraged and impeded
28 Plaintiff and other non-party Aggrieved Employees from taking all meal periods to which they

1 were entitled. For example, Defendants did not provide Plaintiff a meal period approximately
2 three (3) to four (4) times per week as a result of Defendants' position that he was not entitled to
3 a meal period on his shifts in excess of five (5) hours but less than six (6) hours.

4 81. Furthermore, an employer's obligation to provide a meal period is only
5 "triggered" when the employer "employs an employee for a work period of more than five hours
6 per day." *Brinker*, 53 Cal. 4th at 1039 ("If an employer engages, suffers, or permits anyone to
7 work for a full five hours, its meal break obligation is triggered.").

8 [A]fter the meal break obligation is triggered . . . an employer is put to a
9 choice: it must (1) afford an off-duty meal period; (2) consent to a
10 mutually agreed-upon waiver if one hour or less will end the shift; or (3)
11 obtain written agreement to an on-duty meal period if circumstances
permit. Failure to do one of these will render the employer liable for
premium pay.

12 *Id.* (citing Cal. Labor Code § 226.7; Wage Order No. 5, subd. 11(A), (B)). That Defendants
13 required Plaintiff and other non-party Aggrieved Employees to sign meal period waivers
14 simultaneously at or near their time of hire (as opposed to on a specific work day) renders them
15 invalid and unenforceable, because Defendants' obligation to provide Plaintiff and other non-
16 party Aggrieved Employees with meal periods did not arise until Defendants had employed
17 them for a full five (5) hours.

18 82. At all times herein mentioned, Defendants knew or should have known that, as
19 a result of these policies, Plaintiff and other non-party Aggrieved Employees were prevented
20 from being relieved of all duties and required to perform some of their assigned duties during
21 meal periods. Defendants further knew or should have known that Defendants did not pay
22 Plaintiff and other non-party Aggrieved Employees meal period premiums when meal periods
23 were late, interrupted, shortened, or missed. As stated, on information and belief, because
24 Defendants frowned upon employees accruing meal period premiums, Defendants' management
25 pressured Plaintiff and other non-party Aggrieved Employees who had signed invalid meal
26 period waivers (*see supra*) to clock out before they had worked six (6) hours in a day but
27 required them to work off-the-clock to limit their eligibility for meal periods. Thus, Defendants
28 failed to provide Plaintiff and other non-party Aggrieved Employees with compliant, 30-minute

1 meal periods altogether when they were scheduled for shifts of more than five (5) hours.

2 83. Moreover, Defendants engaged in a company-wide practice and/or policy of
3 not paying meal period premiums owed when compliant meal periods are not provided.
4 Because of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees
5 have not received premium pay for all missed, late, and interrupted meal periods.

6 84. Defendants' conduct violates the applicable IWC Wage Order, and California
7 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved
8 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
9 558 and/or 2699(a), (f), and (k).

10 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**

11 **VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198**

12 85. At all relevant times herein set forth, the applicable IWC Wage Order and
13 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff's and other
14 non-party Aggrieved Employees' employment by Defendants.

15 86. At all relevant times, the applicable IWC Wage Order provides that "[e]very
16 employer shall authorize and permit all employees to take rest periods, which insofar as
17 practicable shall be in the middle of each work period" and that the "rest period time shall be
18 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
19 hours or major fraction thereof" unless the total daily work time is less than three and one-half
20 (3 ½) hours.

21 87. At all relevant times, California Labor Code section 226.7 provides that no
22 employer shall require an employee to work during any rest period mandated by an applicable
23 order of the California IWC. To comply with its obligation to authorize and permit rest
24 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
25 employer must "relinquish any control over how employees spend their break time, and
26 relieve their employees of all duties—including the obligation that an employee remain on
27 call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services,*
28 *Inc.*, 2 Cal. 5th 257, 273 (2016).

1 88. Pursuant to the applicable IWC Wage Order and California Labor Code section
2 226.7(c), Plaintiff and other non-party Aggrieved Employees are entitled to recover from
3 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a
4 required rest period was not authorized and permitted.

5 89. During the relevant time period, Defendants regularly failed to authorize and
6 permit Plaintiff and other non-party Aggrieved Employees to take a ten (10) minute rest period
7 per each four (4) hour period worked or major fraction thereof. As with meal periods,
8 Defendants' company-wide practice of understaffing while assigning heavy workloads,
9 including implementing productivity quotas, resulted in a lack of rest period coverage and
10 prevented Plaintiff and other non-party Aggrieved Employees from being relieved of all duty in
11 order to take compliant rest periods. Defendants also failed to schedule rest periods, which,
12 coupled with Defendants' failure to provide adequate rest period coverage, further led to
13 Plaintiff and other non-party Aggrieved Employees not being authorized and permitted to take
14 rest periods.

