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on behalf of the State of California and all Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

ADOLFO JESUS OTANEZ, individually
and on behalf of the State of California and all
Aggrieved Employees,

Plaintiff,

v.

DUTCH BROS., LLC, an Oregon Limited
Liability Company; and DOES 1-100,
inclusive,

Defendants.

Case No.: **CVRI2503754**

COMPLAINT FOR:

- 1. Representative Action for Violation of The Private Attorneys General Act, Cal. Labor Code Sections 2698, et Seq. ("PAGA")**
- 2. Recovery of Unpaid Minimum Wages and Liquidated Damages**
- 3. Failure to Provide Meal Periods or Compensation in Lieu Thereof**
- 4. Failure to Provide Rest Periods or Compensation in Lieu Thereof**
- 5. Failure to Furnish Accurate Itemized Wage Statements**
- 6. Failure to Timely Pay All Wages Due Upon Separation of Employment**
- 7. Failure to Reimburse Business Expenses and**
- 8. Unfair Competition**

DEMAND FOR JURY TRIAL

1 Plaintiff, ADOLFO JESUS OTANEZ, (“PLAINTIFF”), individually and on behalf of the
2 State of California and all Aggrieved Employees (as defined below), hereby files this Complaint
3 against Defendants DUTCH BROS., LLC, an Oregon Limited Liability Company; and DOES 1-
4 100, inclusive. PLAINTIFF is informed and believes and thereon alleges as follows:

5 **INTRODUCTION**

6 1. This is a representative action filed by PLAINTIFF on behalf of all Aggrieved
7 Employees and the State of California against DEFENDANTS, pursuant to California’s Private
8 Attorney General Act, Labor Code section 2698 *et. seq.* (“PAGA”), to recover civil penalties for
9 DEFENDANTS’ violations of the California Labor Code as alleged below. Separately, PLAINTIFF
10 seeks to recover individual damages for DEFENDANTS violations of the California Labor Code as
11 alleged below.

12 **JURISDICTION AND VENUE**

13 2. This Court has jurisdiction over PLAINTIFF’s claims pursuant to California statutes,
14 including but not limited to the PAGA, and decisional law and regulations.

15 3. Venue is proper in this judicial district and the County of Riverside pursuant to
16 California Code of Civil Procedure section 395.5 because DEFENDANTS transact business within
17 this judicial district, DEFENDANTS assigned PLAINTIFF to work in this judicial district, and
18 conduct alleged by PLAINTIFF herein occurred in this judicial district. *See also Crestwood*
19 *Behavioral Health, Inc. v. Superior Court* (2021) 60 Cal.App.5th 1069 (venue in a PAGA action is
20 proper in any county where the defendants committed Labor Code violations against some of its
21 employees). Venue is also proper pursuant to section 393 of the California Code of Civil Procedure
22 because the cause, or some part of the cause, arose in the County of Riverside.

23 **THE PARTIES**

24 4. PLAINTIFF is, and at all relevant times, was an individual domiciled in the State of
25 California and a citizen of the State of California.

26 5. PLAINTIFF worked for DEFENDANTS as a non-exempt employee with a job title
27 of store associate and/or a similar job title/position through in or around early January 2025.
28 DEFENDANTS assigned PLAINTIFF to work at DEFENDANTS’ location in La Quinta,

California.

6. Defendant, DUTCH BROS., LLC, is an Oregon Limited Liability Company, that at all relevant times was authorized to do business in California and is doing business in California.

7. DEFENDANTS own, operate, manage and/or staff its employees to work at coffee stands, restaurants, stores, facilities and/or other locations in cities throughout California. DEFENDANTS operate a drive through coffee chain with approximately 900 locations across eighteen (18) states in the United States. DEFENDANTS, through its various locations, serve the including but not limited to, fast-food restaurant industry.¹

8. The true names and capacities of the DOE Defendants sued herein as DOES 1 through 100, inclusive, are currently unknown to PLAINTIFF, who therefore sues each such Defendant by said fictitious names. Each of the Defendants designated herein as a DOE is legally responsible for the unlawful acts alleged herein. PLAINTIFF will seek leave of Court to amend this Complaint to reflect the true names and capacities of the Doe Defendants when such identities become known.

9. PLAINTIFF is further informed and believes that, at all relevant times, each Defendant was the principal, agent, partner, joint venturer, joint employer, officer, director, controlling shareholder, subsidiary, affiliate, parent corporation, successor in interest and/or predecessor in interest of some or all of the other Defendants, and was engaged with some or all of the other defendants in a joint enterprise for profit, and bore such other relationships to some or all of the other Defendants so as to be liable for their conduct with respect to the matters alleged in this complaint. PLAINTIFF is further informed and believes and thereon alleges that each Defendant acted pursuant to and within the scope of the relationships alleged above, and that at all relevant times, each Defendant knew or should have known about, authorized, ratified, adopted, approved, controlled, aided and abetted the conduct of all other Defendants.

JOINT LIABILITY

10. Under California law, the definition of the terms “to employ” are broadly construed

¹ See <https://www.dutchbros.com/locations>. Last visited on July 7, 2025.

1 under the applicable IWC Wage Order(s) to have three alternative definitions, including: (1) to
2 exercise control over the wages, hours or working conditions; (2) to suffer or permit to work; or (3)
3 to engage, thereby creating a common law employment relationship. See, *Martinez v. Combs*, 49
4 Cal.4th 35, 64 (2010). One reason that the IWC defined “employer” in terms of exercising control
5 was to reach situations in which multiple entities control different aspects of the employment
6 relationship. Supervision of the work, in the specific sense of exercising control over how services
7 are properly performed, is properly viewed as one of the “working conditions” mentioned in the
8 wage order. *Id.* at 76. A joint employer relationship exists, for example, when one entity (such as a
9 temporary employment agency) hires and pays a worker, and the other entity supervises the work.
10 *Id.* Moreover, the California Court of Appeal recently broadened the test for joint employment in
11 California, applying a less stringent standard to what constitutes sufficient control by a business
12 over its vendor’s employees’ wages and working conditions to render that business liable as a joint
13 employer. See, *Medina v. Equilon Enterprises, LLC*, 68 Cal. App. 5th 868 (2021); “[i]f the putative
14 joint employer instead exercises enough control over the intermediary entity to *indirectly* dictate the
15 wages, hours, or working conditions of the employee, that is a sufficient showing of joint
16 employment,” *Id.* at 875 [emphasis added].

17 11. During PLAINTIFF’s employment by DEFENDANTS, PLAINTIFF and the
18 Aggrieved Employees (defined below) were jointly employed by DEFENDANTS for purposes of
19 the Wage Orders, under the alternative definitions of “to employ” adopted by the California
20 Supreme Court in *Martinez*, supra. As discussed below, these DEFENDANTS (1) exercised control
21 over wages, hours and working conditions of PLAINTIFF and the Aggrieved Employees; (2)
22 suffered or permitted PLAINTIFF and Aggrieved Employees to work for them; and (3) engaged
23 PLAINTIFF and Aggrieved Employees to work for them.

24 12. PLAINTIFF is informed and believes, and thereon alleges that at all relevant times
25 DEFENDANTS operated as a single integrated enterprise with common ownership and centralized
26 human resources. As a result, DEFENDANTS utilized the same unlawful policies and practices
27 across all of their locations/facilities and subjected all of the Aggrieved Employees to these same
28 policies and practices regardless of the location(s) where they worked. Among other things,

1 PLAINTIFF is informed and believes that: (1) there is common ownership in, and financial control,
2 in DEFENDANTS' companies, (2) DEFENDANTS utilize common management, who have control
3 over the day-to-day operations and employment matters, including the power to hire and fire, set
4 schedules, issue employee policies, and determine rates of compensation across its locations in
5 California; (3) DEFENDANTS utilize the same policies and procedures for all California
6 employees, including issuing the same employee handbooks and other form agreements; (4)
7 DEFENDANTS use at least some of the same Human Resources personnel and attorneys to oversee
8 employment matters; and, (6) DEFENDANTS share employees.

9 13. PLAINTIFF is informed and believes, and thereon alleges that at all times relevant
10 to this Complaint, DEFENDANTS were the joint employers of PLAINTIFF and the Aggrieved
11 Employees upon whose behalf PLAINTIFF brings these allegations and causes of action, in that
12 DEFENDANTS, exercised sufficient control over PLAINTIFF and the Aggrieved Employees'
13 wages, hours and working conditions, and/or suffered or permitted PLAINTIFF and the Aggrieved
14 Employees to work so as to be considered the joint employers of PLAINTIFF and the Aggrieved
15 Employees.

