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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.

Olivia Green

Copy: PEBBLE BEACH COMPANY, A LIMITED PARTNERSHIP (via U.S. Certified Mail); PEBBLE BEACH CORPORATION (via U.S. Certified Mail); PEBBLE BEACH REALTY COMPANY (via U.S. Certified Mail); THE PEBBLE BEACH COMPANY FOUNDATION (via U.S. Certified Mail)

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



9589 0710 5270 0211 0128 20

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

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



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2. Article Number (Transfer from service label)

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PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
- ☒ Addressee

Received by (Printed Name) C. Date of Delivery

Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

- Service Type ☐ Priority Mail Express®
- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

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☒ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$

Postmark

Car

Ad.

Ad.

Postage

Total \$

Sent \$

Street

City, State

Zip

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

PS Form 3800, January 2023 PSN 7530-02-000-3047 See Reverse for Instructions

RECEIVED MAIL



9589 0710 5270 0211 0128 13

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

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

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2. Article Number (Transfer from service label)



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- Restricted Delivery

9589 0710 5270 0211 0128 13

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Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name)

Rate of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
if YES, enter delivery address below:

☐ Yes
☐ No

3. Service Type

- ☐ Priority Mail Express
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

- Restricted Delivery

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☒ Return Receipt (hardcopy)

☐ Return Receipt (electronic)

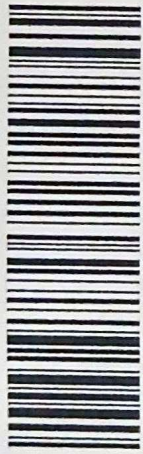
DE GUZMAN
V. P. B.

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

See Reverse for Instructions

ET 8270 7720 0225 0720 6856

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



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Certified Mail Restricted Delivery ☐ \$
Postage ☐ \$
Total ☐ \$
Sent ☐ \$
Street ☐ \$
City ☐ \$

DE 6 JUL 11 AM
V.P.S.

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

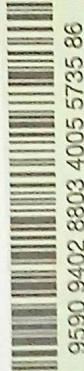
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SENDER: COMPLETE THIS SECTION

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2. Article Number (Transfer from service label)

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COMPLETE THIS SECTION ON DELIVERY

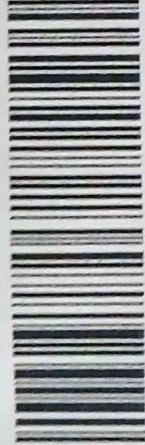
- A. Signature ☐ Agent
☒ Addressee
- B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

- Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☒ Certified Mail[®]
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Restricted Delivery
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Extra Services & Fees (check box and fee as appropriate)

☒ Return Receipt (hardcopy) \$

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☐ Certified Mail Restricted Delivery \$

PEBBLE BEACH
REALTY COMPANY
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PEBBLE BEACH, CA 93953

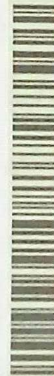
DE GUNAW
V. P.B.
Postmark

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

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

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



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2. Article Number (Transfer from service label)

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COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent

☐ Addressee

C. Date of Delivery

Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Insured Mail

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

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