15 90. In addition, Defendants engaged in a company-wide policy and/or practice
16 requiring that Plaintiff and other non-party Aggrieved Employees carry company-issued radio
17 devices and/or mobile devices during rest periods to respond to work-related questions and
18 requests, which prevented Plaintiff and other non-party Aggrieved Employees from being able
19 to take uninterrupted rest periods.

20 91. Furthermore, upon information and belief, during the relevant time period,
21 Defendants maintained a company-wide on-premises rest period policy, which effectively
22 required that Plaintiff and other non-party Aggrieved Employees remain on the work premises
23 during their rest periods. Because Plaintiff and other non-party Aggrieved Employees were
24 restricted from leaving the premises during rest periods, they were denied the ability to use their
25 rest periods freely for their own purposes, such as running personal errands. Thus, Defendants
26 effectively maintained control over Plaintiff and other non-party Aggrieved Employees during
27 rest periods.

28 92. As a result of Defendants' practices and policies, Plaintiff and other non-party

1 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
2 excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they
3 were entitled. For example, throughout his employment, Plaintiff regularly worked through his
4 rest periods because the kitchen was busy and did not have coverage.

5 93. Defendants have also engaged in a company-wide practice and/or policy of not
6 paying rest period premiums owed when compliant rest periods are not authorized and
7 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
8 Employees have not received premium pay for all missed rest periods.

9 94. Defendants' conduct violates the applicable IWC Wage Order and California
10 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved
11 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
12 558 and/or 2699(a), (f), and (k).

13 **FAILURE TO PROVIDE AND MAINTAIN COMPLIANT WAGE STATEMENTS**
14 **VIOLATION OF LABOR CODE SECTIONS 226(a), 1174(d), AND 1198**

15 95. At all relevant times herein, California Labor Code section 226(a) provides that
16 every employer shall furnish each of his or her employees an accurate and complete itemized
17 wage statement in writing, including, but not limited to, the name and address of the legal
18 entity that is the employer, the inclusive dates of the pay period, total hours worked, and all
19 applicable rates of pay.

20 96. During the relevant time period, Defendants have knowingly and intentionally
21 provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and
22 inaccurate wage statements. For example, Defendants issued uniform wage statements to
23 Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages
24 earned; total hours worked; net wages earned; and all applicable hourly rates in effect during
25 the pay period, including rates of pay for overtime wages, and the corresponding number of
26 hours worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1),
27 226(a)(2), 226(a)(5), and 226(a)(9).

28 97. Because Defendants did not record the time Plaintiff and other non-party

1 Aggrieved Employees spent working off-the-clock and deducted time for their meal periods
2 that were missed and/or interrupted (and therefore time for which they should have been paid),
3 Defendants did not list the correct amount of gross wages and net wages earned by Plaintiff
4 and other non-party Aggrieved Employees, in compliance with section 226(a)(1) and section
5 226(a)(5). For the same reason, Defendants failed to accurately list the total number of the
6 hours worked by Plaintiff and other non-party Aggrieved Employees, in violation of section
7 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period
8 and the corresponding accurate number of hours worked at each hourly rate, in violation of
9 section 226(a)(9).

10 98. The wage statement deficiencies also include, among other things, failing to list
11 the number of piece-rate units earned and any applicable piece rate if the employee is paid on
12 a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period
13 for which aggrieved employees were paid; failing to list the name of the employee and only
14 the last four digits of his or her social security number or an employee identification number
15 other than a social security number; failing to list the name and address of the legal entity that
16 is the employer; and/or failing to state all hours worked as a result of not recording or stating
17 hours worked off-the-clock.

18 99. California Labor Code section 1174(d) provides that “[e]very person employing
19 labor in this state shall . . . [k]eep a record showing the names and addresses of all employees
20 employed and the ages of all minors” and “[k]eep, at a central location in the state or at the
21 plants or establishments at which employees are employed, payroll records showing the hours
22 worked daily by and the wages paid to, and the number of piece-rate units earned by and any
23 applicable piece rate paid to, employees employed at the respective plants or
24 establishments” Labor Code section 1174.5 provides that employers are subject to a
25 \$500 civil penalty if they fail to maintain accurate and complete records as required by section
26 1174(d). At all relevant times, and in violation of Labor Code section 1174(d), Defendants
27 willfully failed to maintain accurate payroll records for Plaintiff and other non-party
28 Aggrieved Employees showing the daily hours they worked and the wages paid thereto as a

1 result of failing to record the off-the-clock hours that they worked.

2 100. California Labor Code section 1198 provides that the maximum hours of work
3 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
4 set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he
5 employment of any employees for longer hours than those fixed by the order or under
6 conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC
7 Wage Order, employers are required to keep accurate time records showing when the
8 employee begins and ends each work period and meal period. During the relevant time
9 period, Defendants engaged in company-wide practices and/or policies of failing to record
10 actual hours worked, and thereby failed to keep accurate records of meal period start and end
11 times for Plaintiff and other non-party Aggrieved Employees, in violation of section 1198.