16 14. Upon information and belief, PLAINTIFF alleges that DEFENDANTS created a
17 uniform set of policies, practices and/or procedures concerning, inter alia, hourly pay, time-keeping
18 practices, meal and rest periods, reimbursement of business expenses and other working conditions
19 that were distributed to, and/or applied to PLAINTIFF and the Aggrieved Employees, and further
20 that DEFENDANTS uniformly compensated and controlled the wages of PLAINTIFF and the
21 Aggrieved Employees in a uniform manner. DEFENDANTS collectively represented to
22 PLAINTIFF and the Aggrieved Employees that each was an "at-will" employee of DEFENDANTS,
23 and that DEFENDANTS collectively retained the right to terminate PLAINTIFF's and Aggrieved
24 Employees' employment with or without cause. Upon information and belief, DEFENDANTS
25 further collectively represented to PLAINTIFF and Aggrieved Employees in writing the details of
26 their compensation, and the manner in which they were to take meal and rest periods, the procedures
27 required by DEFENDANTS collectively for recordation of hours worked and the policies applicable
28 to PLAINTIFF and Aggrieved Employees by which DEFENDANTS collectively would evaluate

1 the wage rates of PLAINTIFF and Aggrieved Employees.

2 15. Thus, DEFENDANTS collectively exercised the right to control the wages, hours
3 and working conditions of PLAINTIFF and Aggrieved Employees. As such, DEFENDANTS
4 collectively held the right to control virtually every aspect of PLAINTIFF's and the Aggrieved
5 Employees' employment, including the instrumentality that resulted in the illegal conduct for which
6 PLAINTIFF seeks relief in this Complaint.

7 16. By reason of their status as joint employers of PLAINTIFF and Aggrieved
8 Employees, DEFENDANTS are each liable for civil penalties for violations of the California Labor
9 Code and applicable Wage Orders as to all Aggrieved Employees.

10 **PAGA ALLEGATIONS**

11 17. PLAINTIFF brings this action under the PAGA, as a representative action on behalf
12 of the State of California and all Aggrieved Employees, regarding violations of the California Labor
13 Code as set forth herein as to all Aggrieved Employees. Said "Aggrieved Employees" include the
14 following:

15 All current and former non-exempt employees that worked either directly or via a
16 staffing agency for any one or more DEFENDANTS at any location in California at
17 any time from one year plus 65 days from the filing of the initial Complaint through
18 the present ("PAGA Period").

19 18. PLAINTIFF is an "aggrieved employee," as that term is defined under Labor Code
20 section 2699(c), as PLAINTIFF was employed by DEFENDANTS during the applicable statutory
21 limitations period and suffered all of the Labor Code violations set forth herein. Accordingly,
22 PLAINTIFF seeks to recover on behalf of the State of California, and all Aggrieved Employees, the
23 civil penalties provided by PAGA, plus reasonable attorney's fees and costs. PLAINTIFF has
24 standing to bring a PAGA cause of action on behalf of the State and all Aggrieved Employees, as
25 PLAINTIFF was jointly employed by DEFENDANTS and is affected by all of the alleged
26 violations.

27 **COMPLIANCE WITH PAGA'S NOTIFICATION REQUIREMENTS**

28 19. PLAINTIFF, on April 24, 2025, through counsel, gave written notice by online filing

1 with the California Labor and Workforce Development Agency (“LWDA”) informing it that
2 DEFENDANTS failed to comply with California’s labor laws with regard to the allegations alleged
3 in this Complaint (“PAGA Notice”). The PAGA Notice was also sent to DEFENDANTS via
4 certified mail.

5 20. The PAGA Notice outlined PLAINTIFF’s claims for violations of the California
6 Labor Code and the applicable wage orders on behalf of the State of California and all Aggrieved
7 Employees.

8 21. The LWDA did not provide notice of its intention to investigate DEFENDANTS’
9 violations after expiration of the 65-day waiting time period, or at any time. To the extent any of the
10 alleged violations were curable, DEFENDANTS failed to cure within the time allotted by PAGA.
11 PLAINTIFF has exhausted the administrative remedies as required by Labor Code section 2699.3.
12 Consequently, PLAINTIFF’s right to file the instant lawsuit has duly accrued.

13 22. PLAINTIFF seeks to recover the PAGA civil penalties through a representative
14 action permitted by PAGA and the California Supreme Court in *Arias v. Superior Court* (2009) 46
15 Cal.4th 969. Therefore, class certification of the PAGA claims is not required.

16 **FACTUAL ALLEGATIONS**

17 23. During the relevant period, PLAINTIFF, and each of the Aggrieved Employees,
18 worked for DEFENDANTS in the State of California. At all times referenced herein,
19 DEFENDANTS exercised control over PLAINTIFF and Aggrieved Employees and suffered and/or
20 permitted them to work.

21 24. PLAINTIFF worked for DEFENDANTS as a non-exempt employee with a job title
22 of store associate and/or a similar job title/position through in or around early January 2025.

23 25. PLAINTIFF regularly worked shifts lasting at least approximately four and one-half
24 (4 ½) to six and one-half (6 ½) hours.

25 26. DEFENDANTS assigned PLAINTIFF to work at DEFENDANTS’ location in La
26 Quinta, California. DEFENDANTS paid PLAINTIFF an hourly rate for time counted by
27 DEFENDANTS as hours worked. PLAINTIFF was also compensated with tips/gratuities.

28 27. During the liability period, PLAINTIFF was forced to work during meal periods,

1 complete off-the-clock work meetings/communications, and work during owed rest periods.
2 DEFENDANTS also failed to reimburse PLAINTIFF for all business expenses, including, for
3 contacting PLAINTIFF about work on PLAINTIFF's personal cell phone/device. As a result of
4 being denied meal and rest period premiums and all owed wages, PLAINTIFF was denied accurate
5 and complete wage statements, in violation of Labor Code section 226. Furthermore,
6 DEFENDANTS failed to furnish PLAINTIFF with a final paycheck for at least approximately one
7 week following the separation of PLAINTIFF's employment, and the final paycheck was devoid of
8 all wages owed.

9 28. **Meal Period Violations.** PLAINTIFF and other Aggrieved Employees consistently
10 worked shifts of more than five (5) hours, entitling them to at least one meal period.

11 29. PLAINTIFF and other Aggrieved Employees would not receive legally compliant
12 thirty (30) minute first meal breaks.

13 30. For example, PLAINTIFF was oftentimes required to work during PLAINTIFF's
14 owed meal periods due to the need to complete assigned job duties. DEFENDANTS did not pay
15 PLAINTIFF a meal period premium for each missed and/or otherwise legally noncompliant meal
16 period, in violation of California meal period law.

17 31. Based on information and belief, at times, DEFENDANTS performed an automatic
18 meal period deduction of exactly thirty (30) minutes during shifts when PLAINTIFF did not receive
19 a legally compliant meal period. For example, DEFENDANTS' time records for PLAINTIFF for
20 including but not limited to the following dates show a clock out for precisely (30) minutes for a
21 purported meal period even though PLAINTIFF was not afforded a legally compliant meal period
22 on all of the dates showing entries with a precisely thirty-minute meal period: 7/6/14, 7/10/24,
23 7/11/24, and 7/14/24, 7/15/24, 7/18/24, 7/19/24, 7/20/24, 7/25/24, 7/27/24, 7/28/24, 7/29/24, 8/3/24,
24 10/19/24, 10/24/24, 10/27/24, 10/31/24, 11/3/24, 11/10/24 and 11/12/24.

25 32. Also, DEFENDANTS' time records for PLAINTIFF show PLAINTIFF was
26 required to work through meal periods. See, for example, DEFENDANTS' time records for
27 including but not limited to the following dates which reflect shifts of longer than five/six hours
28 without any clock out for a meal period: 6/13/24 (showing a shift of 5.85 hours with no clock out

1 for a meal period); 12/1/24 (showing a shift of 6.23 hours with no clock out for a meal period);
2 12/3/24 (showing a shift of 6.23 hours with no clock out for a meal period); 12/15/24 (showing a
3 shift of 6.15 hours with no clock out for a meal period); and 12/17/24 (showing a shift of 6.18 hours
4 with no clock out for a meal period).

5 33. As described herein, DEFENDANTS implemented policies and/or practices that
6 failed to relieve Aggrieved Employees of all duties and DEFENDANTS' control during unpaid meal
7 periods as PLAINTIFF was often required to complete work tasks during meal periods.

8 34. Based on information and belief, DEFENDANTS had actual and/or constructive
9 knowledge that their policies and practices resulted in the denial of uninterrupted meal periods
10 which were free of DEFENDANTS' control owed to PLAINTIFF and other Aggrieved Employees,
11 in violation of California's meal period laws.

12 35. DEFENDANTS failed to pay PLAINTIFF and other Aggrieved Employees, an
13 additional hour of wages at their respective regular rates of compensation for each workday a lawful
14 meal period was not provided.

15 36. For example, DEFENDANTS' pay records for PLAINTIFF for including but not
16 limited to, June 2024 through January 2025 do not show the payment of a single meal period
17 premium even though PLAINTIFF was often required to work during meal periods.

18 37. **Rest Period Violations.** DEFENDANTS did not properly authorize and permit
19 PLAINTIFF and other Aggrieved Employees to take legally compliant rest periods at a rate of every
20 four (4) hours worked or major fraction thereof, that insofar as practicable, were in the middle of
21 the work period, as required by law.

22 38. For example, PLAINTIFF was oftentimes required to work during PLAINTIFF's
23 owed rest periods due to the need to complete assigned job duties. DEFENDANTS did not pay
24 PLAINTIFF a rest period premium for each missed and/or otherwise legally noncompliant rest
25 period as evidenced by DEFENDANTS' pay records for PLAINTIFF, which are devoid of any rest
26 period premiums.

27 39. As described herein, DEFENDANTS implemented policies and/or practices that
28 failed to relieve PLAINTIFF and other Aggrieved Employees of all duties and DEFENDANTS'

1 control during rest periods. For example, as described herein, PLAINTIFF was often required to
2 complete work tasks during owed rest periods.

3 40. Furthermore, DEFENDANTS failed to pay a rest period premium at Aggrieved
4 Employees' respective regular rates of pay for each day in which they experienced a
5 missed/unlawful rest period in violation of California law.

6 41. For example, DEFENDANTS wage statements issued to PLAINTIFF do not show
7 the payment of a single rest period premium.

8 42. **Unpaid Wages.** DEFENDANTS failed to compensate PLAINTIFF and other
9 Aggrieved Employees for all hours worked, resulting in the underpayment of minimum wages.

10 43. Aggrieved Employees were not paid for all hours worked due to DEFENDANTS'
11 mandated off-the clock work policies and/or practices.

12 44. For example, at times, PLAINTIFF was required to participate in work-related
13 meetings while off-the-clock, resulting in DEFENDANTS' failure to compensate PLAINTIFF for
14 all hours worked and the underpayment of wages owed to PLAINTIFF.

15 45. Based on information and belief, DEFENDANTS further failed to compensate
16 PLAINTIFF for all hours worked by requiring PLAINTIFF to complete work tasks during unpaid
17 meal periods, resulting in off-the-clock work and unpaid minimum wages owed to PLAINTIFF.
18 For example, as described herein, DEFENDANTS' time records for PLAINTIFF evidence an
19 automatic meal period deduction of at least thirty minutes on days during which PLAINTIFF was
20 required to work through part or all of his meal period/otherwise denied a legally compliant meal
21 period.

22 46. Based on information and belief, DEFENDANTS had actual and/or constructive
23 knowledge that its off-the-clock work, including but not limited to as a result of automatic meal
24 period deductions, resulted in the underpayment of minimum wages owed to Aggrieved Employees,
25 in violation of California's minimum wage laws.

26 47. **Inaccurate Wage Statements.** During the relevant period, DEFENDANTS failed to
27 provide PLAINTIFF and other Aggrieved Employees with accurate wage statements that complied
28 with Labor Code section 226. As DEFENDANTS failed to provide PLAINTIFF and Aggrieved

1 Employees with meal and rest periods that complied with Labor section 226.7, the wage statements
2 DEFENDANTS issued to PLAINTIFF and Aggrieved Employees failed and continue to fail to
3 correctly set forth the gross wages earned, the total hours worked, the net wages earned, and all
4 applicable hourly rates in effect during the pay period and the corresponding number of hours
5 worked at each hourly rate by the employee.

6 48. DEFENDANTS issued wage statements to PLAINTIFF and Aggrieved Employees
7 that also failed to indicate the earned gross and net wages earned during the pay period, the correct
8 applicable rates of pay for all hours worked, and the total hours worked by PLAINTIFF and
9 Aggrieved Employees (by virtue of off-the-clock work policies and practices and automatic
10 deductions for legally noncompliant meal periods) which results in a violation of Labor Code section
11 226(a).

12 49. As a result, DEFENDANTS issued wage statements to PLAINTIFF and Aggrieved
13 Employees that were not accurate and did not include all of the statutorily required information. As
14 such, DEFENDANTS violated Labor Code section 226.

15 **50. Failure to Timely Pay All Wages Upon Separation of Employment.**
16 DEFENDANTS failed to timely pay Aggrieved Employees all wages that were due and owing upon
17 discharge of employment. DEFENDANTS untimely provide final wages to Aggrieved Employees
18 without regard to the timing requirements of Labor Code sections 201-202.

19 51. Upon separation of employment, Aggrieved Employees' final paychecks were not
20 timely provided, were not timely provided with all paid time off and/or did not include all wages
21 owed as they were devoid of, including but not limited to, all owed minimum wages, premium
22 wages and/or paid time off wages at the properly accrued rates.

23 52. For example, DEFENDANTS did not furnish PLAINTIFF with any final paycheck
24 for at least approximately one week after PLAINTIFF's date of termination, and PLAINTIFF's late
25 final paycheck was devoid of all wages owed, including without limitation all owed minimum
26 wages, premium wages, reporting time pay wages, vacation pay, and/or paid time off wages at the
27 properly accrued rates (including but not limited to, all owed vacation pay/paid time off paid at the
28 final rate including non-discretionary compensation.

1 53. For example, DEFENDANTS' personnel file for PLAINTIFF reflects a termination
2 date of no later than January 9, 2025.

3 54. However, DEFENDANTS' final paycheck for PLAINTIFF is dated January 16,
4 2025, at least *seven (7) days after* PLAINTIFF's date of termination.

5 55. Thus, PLAINTIFF is entitled to penalties under Labor Code section 203.

6 56. These violations subject DEFENDANTS to civil penalties under Labor Code section
7 203, 210, and/or 256.

8 57. **Unreimbursed Business Expenses.** DEFENDANTS required PLAINTIFF and
9 Aggrieved Employees to incur business expenses as a direct consequence of the performance of
10 their job duties without providing reimbursement, in violation of Labor Code section 2802.

11 58. DEFENDANTS shifted the costs of doing business onto Aggrieved Employees by
12 requiring them to pay for their business expenses, including the use of Aggrieved Employees' personal
13 cell phones/mobile devices for work-related purposes, including to receive and respond to work-
14 related messages and/or phone calls.

15 59. For example, at times, DEFENDANTS contacted PLAINTIFF on PLAINTIFF's
16 personal cell phone to discuss work-related matters, however, DEFENDANTS did not reimburse
17 PLAINTIFF for the use of PLAINTIFF's personal cell phone.

18 60. For example, DEFENDANTS' wage statements issued to PLAINTIFF do not show
19 any reimbursement for business expenses.

20 61. DEFENDANTS' failure to provide Aggrieved Employees with full reimbursement
21 for all reasonable expenses associated with carrying out their duties required that Aggrieved
22 Employees subsidize and/or carry the burden of business expenses in violation of Labor Code section
23 2802.

24 62. **Unlawful Confidentiality / Non-Disclosure Agreements.** Labor Code section
25 432.5 provides that "no employer...shall require any employee or applicant for employment to
26 agree, in writing, to any term or condition which is known by such employer...to be prohibited by
27 law."

28 63. Labor Code section 1197.5(k)(1) provides that "[a]n employer shall not prohibit an

1 employee from disclosing the employee's own wages, discussing the wages of others, inquiring
2 about another employee's wages, or aiding or encouraging any other employee to exercise their
3 rights under this section."