12 101. Defendants’ conduct violates California Labor Code sections 226(a), 1174(d),
13 and 1198. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover
14 civil penalties pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

15 **FAILURE TO PAY WAGES DURING EMPLOYMENT**

16 **VIOLATION OF LABOR CODE SECTION 204**

17 102. At all relevant times herein set forth, California Labor Code section 204
18 requires that all wages earned by any person in any employment between the 1st and the 15th
19 days, inclusive, of any calendar month, other than those wages due upon termination of an
20 employee, are due and payable between the 16th and the 26th day of the month during which
21 the labor was performed. Labor Code section 204 further provides that all wages earned by
22 any person in any employment between the 16th and the last day, inclusive, of any calendar
23 month, other than those wages due upon termination of an employee, are due and payable
24 between the 1st and the 10th day of the following month.

25 103. At all relevant times herein, California Labor Code section 204 also requires
26 that all wages earned for labor in excess of the normal work period shall be paid no later than
27 the payday for the next regular payroll period. Alternatively, at all relevant times herein,
28 Labor Code section 204 provides that the requirements of this section are deemed satisfied by

1 the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not
2 more than seven (7) calendar days following the close of the payroll period.

3 104. During the relevant time period, Defendants willfully failed to pay Plaintiff and
4 other non-party Aggrieved Employees all wages due to them including, but not limited to,
5 overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay,
6 within any time period specified by California Labor Code section 204.

7 105. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
8 recover civil penalties pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

9 **FAILURE TO PAY WAGES UPON TERMINATION**

10 **VIOLATION OF LABOR CODE SECTIONS 201 AND 202**

11 106. At all times relevant herein set forth, Labor Code sections 201 and 202 provide
12 that if an employer discharges an employee, the wages earned and unpaid at the time of
13 discharge are due and payable immediately, and that if an employee voluntarily leaves his or
14 her employment, his or her wages shall become due and payable not later than seventy-two
15 (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of
16 his or her intention to quit, in which case the employee is entitled to his or her wages at the
17 time of quitting.

18 107. Defendants willfully failed to pay Plaintiff and other non-party Aggrieved
19 Employees who are no longer employed by Defendants the earned and unpaid wages set forth
20 above, including but not limited to, overtime wages, minimum wages, meal and rest period
21 premiums, and/or reporting time pay, either at the time of discharge, or within seventy-two
22 (72) hours of their leaving Defendants' employ.

23 108. Defendants' failure to pay Plaintiff and those non-party Aggrieved Employees
24 who are no longer employed by Defendants their wages earned and unpaid at the time of
25 discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates
26 Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are
27 therefore entitled to recover civil penalties pursuant to Labor Code sections 256 and/or
28 2699(a), (f), and (k).

FAILURE TO PAY REPORTING TIME PAY
VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF
REGULATIONS TITLE 8, SECTION 11050 SUBDIVISION 5(A)

109. California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

110. California Code of Regulations, Title 8, section 11050(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

111. During the relevant time period, Defendants violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A), because Defendants failed to pay Plaintiff and other non-party Aggrieved Employees reporting time pay when they reported to work for their usual or scheduled shift but were put to work for less than half of the usual or scheduled day’s work.

112. Defendants had a company-wide practice of sending Plaintiff and other non-party Aggrieved Employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay Plaintiff and other non-party Aggrieved Employees for half of their usual or scheduled shift. For example, when scheduled to work a shift of six (6) hours, Defendants’ managers sent Plaintiff home within one (1) hour

1 after the start of his shift because business was slow. Although Plaintiff and other non-party
2 Aggrieved Employees would report to work based on the schedule that Defendants provided
3 to them, Defendants would send them home before they worked at least half of their usual or
4 scheduled shifts. When this occurred, Defendants did not pay Plaintiff and other non-party
5 Aggrieved Employees for at least half of their scheduled day's work or the minimum
6 reporting time pay.

7 113. Accordingly, Plaintiff and other non-party Aggrieved Employees were not
8 properly compensated with reporting time pay in violation of California Labor Code section
9 1198 and California Code of Regulations, Title 8, section 11050(5)(A). Plaintiff and other
10 non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to
11 Labor Code sections 2699(a), (f), and (k).

12 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

13 **VIOLATION OF LABOR CODE SECTION 2802**

14 114. At all times herein set forth, California Labor Code section 2802 provides that
15 an employer must reimburse employees for all necessary expenditures and losses incurred by
16 the employee in the performance of his or her job. The purpose of Labor Code section 2802 is
17 to prevent employers from passing off their cost of doing business and operating expenses on
18 to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144
19 (2014). The applicable wage order, IWC Wage Order No. 5-2001, provides that: "[w]hen tools
20 or equipment are required by the employer or are necessary to the performance of a job, such
21 tools and equipment shall be provided and maintained by the employer, except that an employee
22 whose wages are at least two (2) times the minimum wage provided herein may be required to
23 provide and maintain hand tools and equipment customarily required by the trade or craft."