4 64. DEFENDANTS required PLAINTIFF and other Aggrieved Employees to agree in
5 writing to unlawful conditions of employment including unlawful confidentiality and/or
6 nondisclosure agreements as a condition of obtaining and/or continuing employment, in violation
7 of Labor Code section 432.5. For example, DEFENDANTS required PLAINTIFF to agree in
8 writing to a confidentiality / non-disclosure agreement, which prohibited PLAINTIFF from
9 disclosing PLAINTIFF's wages/compensation earned through PLAINTIFF's employment with
10 DEFENDANTS and from discussing the wages of others, in violation of California law, including,
11 Labor Code section 1197.5, and as such, DEFENDANTS required PLAINTIFF to agree in writing
12 to an unlawful confidentiality / non-disclosure as a condition of employment/continuing
13 employment, in violation of Labor Code section 432.5.

14 65. By way of illustration, DEFENDANTS' confidentiality/non-disclosure agreement
15 ("Confidential Company Information Policy" in DEFENDANTS' 2025 employee handbook ("2025
16 Shop Handbook") explicitly restricts PLAINTIFF's right to "disclose or reveal confidential
17 information," articulating an expansive, overbroad definition of "confidential information" that
18 encompasses a prohibition on disclosure of/discussion of wages² due to including but not limited
19 to, DEFENDANTS' failure to include any specific provision exempting the disclosure of
20 /discussion of wages from the restrictions imposed on PLAINTIFF under the agreement. For
21 example, the agreement fails to state that nothing contained in the agreement prohibits the employee
22 from disclosing the employee's wages/compensation, or words to that effect. As such,
23 DEFENDANTS' confidentiality/non-disclosure agreement is in violation of Labor Code Section
24 1197.5, and DEFENDANTS have further violated Labor Code section 432.5 by requiring
25 PLAINTIFF to sign the unlawful agreement as a condition of obtaining / maintaining employment.

26
27 ² "Confidential information...includes, but it not limited to, nonpublic information regarding the Dutch Bros recipes,
28 business methods and plans, databases, systems, technology, intellectual property, know-how statements, financial
projections, financing methods, pricing strategies, customer sources, system designs, customer lists and methods of
competing"

1 66. PLAINTIFF is informed and believes and alleges thereon that DEFENDANTS
2 engaged in these same herein described unlawful practices, which led to violations of the California
3 Labor Code as further alleged below, and that DEFENDANTS applied these same herein described
4 unlawful practices to all of its employees that it applied to PLAINTIFF.

5 **FIRST CAUSE OF ACTION**
6 **VIOLATION OF PRIVATE ATTORNEYS GENERAL ACT, LABOR CODE SECTIONS**
7 **2698, ET SEQ. ("PAGA")**
8 **(On behalf of PLAINTIFF, Aggrieved Employees and the State of California against all**
9 **Defendants)**

10 67. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

11 **Meal Period Violations**

12 68. California law requires employers to provide employees a duty-free, uninterrupted
13 thirty (30) minute meal period when an employee works more than five (5) hours in a workday, and
14 it must be provided within the first five (5) hours the employee works. Lab. Code section 512 (and
15 all applicable IWC Wage Orders), section 11(A) and (C); *Brinker Restaurant Corp. v. Superior*
16 *Court* (2012) 53 Cal.4th 1004.

17 69. Employers must also provide employees with a second duty-free, uninterrupted thirty
18 (30) minute meal period when an employee works more than (10) hours in a workday, and it must
19 be provided before the end of the 10th hour of work. *Ibid.*

20 70. Employers covered by any and all applicable IWC Wage Orders have an obligation
21 to both (1) relieve their employees for at least one meal period for shifts over five hours (see above),
22 and (2) to record having done so. If the employer fails to properly record a valid meal period, it is
23 presumed that no meal period was provided. All applicable IWC Wage Orders, section 7(A)(3)
24 ("Meal periods . . . shall also be recorded"); *Brinker, supra*, 53 Cal.4th 1004, 1052-1053, citing
25 section 7(A)(3) ("If an employer's records show no meal period for a given shift over five hours, a
26 rebuttable presumption arises that the employee was not relieved of duty and no meal period was
27 provided").

28 71. Employers must pay employees an additional hour of wages at the employees'
regular rate of pay for each missed or unlawful meal period (e.g., less than 30 minutes, interrupted
meal period, first meal period provided after five (5) hours, second meal period provided after 10

1 hours). Lab. Code § 226.7; all applicable IWC Wage Orders, §11(B) (“If an employer fails to
2 provide an employee a meal period in accordance with the applicable provision of this Order, the
3 employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation
4 for each workday that the meal period is not provided”); *Brinker, supra*, 53 Cal.4th 1004.

5 72. As explained above, PLAINTIFF and other Aggrieved Employees were unable to
6 take timely, off duty, thirty-minute, uninterrupted meal periods, often being forced to work during
7 their meal periods due to the nature and constraints of their job duties, and/or commentary from
8 supervisors pressuring them to take non-compliant meal periods or skip meal periods completely.

9 73. Also, DEFENDANTS implemented policies and practices that failed to relieve
10 Aggrieved Employees of all duties and DEFENDANTS’ control during meal periods, in violation
11 of California meal period law.

12 74. As described herein, based on information and belief, DEFENDANTS performed an
13 automatic meal period deduction of at least thirty minutes for meal periods that were less than thirty
14 minutes and/or otherwise legally noncompliant.

15 75. PLAINTIFF is informed and believes and thereon alleges that DEFENDANTS had
16 actual and/or constructive knowledge that their unlawful policies and practices resulted in the denial
17 of compliant meal periods in violation of California's meal period laws.

18 76. DEFENDANTS also failed to pay all owed meal period premiums as the Aggrieved
19 Employees’ respective regular rates of pay for each missed and/or otherwise legally noncompliant
20 meal period.

21 77. These unlawful meal period policies and practices result in violations of Labor Code
22 sections 226.7, 512, and 1198-1199, and all applicable wage orders, § 11. These violations subject
23 DEFENDANTS to civil penalties under Labor Code §§ 558, 558.1 and 2699, and all applicable
24 Wage Orders, § 20. These practices result in further violations such as violations of Labor Code §
25 1174 as discussed above, 1198-1199, 226.6 and other violations discussed below.

26 **Rest Period Violations**

27 78. Labor Code section 226.7 and all applicable IWC Wage Orders require an employer
28 to authorize or permit an employee to take a rest period of ten (10) net minutes for every four hours

1 worked or major fraction thereof. Such rest periods must be in the middle of the four-hour period
2 “insofar as practicable.” In *Brinker v. Restaurant Corp.*, 53 Cal.4th 1004 (2012),
3 the California Supreme Court held that employees are entitled to a 10-minute paid rest period for
4 shifts from 3 ½ to 6 hours in a length, two 10-minute rest periods for shifts more than 6 hours up to
5 10 hours, and three 10-minute rest periods for shifts of more than 10 hours up to 14 hours. (*Id.* at
6 1029). The rest period requirement obligates employers to permit and authorize employees to take
7 off-duty rest periods, meaning employers must relieve employees of all duties and relinquish control
8 over how employees spend their time. *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th
9 257. If the employer fails to provide any required rest period, the employer must pay the employee
10 one hour of pay at the employee’s regular rate of compensation for each workday the employer did
11 not provide at least one legally required rest period, pursuant to Labor Code section 226.7, and
12 applicable IWC Wage Order, §12(B).

13 79. Moreover, under California law rest periods must be a “net” ten minutes in a suitable
14 rest area. *Id.* at 268 (relying on January 3, 1986 and February 22, 2002 Division of Labor Standards
15 Enforcement (DLSE) Letters wherein the DLSE ruled that the net ten-minute language for rest
16 periods means ten minutes of time in a rest area and cannot include time it takes to get to and from
17 the rest area). The employer must show that it clearly articulates the right to a net ten minutes,
18 which means it must clearly communicate what “net” ten minutes means (i.e., regardless of what
19 happens along the way to and from a rest area, employees are entitled to a full ten minutes of rest in
20 the rest area). *Id.*; see also, *Bufile v. Dollar Fin. Grp., Inc.*, (2008) 162 Cal. App. 4th 1193, 1199 (the
21 “onus is on the employer to clearly communicate the authorization and permission [to take rest
22 periods] to its employees.”).

23 80. PLAINTIFF and the Aggrieved Employees were not allowed to take legally
24 compliant, timely 10-minute rest periods for every four (4) hours worked or major fraction thereof.
25 As explained above, rest periods were interrupted, cut short, on duty, and/or otherwise subject to
26 DEFENDANTS’ control due to the nature and constraints of Aggrieved Employees’ job duties,
27 understaffing, and/or commentary from supervisors pressuring PLAINTIFF and Aggrieved
28 Employees to skip rest periods completely or otherwise take non-compliant rest periods.

1 81. DEFENDANTS implemented policies and/or practices that failed to relieve
2 PLAINTIFF and other Aggrieved Employees of all duties and employer control during rest periods.
3 Aggrieved Employees were pressured to complete their work duties according to a designated
4 schedule such that rest periods were only taken once tasks were completed, and/or as time permitted.

5 82. As a result, PLAINTIFF and Aggrieved Employees did not receive legally compliant
6 first meal periods as required by California law.

7 83. Moreover, DEFENDANTS failed to pay a rest period premium to PLAINTIFF and
8 other Aggrieved Employees for each workday in which there was a missed or otherwise unlawful
9 rest period. Based on further information and belief, when a rest premium was paid, DEFENDANTS
10 failed to include non-discretionary compensation including but not limited to, bonuses, shift
11 differential pay, and/or other non-discretionary compensation into the regular rate of compensation
12 for purposes of determining the owed rest period premium.

13 84. As such, DEFENDANTS violated Labor Code sections 226.7, and 1198-1199, and
14 all applicable IWC Wage Orders, §12. These violations subject DEFENDANTS to civil penalties
15 under Labor Code §§ 558 and 2699, and all applicable Wage Orders, §20.

16 **Minimum Wage Violations**

17 85. California law provides that employees in California must be paid for all hours
18 worked, up to forty (40) hour per week or eight (8) hours per day, at a regular rate that is no less
19 than the mandated minimum wage. *See* Labor Code section 1197 and the applicable Wage Order.
20 The minimum wage standard applies to each hour employees worked for which they were not paid.
21 Therefore, an employer's failure to pay for any particular hour worked by an employee is unlawful
22 even if averaging an employee's total pay over all hours worked, paid or not, results in an average
23 hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324.

24 86. As explained above, DEFENDANTS violated California's minimum wage laws by
25 failing to compensate PLAINTIFF and the Aggrieved Employees for all hours worked by virtue of,
26 among other things, DEFENDANTS' off-the-clock work policies and practices and failure to relieve
27 PLAINTIFF and other Aggrieved Employees of all duties and DEFENDANTS' control during meal
28 periods as described above which resulted in unpaid minimum wages.

1 87. DEFENDANTS had and continue to have a policy of failing to pay PLAINTIFF and
2 Aggrieved Employees for all hours worked.

3 88. Based on information and belief, DEFENDANTS had actual or constructive
4 knowledge that off-the-clock work policies and practices / other unlawful policies and practices
5 described herein resulted in the underpayment of wages owed to PLAINTIFF and other Aggrieved
6 Employees.

7 89. This conduct results in violations of Labor Code sections 218.5, 558, 558.1, 1194,
8 1197, 1198-1199, and all applicable Wage Orders. These violations subject DEFENDANTS to civil
9 penalties under Labor Code sections 218.5, 558, 558.1, 1197.1, 2699, and all applicable IWC Wage
10 Orders, section 20.

11 **Untimely Payment of Final Wages**

12 90. California Labor Code section 201(a) provides, in relevant part, that “[i]f an
13 employer discharges an employee, the wages earned and unpaid at the time of discharge are due and
14 payable immediately.” California Labor Code section 202(a) provides, in relevant part, that “[i]f an
15 employee not having a written contract for a definite period quits his or her employment, his or her
16 wages shall become due and payable not later than 72 hours thereafter, unless the employee has
17 given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled
18 to his or her wages at the time of quitting.”

19 91. Pursuant to Labor Code section 203, an employer that willfully fails to pay wages
20 due an employee who is terminated or resigns must pay (in addition to the unpaid wages) a penalty
21 equal to the employee's daily wages for each day, not exceeding 30 days, that the wages are unpaid.
22 Case law clarifies this 30-day waiting time penalty is recoverable under the PAGA via Labor Code
23 section 256. See, *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348 (2014); see also,
24 *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365 (2005).

25 92. As explained herein, DEFENDANTS failed and continue to fail to timely pay final
26 wages to PLAINTIFF and Aggrieved Employees upon discharge/separation of employment in
27 violation of Labor Code section 201-202. Also, final paychecks did not include all wages owed as
28 they are devoid of, including but not limited to, all owed minimum wages, premium wages, reporting

1 time pay wages, and/or paid time off wages at the properly accrued rates.

2 93. As a result, DEFENDANTS violated Labor Code sections 201, 202, and 203. These
3 violations subject DEFENDANTS to civil penalties under Labor Code sections 203, 210, and/or
4 256.

5 **Business Expense Violations**

6 94. California law requires employers to indemnify their employees for all necessary
7 expenditures incurred by the employee in direct consequence of the discharge of their duties or of
8 their obedience to the directions of the employer. *See* Cal. Lab. Code s. 2802 and all applicable
9 Wage Orders section 9(b). Furthermore, “for purposes of [section 2802], the term ‘necessary
10 expenditure or losses’ shall include all reasonable costs, including, but not limited to, attorneys’ fees
11 incurred by the employee enforcing the rights granted by this section.”

12 95. Among other things, under California law, when employees must use their personal
13 cellphones for work-related purposes, the employer must reimburse them for a reasonable
14 percentage of their cell phone bills. *See Cochran v. Schwan’s Home Services, Inc.* (2014) 228
15 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was
16 required to use their personal cellphone for work-related purposes and not reimbursed for the use.
17 *Id.* 1144-1145.

18 96. Further, “any contract or agreement, express or implied, made by any employee to
19 waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive
20 any employee or his personal representative of any right or remedy to which he is entitled to under
21 the laws of this State.” *See* Cal. Lab. Code section 2804.

22 97. As described above, PLAINTIFF and the Aggrieved Employees were improperly
23 required to pay for business expenses that are legally the responsibility of the employer.

24 98. DEFENDANTS’ failure to provide PLAINTIFF and the Aggrieved Employees with
25 full reimbursement for all reasonable expenses associated with carrying out their duties required
26 that PLAINTIFF and the Aggrieved Employees subsidize and/or carry the burden of business
27 expenses in violation of Labor Code section 2802.

28 99. As a result of DEFENDANTS’ unlawful conduct, PLAINTIFF and other Aggrieved

1 Employees have suffered injury in that they were not completely reimbursed as mandated by
2 California law.

3 100. DEFENDANTS' failure to provide PLAINTIFF and the Aggrieved Employees with
4 full reimbursement for all reasonable expenses associated with carrying out their duties required
5 that PLAINTIFF and the Aggrieved Employees subsidize and/or carry the burden of business
6 expenses in violation of Labor Code section 2802.

7 101. As a result of DEFENDANTS' unlawful conduct, PLAINTIFF and the Aggrieved
8 Employees have suffered injury in that they were not completely reimbursed as mandated by
9 California law.

10 102. Despite being aware of these business expenses, DEFENDANTS failed to reimburse
11 PLAINTIFF and other Aggrieved Employees for such expenses in violation of California Labor
12 Code § 2802. In turn, there constitutes a PAGA violation based on violations of California Labor
13 Code § 2802 and the applicable Wage Order.

14 **Wage Statement Violations**

15 103. California law requires every employer semi-monthly or at the time of each payment
16 of wages to furnish its employees with an accurate itemized wage statement in writing that contains
17 the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of
18 piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis;
19 (4) all deductions; (5) net wages earned; (6) the inclusive dates of the period for which the employee
20 is paid; (7) the name of the employee and only the last four digits of his or her social security number
21 or an employee identification number other than a social security number; (8) the name and address
22 of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay
23 period and the corresponding number of hours worked at each hourly rate. Lab. Code § 226.

24 104. As DEFENDANTS failed to provide PLAINTIFF and other Aggrieved Employees
25 with meal and rest periods that complied with Labor Code section 226.7, the wage statements
26 DEFENDANTS issued to PLAINTIFF and other Aggrieved Employees failed and continue to fail
27 to correctly set forth (a) the gross wages earned, in violation of Labor Code section 226(a)(1); (b)
28 the total hours worked by the employee in violation of Labor Code section 226(a)(2); (c) the net

1 wages earned, in violation of Labor Code section 226(a)(5); and (d) all applicable hourly rates in
2 effect during the pay period and the corresponding number of hours worked at each hourly rate by
3 the employee, in violation of Labor Code section 226(a)(9).