24 115. During the relevant time period, Defendants, on a company-wide basis, required
25 that Plaintiff and other non-party Aggrieved Employees use their own personal mobile devices,
26 including, but not limited to, cellular phones, and/or mobile data to carry out their job duties but
27 failed to reimburse them for the costs of their work-related mobile device and/or mobile data
28 expenses. For example, Plaintiff was required to use his personal cellular phone to

1 communicate with his managers about work-related issues and questions, such as questions about
2 food deliveries made during his shifts. Although Defendants required Plaintiff and other non-
3 party Aggrieved Employees to utilize their personal mobile devices and/or mobile data to carry
4 out their work-related responsibilities, Defendants failed to reimburse them for these costs.

5 116. Defendants could have provided Plaintiff and other non-party Aggrieved
6 Employees with the actual equipment for use on the job, such as company mobile devices, or
7 Defendants could have reimbursed employees for the costs of their mobile device usage.
8 Instead, Defendants passed these operating costs onto Plaintiff and other non-party Aggrieved
9 Employees. At all relevant times, Plaintiff did not earn at least two (2) times the minimum
10 wage.

11 117. Defendants' company-wide policy and/or practice of not reimbursing
12 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
13 and other non-party Aggrieved Employees violates California Labor Code section 2802.
14 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
15 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

16 **REQUEST FOR JURY TRIAL**

17 Plaintiff requests a trial by jury.

18 **PRAYER FOR RELIEF**

19 Plaintiff, on behalf of all other non-party Aggrieved Employees, prays for relief and
20 judgment against Defendants, jointly and severally, as follows:

21 1. For civil penalties, injunctive relief, and attorneys' fees in excess of twenty-five
22 thousand dollars (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a
23 different amount.

24 **As to the First Cause of Action**

25 2. That the Court declare, adjudge and decree that Defendants violated the
26 following California Labor Code provisions as to Plaintiff and other non-party Aggrieved
27 Employees: 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197,
28 and 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516,

1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage statements and maintain accurate payroll records); 204 (by failing to timely pay all earned wages during employment); 201 and 202 (by failing to timely pay all earned wages upon termination); 1198 and the applicable IWC Wage Order (by failing to provide reporting time pay); and 2802 (by failing to reimburse business expenses);

3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 256, 558, 1174.5, 2699(a), (f), and (k), for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802;

4. For injunctive relief pursuant to California Labor Code sections 1194.5 and/or 2699(k) to bring Defendants into compliance with the requirements of the applicable IWC Wage Order and California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, and 1198, and 2802;

5. For attorneys' fees and costs pursuant to California Labor Code section 2699(k)(1), and any and all other relevant statutes, for Defendants' violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, and 1198, and 2802;

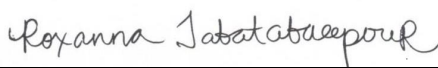
6. For pre-judgment and post-judgment interest as provided by law; and

7. For such other and further relief as the Court may deem equitable and appropriate.

Dated: June 10, 2025

Respectfully submitted,

Capstone Law APC

By: 

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Ryan Tish

Alexander Wallin

Attorneys for Plaintiff Lito De Guzman

EXHIBIT “1”



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April 4, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.govfa.net/308>)

Subject: *Lito De Guzman v. Pebble Beach Company, a Limited Partnership, et al.*

Dear PAGA Administrator:

This office represents Lito De Guzman in connection with his claims under the California Labor Code. Mr. De Guzman was an employee of PEBBLE BEACH COMPANY, A LIMITED PARTNERSHIP; PEBBLE BEACH CORPORATION; PEBBLE BEACH REALTY COMPANY; and/or THE PEBBLE BEACH COMPANY FOUNDATION. For the purpose of this letter, Mr. De Guzman collectively refers to these entities as “PBC.”

The employers may be contacted directly at the addresses below:

PEBBLE BEACH COMPANY, A LIMITED
PARTNERSHIP
2700 17-MILE DRIVE
PEBBLE BEACH, CA 93955

PEBBLE BEACH CORPORATION
2700 17-MILE DR
PEBBLE BEACH, CA 93953

PEBBLE BEACH REALTY COMPANY
2700 17-MILE DR
PEBBLE BEACH, CA 93953

THE PEBBLE BEACH COMPANY FOUNDATION
2700 17-MILE DRIVE
PEBBLE BEACH, CA 93953

Mr. De Guzman intends 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.*, the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Mr. De Guzman seeks relief on behalf of himself, the State of California, and other persons who are or were employed by PBC as a non-exempt, hourly paid employees in California and who received at least one wage statement (“aggrieved employees”). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

PBC employed Mr. De Guzman as an hourly paid, non-exempt employee from approximately September 2017 to December 2024. Mr. De Guzman worked as a Server at PBC’s hotel named The Inn at Spanish Bay located in Pebble Beach, California. During his employment, Mr. De Guzman

typically worked six (6) to eight (8) or more hours per day and five (5) days or more per week. At the time his employment ended, Mr. De Guzman was compensated approximately \$16.00 per hour. His job duties included, without limitation, taking food orders, preparing food orders, and delivering food orders to hotel guests.