4 105. Moreover, due to violations detailed above, including but not limited to,
5 DEFENDANTS' failure to pay regular wages for all hours worked and failure to provide meal and
6 rest break premiums, DEFENDANTS have violated California Labor Code § 226 by willfully
7 failing to furnish PLAINTIFF and other Aggrieved Employees with accurate, itemized wage
8 statements that listed the gross and net wages earned and the correct applicable rates of pay for all
9 hours worked.

10 106. As explained above, wage statements issued by DEFENDANTS failed to list the
11 "total hours worked" by PLAINTIFF and Aggrieved Employees (by virtue of off-the-clock work
12 policies and practices described above), which results in a violation of Labor Code section 226(a).
13 Failure to list all hours worked on a wage statement, gives rise to an inference of injury under Labor
14 Code Section 226 (*Maldonado v. Epsilon Plastics, Inc.*, (2018) 22 Cal.App.5th 1308, 1337).

15 107. DEFENDANTS' failure to accurately list all hours worked on all wage statements
16 caused confusion to PLAINTIFF and caused and continues to cause confusion to other Aggrieved
17 Employees over whether they received all wages owed to them.

18 108. As a result, PLAINTIFF and other Aggrieved Employees have suffered injury as
19 they could not easily determine whether they received all wages owed to them and whether they
20 were paid for all hours worked.

21 109. DEFENDANTS knowingly and intentionally failed to provide PLAINTIFF and
22 Aggrieved Employees with accurate, itemized wage statements.

23 110. As a result of DEFENDANTS' unlawful conduct, PLAINTIFF and Aggrieved
24 Employees have suffered injury. The absence of accurate information on their wage statements has
25 prevented earlier challenges to DEFENDANTS' unlawful pay practices, will require discovery and
26 mathematical computations to determine the amount of wages owed, and will cause difficulty and
27 expense in attempting to reconstruct time and pay records. DEFENDANTS' conduct led to the
28 submission of inaccurate information about wages and amounts deducted from wages to state and

1 federal government agencies. As a result, PLAINTIFF and Aggrieved Employees are required to
2 participate in this lawsuit and create more difficulty and expense from having to reconstruct time
3 and pay records than if DEFENDANT had complied with its legal obligations.

4 111. These violations subject DEFENDANTS to civil penalties under Labor Code § 226.
5 Each violation results in a *separate* civil penalty, for each Aggrieved Employee, for each pay period
6 during which the statute provisions were violated. ³

7 **Unlawful Confidentiality / Non-Disclosure Agreements**

8 112. Labor Code section 432.5 provides that “no employer...shall require any employee
9 or applicant for employment to agree, in writing, to any term or condition which is known by such
10 employer...to be prohibited by law.”

11 113. Labor Code section 1197.5(k)(1) provides that “[a]n employer shall not prohibit an
12 employee from disclosing the employee’s own wages, discussing the wages of others, inquiring
13 about another employee’s wages, or aiding or encouraging any other employee to exercise their
14 rights under this section.”

15 114. DEFENDANTS required PLAINTIFF and other Aggrieved Employees to agree in
16 writing to unlawful conditions of employment including unlawful confidentiality and/or
17 nondisclosure agreements as a condition of obtaining and/or continuing employment, in violation
18 of Labor Code section 432.5. For example, DEFENDANTS required PLAINTIFF to agree in
19 writing to a confidentiality / non-disclosure agreement, which prohibited PLAINTIFF from
20 disclosing PLAINTIFF’s wages/compensation earned through PLAINTIFF’s employment with
21 DEFENDANTS and from discussing the wages of others, in violation of California law, including,
22 Labor Code section 1197.5, and as such, DEFENDANTS required PLAINTIFF to agree in writing
23 to an unlawful confidentiality / non-disclosure as a condition of employment/continuing
24 employment, in violation of Labor Code section 432.5.

25 115. By way of illustration, DEFENDANTS’ confidentiality/non-disclosure agreement
26 (“Confidential Company Information Policy” in DEFENDANTS’ 2025 employee handbook (“2025
27 Shop Handbook”) explicitly restricts PLAINTIFF’s right to “disclose or reveal confidential

28 ³ Labor Code § 226.3 (establishing that the civil penalty is “per employee per violation”).

information,” articulating an expansive, overbroad definition of “confidential information” that encompasses a prohibition on disclosure of/discussion of wages⁴ due to including but not limited to, DEFENDANTS’ failure to include any specific provision exempting the disclosure of /discussion of wages from the restrictions imposed on PLAINTIFF under the agreement. For example, the agreement fails to state that nothing contained in the agreement prohibits the employee from disclosing the employee’s wages/compensation, or words to that effect. As such, DEFENDANTS’ confidentiality/non-disclosure agreement is in violation of Labor Code Section 1197.5, and DEFENDANTS have further violated Labor Code section 432.5 by requiring PLAINTIFF to sign the unlawful agreement as a condition of obtaining / maintaining employment.

116. Under the provisions of PAGA and the above mentioned Labor Code sections, including but not limited to Labor Code sections 201-203, 210, 226, 226.7, 432.5, 512, 558, 558.1, 1194, 1197, 1197.1, 2802, and all applicable Wage Orders as well as all interpretations of these laws by California Courts and administrative bodies, as well as any other law that is enforceable through PAGA, DEFENDANTS are liable for the following penalties:

a. All statutorily-specified penalties recoverable under PAGA as enumerated in the relevant California Labor Code provisions listed herein only if permitted by the PAGA statute, pursuant to Labor Code section 2699(a); and

b. Default PAGA penalties for any violation of the enumerated list of Labor Code violations without a civil penalty recoverable under the PAGA, all in the default amounts provided by Labor Code section 2699(f).

117. Pursuant to Labor Code section 2699(g), and/or any and all other applicable laws, PLAINTIFF is entitled to recover civil penalties, costs, and attorney’s fees.

SECOND CAUSE OF ACTION
Recovery of Unpaid Minimum Wages and Liquidated Damages
(By PLAINTIFF Against all DEFENDANTS)

118. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

⁴ “Confidential information...includes, but it not limited to, nonpublic information regarding the Dutch Bros recipes, business methods and plans, databases, systems, technology, intellectual property, know-how statements, financial projections, financing methods, pricing strategies, customer sources, system designs, customer lists and methods of competing”

119. Pursuant to California Labor Code sections 1194 and 1197, and the Industrial Wage Commission (“IWC”) Wage Orders, an employer must pay its employees for all hours worked, up to 40 hours per week or 8 hours per day, at a regular rate no less than the mandated minimum wage. Payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

120. DEFENDANTS violated California's minimum wage laws by failing to compensate PLAINTIFF for all hours worked by virtue of, among other things, DEFENDANTS' time rounding, automatic deduction for meal periods, off-the-clock/unpaid work completed during meal periods, other pre-shift, post-shift and/or otherwise off-the-clock work, and/or payment according to scheduled hours worked rather than actual hours worked (described above), which resulted in the failure to account for all hours worked and thus the denial of minimum wages.

121. DEFENDANTS had and continue to have a policy of failing to pay PLAINTIFF for all hours worked.

122. Based on information and belief, DEFENDANTS had actual or constructive knowledge that its time-rounding policies and practices, auto-deduction policies and practices for meal periods, failure to relieve employees of all duties and employer control during unpaid meal periods, policy and practice of payment according to scheduled work time rather than actual work time, and/or other mandated off-the-clock work resulted in the underpayment of minimum wages owed to PLAINTIFF .

123. Pursuant to Labor Code sections 1194 and 1194.2, PLAINTIFF is entitled to recover all unpaid minimum wages and liquidated damages thereon, plus attorney's fees and costs, in an amount to be proved at trial.