PBC committed each of the following Labor Code violations against Mr. De Guzman, the facts and theories of which follow, making him an “aggrieved employee” pursuant to California Labor Code section 2699(c)(1):¹

PBC’s Company-Wide and Uniform Payroll and HR Practices

PEBBLE BEACH COMPANY, A LIMITED PARTNERSHIP is a California limited partnership. PEBBLE BEACH CORPORATION and PEBBLE BEACH REALTY COMPANY are California stock corporations. THE PEBBLE BEACH COMPANY FOUNDATION is a California nonprofit corporation. Together, they own and operate a collection of luxury resorts, golf courses, fine dining establishments, and related hospitality services across eight (8) locations in California. Upon information and belief, PBC maintains a single, centralized Human Resources (“HR”) department at its company headquarters in Pebble Beach, California, which is responsible for the recruiting and hiring of new employees, and communicating and implementing PBC’s company-wide policies, including timekeeping policies and meal and rest period policies, to employees throughout California. At all relevant times, PBC issued and maintained standardized documents and/or written policies, including new hire documents and/or policies, to all non-exempt, hourly paid employees in California, including Mr. De Guzman and other aggrieved employees, regardless of their location or position.

Upon information and belief, PBC also maintains a centralized Payroll department at its company headquarters in Pebble Beach, California, which processes payroll for all non-exempt, hourly paid employees working for PBC at its various locations in California, including Mr. De Guzman and other aggrieved employees. Further, PBC issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees in California, including Mr. De Guzman and other aggrieved employees, irrespective of their location, position, or manner in which each employee’s employment ended. In other words, PBC utilized the same methods and formulas when calculating wages due to Mr. De Guzman and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required

¹ These facts, theories, and claims are based on Mr. De Guzman’s experience and counsel’s review of those records currently available relating to Mr. De Guzman’s employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law’s requirements, the employer misinformed its employee of the law’s requirements, or because the employer effectively hid the violations). Thus, Mr. De Guzman reserves the right to supplement this letter with additional facts, theories, and claims if he becomes aware of them subsequent to the submission of this letter.

to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

During the relevant time period, PBC willfully failed to pay all overtime wages owed to Mr. De Guzman and other aggrieved employees. More specifically, Mr. De Guzman and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were not recorded.

First, during the relevant time period, upon information and belief, PBC had, and continues to have, a company-wide policy and/or practice of discouraging and impeding Mr. De Guzman and other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit employees' accrual of overtime. This policy of limiting employees' overtime led Mr. De Guzman and other aggrieved employees to work off-the-clock outside of their scheduled shift times. In particular, PBC's management warned Mr. De Guzman and other aggrieved employees that they were not allowed to accrue overtime and pressured Mr. De Guzman and other aggrieved employees to record their scheduled shift start-times and shift end-times instead of their actual hours worked to limit the overtime hours employees were eligible to be compensated for. This policy of limiting overtime, coupled with PBC's practices of understaffing while pressuring employees to meet productivity quotas (*see infra*), led Mr. De Guzman and other aggrieved employees to work off-the-clock before and after their scheduled shifts in order to complete their assigned tasks. For example, about twice per week, under the threat of discipline, Mr. De Guzman was required to work approximately fifteen (15) minutes off-the-clock after the end of his shifts to complete his job duties such as cleaning food trays and dishes.

Additionally, PBC had, and continues to have, a company-wide policy and/or practice requiring Mr. De Guzman and other aggrieved employees to respond to work-related communications while off-the-clock before and after their shifts, and on their days off. For example, Mr. De Guzman received phone calls from PBC's management about work-related issues, such as questions about the food orders Mr. De Guzman had delivered during his shifts, approximately four (4) times per week, lasting about five (5) to ten (10) minutes per call. This off-the-clock work could have been recorded by PBC, but it refused to do so to avoid the payment of additional wages to Mr. De Guzman and other aggrieved employees.

Second, during the relevant time period, PBC implemented, on a company-wide basis, an employer-imposed requirement that Mr. De Guzman and other aggrieved employees undergo mandatory temperature checks and/or health screenings before clocking in for their scheduled shifts. Prior to his shift, Mr. De Guzman was required to spend time waiting for and then undergoing a mandatory temperature check, before being permitted to clock in for his shift. Even though PBC required these health screenings, PBC did not provide Mr. De Guzman and other aggrieved employees a mechanism to record this time worked so they could be compensated for the time spent undergoing mandatory temperature checks and/or health screenings.