THIRD CAUSE OF ACTION
Failure to Provide Meal Periods or Compensation in Lieu Thereof
(By PLAINTIFF Against all DEFENDANTS)

124. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

125. Pursuant to Labor Code section 512 and all applicable IWC Wage Orders, DEFENDANTS were required to provide PLAINTIFF with one 30-minute meal break free from all duties and employer control for all shifts longer than 5 hours, and a second 30-minute meal break

1 free from all duties for all shifts longer than 10 hours. Meal periods can be waived, but only under
2 the following circumstances: (1) if an employee's total work period in a day is over five (5) hours
3 but no more than six (6) hours, the required meal period may be waived by mutual consent of the
4 employer and employee, and (2) if an employee's total work period in a day is over ten (10) hours
5 but no more than twelve (12) hours, the required second meal period may be waived by mutual
6 consent of the employer and employee, but only if the first meal period was not waived. Employers
7 covered by the Wage Orders have an obligation to both (1) relieve their employees for at least one
8 meal period for shifts over five hours (see above), and (2) to record having done so.

9 126. Employers must pay employees an additional hour of wages at the employees'
10 regular rate of pay for each missed or unlawful meal period (e.g., less than 30 minutes, interrupted
11 meal period, first meal period provided after five (5) hours, second meal period provided after 10
12 hours). Lab. Code § 226.7.

13 127. As explained above, PLAINTIFF was consistently unable to take timely, off duty,
14 thirty-minute, uninterrupted first and second meal periods, often being forced to take late meal
15 periods, interrupted meal periods, and/or work through part or all of PLAINTIFF's meal periods
16 due to understaffing, the nature and constraints of PLAINTIFF's job duties, and/or commentary
17 from supervisors pressuring PLAINTIFF to take non-compliant meal periods or skip meal periods
18 completely.

19 128. Based on information and belief, DEFENDANTS had and continue to have a policy
20 of rounding the start and end times of employees' meal periods and/or automatically deducting thirty
21 minutes per shift despite having actual and/or constructive knowledge that PLAINTIFF did not
22 receive compliant meal periods.

23 129. Moreover, based on information and belief, PLAINTIFF did not receive a timely,
24 uninterrupted second meal period when working shifts over ten (10) hours in a workday.

25 130. PLAINTIFF is informed and believes and thereon alleges that DEFENDANTS had
26 actual and/or constructive knowledge that its time-rounding and auto-deduction policies and
27 practices, other unlawful policies and practices resulted in the denial of compliant meal periods in
28 violation of California's meal period laws.

131. DEFENDANTS also failed to pay premiums for missed/otherwise unlawful meal periods in violation of California law and/or failed to pay the proper meal period premium for failure to incorporate all non-discretionary remuneration including but not limited to, bonuses, shift differential pay and/or other non-discretionary compensation into the regular rate or compensation for purposes of calculating the owed meal period premium.

132. As a result, under Labor Code section 226.7, PLAINTIFF is entitled to one additional hour's pay at the employee's regular rate of compensation for each day a meal period was missed, late, interrupted, or otherwise unlawful, plus attorneys' fees and costs, all in an amount to be proved at trial.

FOURTH CAUSE OF ACTION
Failure to Provide Rest Periods or Compensation in Lieu Thereof
(By PLAINTIFF Against all DEFENDANTS)

133. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

134. Labor Code section 226.7 and all applicable IWC Wage Orders require an employer to authorize or permit an employee to take a rest period of ten (10) net minutes for every four hours worked or major fraction thereof. Such rest periods must be in the middle of the four-hour period “insofar as practicable.” In *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012), the California Supreme Court held that employees are entitled to a 10-minute paid rest period for shifts from 3 ½ to 6 hours in a length, two 10-minute rest periods for shifts more than 6 hours up to 10 hours, and three 10-minute rest periods for shifts of more than 10 hours up to 14 hours. (*Id.* at 1029). The rest period requirement obligates employers to permit and authorize employees to take off-duty rest periods, meaning employers must relieve employees of all duties and relinquish control over how employees spend their time. *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257.

135. If the employer fails to provide any required rest period, the employer must pay the employee one hour of pay at the employee's regular rate of compensation for each workday the employer did not provide at least one legally required rest period, pursuant to Labor Code section 226.7.

136. PLAINTIFF did not receive legally compliant, timely 10-minute rest periods for every four (4) hours worked or major fraction thereof. As explained above, any purported rest

1 periods were late, interrupted, cut short, on duty, and/or otherwise subject to DEFENDANTS'
2 control due to the nature and constraints of PLAINTIFF's job duties, understaffing, and/or
3 commentary from supervisors pressuring PLAINTIFF to skip rest periods completely or otherwise
4 take non-compliant rest periods.

5 137. Based on information and belief, DEFENDANTS implemented policies and/or
6 practices that failed to relieve PLAINTIFF of all duties and employer control during rest periods.
7 Based on further information and belief, PLAINTIFF was pressured to complete work duties
8 according to a designated schedule such that rest periods were only taken once tasks were
9 completed, and/or as time permitted.

10 138. As a result, PLAINTIFF did not receive legally compliant first, second, or third rest
11 periods as required by California law.

12 139. Moreover, based on information and belief, DEFENDANTS failed to pay a rest
13 period premium to PLAINTIFF for each workday in which there was a missed or otherwise unlawful
14 rest period. Based on further information and belief, when a rest premium was paid, DEFENDANTS
15 failed to include non-discretionary compensation including but not limited to, bonuses, shift
16 differential pay, and/or other non-discretionary compensation into the regular rate of compensation
17 for purposes of determining the owed rest period premium.

18 140. DEFENDANTS are therefore liable to PLAINTIFF for one hour of additional pay at
19 the regular rate of compensation for each workday that a required rest period was not provided,
20 pursuant to California Labor Code section 226.7 and the applicable Wage Order, plus pre-judgment
21 interest, plus attorneys' fees and costs, all in an amount to be proved at trial.

22 **FIFTH CAUSE OF ACTION**

23 **Failure to Furnish Accurate Itemized Wage Statements** 24 **(By PLAINTIFF Against all DEFENDANTS)**

25 141. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

26 142. Pursuant to California Labor Code § 226, subdivision (a), PLAINTIFF was entitled
27 to receive, semimonthly or at the time of each payment of wages, an itemized wage statement
28 accurately stating the following:

1 (1) gross wages earned, (2) total hours worked by the employee,
2 except for any employee whose compensation is solely based on a
3 salary and who is exempt from payment of overtime under
4 subdivision (a) of Section 515 or any applicable order of the Industrial
5 Welfare Commission, (3) the number of piece-rate units earned and
6 any applicable piece rate if the employee is paid on a piece-rate basis,
7 (4) all deductions, provided that all deductions made on written orders
8 of the employee may be aggregated and shown as one item, (5) net
9 wages earned, (6) the inclusive dates of the period for which the
employee is paid, (7) the name of the employee and his or her social
security number, except that by January 1, 2008, only the last four
digits of his or her social security number or an employee
identification number other than a social security number may be
shown on the itemized statement, (8) the name and address of the
legal entity that is the employer, and (9) all applicable hourly rates in
effect during the pay period and the corresponding number of hours
worked at each hourly rate by the employee.

10 143. As DEFENDANTS failed to provide PLAINTIFF with meal and rest periods that
11 complied with Labor Code section 226.7, the wage statements DEFENDANTS issued to
12 PLAINTIFF failed and continue to fail to correctly set forth (a) the gross wages earned, in violation
13 of Labor Code section 226(a)(1); (b) the total hours worked by the employee in violation of Labor
14 Code section 226(a)(2); (c) the net wages earned, in violation of Labor Code section 226(a)(5); and
15 (d) all applicable hourly rates in effect during the pay period and the corresponding number of hours
16 worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

17 144. Moreover, due to violations detailed above, including but not limited to,
18 DEFENDANTS' failure to pay regular wages for all hours worked, failure to provide meal and rest
19 break premiums, and failure to pay all sick leave wages at the proper rates, DEFENDANTS have
20 violated California Labor Code § 226 by willfully failing to furnish PLAINTIFF with accurate,
21 itemized wage statements that listed the gross and net wages earned and the correct applicable rates
22 of pay for all hours worked.

23 145. As explained above, wage statements issued by DEFENDANTS failed to list the
24 "total hours worked" by PLAINTIFF (by virtue of rounded time entries, automatic deduction for
25 meal periods/failure to relieve PLAINTIFF of all duties and employer control during unpaid meal
26 periods, payment according to scheduled hours worked rather than actual hours worked, and/or other
27 off-the-clock work policies and practices all described in greater detail *supra*), which results in a
28 violation of Labor Code section 226(a). Failure to list all hours worked on a wage statement, gives

1 rise to an inference of injury under Labor Code Section 226 (*Maldonado v. Epsilon Plastics, Inc.*,
2 (2018) 22 Cal.App.5th 1308, 1337).