Third, during the relevant time period, PBC had, and continues to have, a company-wide policy and/or practice of understaffing while pressuring employees to meet productivity quotas and expectations. As an example, PBC's management pressured Mr. De Guzman into meeting food delivery quotas, including requiring all food orders to be delivered to patrons within a specified

period of time from when the order was placed, resulting in a failure to provide Mr. De Guzman and other aggrieved employees with adequate meal period coverage. Also, PBC systematically, and on a company-wide basis, understaffed its facilities, thereby failing to provide adequate meal period coverage to permit employees to take compliant meal periods. Because PBC did not employ or staff a sufficient number of employees to meet customer demand and company-imposed quotas, there was no one available to relieve employees needing meal period coverage, and Mr. De Guzman and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. Moreover, PBC has a practice of failing to schedule meal periods, which further caused Mr. De Guzman and other aggrieved employees to not be relieved of their duties for compliant meal periods. Consequently, Mr. De Guzman and other aggrieved employees were required to work through and/or had their unpaid meal periods interrupted in order to complete their assigned duties, handle customer demand, and meet quotas, time for which they were not paid.

Further, on information and belief, because PBC frowned upon employees accruing meal period premiums, PBC's management pressured employees to clock out for meal periods to reflect compliant meal periods, regardless of whether they had received a compliant meal period or not. Additionally, PBC's company-wide timekeeping system prevented Mr. De Guzman and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked Mr. De Guzman and other aggrieved employees out once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. Thus, PBC did not record all hours worked during meal periods, and Mr. De Guzman and other aggrieved employees performed work during meal periods for which they were not paid.

Fourth, upon information and belief, because PBC frowned upon employees accruing meal period premiums, PBC pressured employees who had signed invalid meal period waivers (*see infra*) to clock out before they had worked six (6) hours in a day, in order to limit their eligibility for meal periods they otherwise would have received. As stated, PBC did not permit Mr. De Guzman to clock in before his scheduled shift start-time or to clock out after his scheduled end-time, but required him to undergo pre-shift temperature checks and continue working after his scheduled shift end-time to complete his job duties. Thus, Mr. De Guzman and other aggrieved employees were required to perform work-related tasks off-the-clock because PBC wanted to avoid paying premiums for missed meal periods.

PBC knew or should have known that as a result of these company-wide practices and/or policies, Mr. De Guzman and other aggrieved employees were performing their assigned duties off-the-clock before and after their shifts and during meal periods, and were suffered or permitted to perform work for which they were not paid. Because Mr. De Guzman and other aggrieved employees worked shifts of eight (8) hours or more a day, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Mr. De Guzman and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

PBC's failure to pay Mr. De Guzman and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code sections 510 and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 1182.12, 1182.14, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1182.14, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 5-2001 as “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.” Cal. Code Regs. Tit. 8, § 11050(2)(M) (defining “Hours Worked”).

As set forth above, as a result of PBC’s policies and/or practices of limiting the amount of overtime employees could accrue, PBC required Mr. De Guzman and other aggrieved employees to perform work-related tasks while off-the-clock outside of their scheduled shifts, including completing their job duties after their scheduled shift end-times, responding to work-related communications off-the-clock, and undergoing mandatory temperature checks and/or health screenings before clocking in for their scheduled shifts. PBC failed to track this time Mr. De Guzman and other aggrieved employees spent working off-the-clock, and Mr. De Guzman and other aggrieved employees received no compensation for this time.

Second, as set forth above, due to PBC’s policies and/or practices of understaffing while assigning heavy workloads (including pressuring employees to meet productivity quotas), failing to schedule meal periods, and subsequent lack of meal period coverage, Mr. De Guzman and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock during meal periods, time for which they were not paid.

Moreover, as also stated, in order to prevent employees from accruing meal period premiums, PBC’s management pressured Mr. De Guzman and other aggrieved employees to clock out for meal periods, even when meal periods were missed, short, and/or interrupted. Similarly, as stated, PBC also pressured Mr. De Guzman and other aggrieved employees to clock out before they worked six (6) hours in day to limit their eligibility for meal periods, but required them to perform work outside of their scheduled shifts, time for which they were not paid. Further, as stated, PBC’s timekeeping system prevented Mr. De Guzman and other aggrieved employees from entering time worked during meal periods because the system locked out Mr. De Guzman and other aggrieved employees for a full 30 minutes. Thus, PBC systematically failed to pay Mr. De Guzman and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

PBC did not pay at least minimum wages for all hours worked by Mr. De Guzman and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, PBC did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1182.14, 1194, 1197, 1197.1, and 1198.

Accordingly, PBC regularly failed to pay at least minimum wages to Mr. De Guzman and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1182.14, 1194, 1197, 1197.1, and 1198. Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code sections 1182.12, 1182.14, 1194, 1197, 1197.1, and 1198, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

During the relevant time period, as stated, PBC had, and continues to have, company-wide policies and/or practices of understaffing while assigning heavy workloads, including implementing productivity quotas, which has resulted in a lack of meal period coverage and prevented Mr. De Guzman and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. Further, as stated, PBC had a company-wide policy and/or practice of failing to schedule meal periods, which further caused Mr. De Guzman and other aggrieved employees to not be relieved of their duties for compliant meal periods. As a result, Mr. De Guzman and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods.

Additionally, as stated, PBC's company-wide timekeeping system prevented Mr. De Guzman and other aggrieved employees from recording when their meal periods were shortened or interrupted, because the system locked out Mr. De Guzman and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. Mr. De Guzman and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

Moreover, PBC had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. PBC took the position that non-exempt, hourly paid employees had waived their rights to first meal periods for the entirety of their employment and, on that basis, did not provide them with all meal periods to which they were entitled. Further, PBC's "Short-Shift Lunch Waiver" form requires employees to provide written notice should they wish to revoke the waiver. PBC's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours, due to blanket meal period waivers signed at or near the time of hire, and imposition on employees to revoke the waivers in writing, discouraged and impeded Mr. De Guzman and other aggrieved employees from taking all meal periods to which they were entitled. For example, PBC did not provide Mr. De Guzman a meal period approximately three (3) to four (4) times per week as a result of PBC's position that he was not entitled to a meal period on his shifts in excess of five (5) hours but less than six (6) hours.

Furthermore, an employer's obligation to provide a meal period is only "triggered" when the employer "employs an employee for a work period of more than five hours per day." *Brinker*, 53 Cal. 4th at 1039 ("If an employer engages, suffers, or permits anyone to work for a full five hours, its meal break obligation is triggered.").

[A]fter the meal break obligation is triggered . . . an employer is put to a choice: it must (1) afford an off-duty meal period; (2) consent to a mutually agreed-upon waiver if one hour or less will end the shift; or (3) obtain written agreement to an on-duty meal period if circumstances permit. Failure to do one of these will render the employer liable for premium pay.

Id. (citing Cal. Labor Code § 226.7; Wage Order No. 5, subd. 11(A), (B)). That PBC required Mr. De Guzman and other aggrieved employees to sign meal period waivers simultaneously at or near their time of hire (as opposed to on a specific work day) renders them invalid and unenforceable, because PBC's obligation to provide Mr. De Guzman and other aggrieved employees with meal periods did not arise until PBC had employed them for a full five (5) hours.

At all times herein mentioned, PBC knew or should have known that, as a result of these policies, Mr. De Guzman and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. PBC further knew or should have known that it did not pay Mr. De Guzman and other aggrieved employees meal period premiums when meal periods were late, missed, shortened, or interrupted. As stated, on information and belief, because PBC frowned upon employees accruing meal period premiums, PBC's management pressured Mr. De Guzman and other aggrieved employees who had signed invalid meal period waivers (*see supra*) to clock out before they had worked six (6) hours in a day but required them to work off-the-clock to limit their eligibility for meal periods. Thus, PBC failed to provide Mr. De Guzman and other aggrieved employees with compliant, 30-minute meal periods altogether when they were scheduled for shifts of more than five (5) hours.

Moreover, PBC engaged in a company-wide policy and/or practice of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this policy and/or practice, Mr. De Guzman and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods.

Accordingly, PBC failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 512(a), 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which

insofar as practicable shall be in the middle of each work period” and that the “rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, PBC regularly failed to authorize and permit Mr. De Guzman and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, PBC’s company-wide practice of understaffing while implementing productivity quotas resulted in a lack of rest period coverage and prevented Mr. De Guzman and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. PBC also failed to schedule rest periods, which, coupled with PBC’s failure to provide adequate rest period coverage, further led to Mr. De Guzman and other aggrieved employees not being authorized and permitted to take rest periods.

In addition, PBC engaged in a company-wide policy and/or practice requiring that Mr. De Guzman and other aggrieved employees carry company-issued radio devices and/or mobile devices during rest periods to respond to work-related questions and requests, which prevented Mr. De Guzman and other aggrieved employees from being able to take uninterrupted rest periods.

Furthermore, upon information and belief, during the relevant time period, PBC maintained a company-wide on-premises rest period policy, which effectively required that Mr. De Guzman and other aggrieved employees remain on the work premises during their rest periods. Because Mr. De Guzman and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, PBC effectively maintained control over Mr. De Guzman and other aggrieved employees during rest periods.

As a result of PBC’s practices and policies, Mr. De Guzman and other aggrieved employees worked shifts in excess of three and one-half hours (3 ½) hours, in excess of six (6) hours, and/or in excess of ten (10) hours without receiving all uninterrupted rest periods to which they were entitled. For example, throughout his employment, Mr. De Guzman regularly worked through his rest periods because the kitchen was busy and did not have coverage.