3 146. Separately, and independent from the above allegations, DEFENDANTS issued
4 wage statements to PLAINTIFF that violate Labor Code section 226(a)(8), by failing to list the
5 correct name and/or address of the legal entity that is the employer.

6 147. Based on information and belief, wage statements issued by DEFENDANTS failed
7 to list all applicable hourly rates in effect during the pay period and the corresponding number of
8 hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

9 148. Based on information and belief, wage statements issued by DEFENDANTS failed
10 to list the inclusive dates of the pay period.

11 149. DEFENDANTS' failure to accurately list all hours worked on all wage statements
12 caused confusion to PLAINTIFF over whether PLAINTIFF received all wages owed to
13 PLAINTIFF.

14 150. As a result, PLAINTIFF has suffered injury as PLAINTIFF could not easily
15 determine whether PLAINTIFF received all wages owed and whether PLAINTIFF was paid for all
16 hours worked.

17 151. Moreover, as a result of DEFENDANTS' failure to list the correct name and/or
18 address of the legal entity that is the employer, PLAINTIFF has suffered injury as PLAINTIFF
19 could not contact the employer regarding any question(s) about wages paid or unpaid.

20 152. DEFENDANTS' knowingly and intentionally failed to provide PLAINTIFF with
21 accurate, itemized wage statements.

22 153. As a result of DEFENDANTS' unlawful conduct, PLAINTIFF has suffered injury.
23 The absence of accurate information on PLAINTIFF's wage statements has prevented earlier
24 challenges to DEFENDANTS' unlawful pay practices, will require discovery and mathematical
25 computations to determine the amount of wages owed, and will cause difficulty and expense in
26 attempting to reconstruct time and pay records. DEFENDANTS' conduct led to the submission of
27 inaccurate information about wages and amounts deducted from wages to state and federal
28 government agencies. As a result, PLAINTIFF is required to participate in this lawsuit and create

1 more difficulty and expense from having to reconstruct time and pay records than if DEFENDANTS
2 had complied with its legal obligations.

3 154. Pursuant to California Labor Code section 226(e), PLAINTIFF is entitled to recover
4 fifty dollars per employee for the initial pay period in which a Section 226 violation occurred and
5 one hundred dollars per employee per violation for each subsequent pay period, not to exceed an
6 aggregate penalty of four thousand dollars per employee.

7 155. Pursuant to California Labor Code §§ 226(e) and 226(h), PLAINTIFF is entitled to
8 recover the full amount of penalties due under Section 226(e), reasonable attorneys' fees, and costs
9 of suit.

10 **SIXTH CAUSE OF ACTION**
11 **Failure to Timely Pay All Wages Due Upon Separation of Employment**
12 **(By PLAINTIFF Against all DEFENDANTS)**

13 156. PLAINTIFF incorporates all preceding paragraphs as if fully set forth herein.

14 157. California Labor Code section 201(a) provides, in relevant part, that "[i]f an
15 employer discharges an employee, the wages earned and unpaid at the time of discharge are due and
16 payable immediately."

17 158. California Labor Code section 202(a) provides, in relevant part, that "[i]f an
18 employee not having a written contract for a definite period quits his or her employment, his or her
19 wages shall become due and payable not later than 72 hours thereafter, unless the employee has
20 given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled
21 to his or her wages at the time of quitting."

22 159. Based in information and belief, DEFENDANTS failed to timely pay final wages to
23 PLAINTIFF upon separation of employment in violation of Labor Code section 201-202. Moreover,
24 the final paycheck once provided to PLAINTIFF did not include all wages owed as it was devoid
25 of, including but not limited to, all owed minimum wages, premium wages, vacation pay, and all
26 owed sick leave and/or paid time off wages at the properly accrued rates.

27 160. Under Labor Code section 203, PLAINTIFF is entitled to recover waiting time
28 penalties of up to 30 days' pay, plus attorney's fees and costs, in an amount to be proved at trial.

SEVENTH CAUSE OF ACTION
Failure to Reimburse Business Expenses
(By PLAINTIFF Against all DEFENDANTS)

161. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

162. California law requires employers to indemnify their employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of their duties or of their obedience to the directions of the employer. *See* Cal. Lab. Code s. 2802 and all applicable Wage Orders section 9(b). Furthermore, “for purposes of [section 2802], the term ‘necessary expenditure or losses’ shall include all reasonable costs, including, but not limited to, attorneys’ fees incurred by the employee enforcing the rights granted by this section.”

163. Among other things, under California law, when employees must use their personal cellphones for work-related purposes, the employer must reimburse them for a reasonable percentage of their cell phone bills. *See Cochran v. Schwan’s Home Services, Inc.* (2014) 228 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was required to use their personal cellphone for work-related purposes and not reimbursed for the use. *Id.* 1144-1145. California law also requires employers to reimburse employees for automobile expenses incurred for the business use of personal vehicles, such as for mileage, gas, and the wear and tear on the vehicle. *See Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554.

164. As described above, PLAINTIFF was improperly required to pay for business expenses that are legally the responsibility of the employer.

165. DEFENDANTS’ failure to provide PLAINTIFF with full reimbursement for all reasonable expenses associated with carrying out PLAINTIFF’s duties required that PLAINTIFF subsidize and/or carry the burden of business expenses in violation of Labor Code section 2802.

166. As a result of DEFENDANTS’ unlawful conduct, PLAINTIFF has suffered injury in that PLAINTIFF was not completely reimbursed as mandated by California law.

167. Pursuant to California Labor Code section 2802, PLAINTIFF is entitled to recover the full amount of reimbursable expenses due, in addition to reasonable attorneys’ fees, and costs of suit.

EIGHTH CAUSE OF ACTION
Unfair Competition
(By PLAINTIFF Against all DEFENDANTS)

168. PLAINTIFF incorporates all preceding paragraphs as if fully alleged herein.

169. DEFENDANTS' unlawful conduct alleged herein constitutes unfair competition within the meaning of California Business and Professions Code section 17200 *et seq.* This unfair conduct includes all unlawful conduct alleged herein, including but not limited to: DEFENDANTS' failure to pay minimum wages by virtue of its illegal policies and practices; DEFENDANTS' failure to authorize or permit, or provide, all required meal and rest periods or pay proper premiums in lieu thereof; DEFENDANTS' failure to furnish complete and accurate itemized wage statements; DEFENDANTS' failure to reimburse business expenses; and DEFENDANTS' failure to timely pay all wages owed upon separation of employment.

170. Due to DEFENDANTS' unfair and unlawful business practices in violation of the California Labor Code, DEFENDANTS have gained a competitive advantage over other comparable companies doing business in the State of California that comply with their obligations to authorize or permit rest periods and meal periods or pay proper meal and rest period premiums in lieu thereof, to provide complete and accurate itemized wage statements, to reimburse employees for all business expenses, to pay all owed minimum wages and to pay all wages due upon separation of employment of their employees.

171. As a result of DEFENDANTS' unfair competition as alleged herein, PLAINTIFF has suffered injury in fact and lost money or property, as described in more detail above. Pursuant to California Business and Professions Code section 17200, *et seq.*, PLAINTIFF is entitled to restitution of all wages and other monies rightfully belonging to PLAINTIFF in that DEFENDANTS failed to pay and wrongfully retained by means of their unlawful and unfair business practices.

PRAYER FOR RELIEF

WHEREFORE, PLAINTIFF prays for relief and judgment as follows on behalf of PLAINTIFF, the State of California, and all Aggrieved Employees:

1. For civil penalties under Labor Code Section 2699;
2. For compensatory damages according to proof;

3. For liquidated damages according to proof;
4. For penalties according to proof;
5. For an order requiring DEFENDANTS to make restitution of all amounts wrongfully withheld from PLAINTIFF;
6. For an order finding DEFENDANTS have engaged in unfair competition in violation of section 17200, et seq., of the California Business and Professions Code;
7. For pre-judgment interest as permitted by law;
8. For attorney's fees and costs reasonably incurred; and
9. For such other and further relief that the Court deems just and proper.

Dated: July 9, 2025

CROSNER LEGAL, PC

By: _____



Jamie K. Serb, Esq.
Brandon Brouillette, Esq.
Zachary M. Crosner, Esq.
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ADOLFO JESUS OTANEZ

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Dated: July 9, 2025

By: 
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