PBC has also engaged in a systematic, company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. De Guzman and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, PBC failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. PBC has not provided Mr. De Guzman and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, PBC has knowingly and intentionally provided Mr. De Guzman and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, PBC issued uniform wage statements to Mr. De Guzman and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, and the corresponding number of hours worked at each hourly rate. Specifically, PBC violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because PBC did not record the time Mr. De Guzman and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), PBC did not list the correct amount of gross wages and net wages earned by Mr. De Guzman and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, PBC failed to accurately list the total number of hours worked by Mr. De Guzman and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, 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” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section

1174(d), PBC willfully failed to maintain accurate payroll records for Mr. De Guzman and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, PBC engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Mr. De Guzman and other aggrieved employees, in violation of section 1198.

Because PBC failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. De Guzman and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Mr. De Guzman and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code sections 226(a), 1174(d), and 1198, pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, PBC willfully failed to pay Mr. De Guzman and other aggrieved employees all wages due including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within the time periods specified by California Labor Code section 204.

Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with Labor Code section 204, pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

PBC willfully failed to pay Mr. De Guzman and other aggrieved employees who are no longer employed by PBC the earned and unpaid wages set forth above, including but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving PBC's employ.

Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with Labor Code sections 201 and 202, pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 5(A) – Failure to Pay Reporting Time Pay

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

California Code of Regulations, Title 8, section 11050(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, PBC violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A), because PBC failed to pay Mr. De Guzman and other aggrieved employees reporting time pay when they reported to work for their usual or scheduled shift but were put to work for less than half of their usual or scheduled day's work.

PBC had a company-wide practice of sending Mr. De Guzman and other aggrieved employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay Mr. De Guzman and other aggrieved employees for half of their scheduled shift.

For example, when scheduled to work a shift of at least six (6) hours, PBC's managers sent Mr. De Guzman home within one (1) hour after the start of his shift because business was slow. Although Mr. De Guzman and other aggrieved employees reported to work based on the schedule that was provided to them, PBC would send them home before they worked at least half of their usual or scheduled shifts. When this occurred, PBC did not pay Mr. De Guzman and other aggrieved employees for at least half of their scheduled day's work or the minimum reporting time pay.

Accordingly, Mr. De Guzman and other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A). Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code section 1198, pursuant to Labor Code sections 2699(a), (f), and (k).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 5-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft."

During the relevant time period, PBC, on a company-wide basis, required Mr. De Guzman and other aggrieved employees to use their personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties but failed to reimburse them for the costs of their work-related mobile device and/or mobile data expenses. For example, Mr. De Guzman was required to use his personal cellular phone to communicate with his managers about work-related issues and questions, such as questions about food deliveries made during his shifts. Although PBC required Mr. De Guzman and other aggrieved employees to use their personal mobile devices and/or mobile data to carry out their work-related duties, PBC failed to reimburse them for their costs incurred.

PBC could have provided Mr. De Guzman and other aggrieved employees with company mobile devices, or, PBC could have reimbursed employees for the cost of their mobile device usage. Instead, PBC passed these operating costs onto Mr. De Guzman and other aggrieved employees.

Thus, PBC had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. De Guzman and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring PBC into compliance with the applicable IWC Wage Order and Labor Code section 2802, pursuant to Labor Code sections 2699(a), (f), and (k).

California Labor Code § 558(a)

California Labor Code section 558(a) provides “[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid” Labor Code section 558(c) provides that “[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.” PBC, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. De Guzman’s and other aggrieved employees’ rights by violating various sections of the California Labor Code.

Accordingly, Mr. De Guzman seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and 558, Mr. De Guzman acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for himself, all other aggrieved employees, and the State of California against PBC for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1182.14, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Mr. De Guzman seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Olivia Green
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

A handwritten signature in black ink that reads "Olivia Green". The signature is written in a cursive, flowing style. The first name "Olivia" is larger and more prominent, with the last name "Green" written in a smaller, more compact script to its right.

Olivia Green

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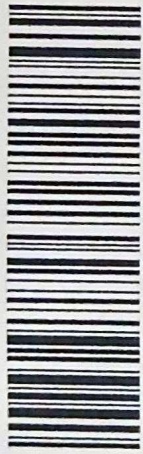
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V. P.B.

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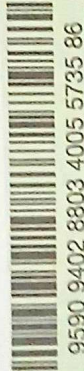
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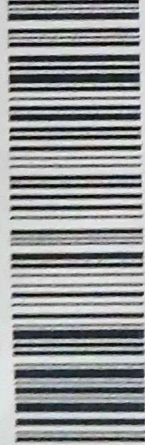
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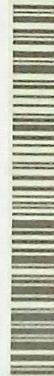
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