ABRAMSON LABOR GROUP

1700 W Burbank Blvd.
Burbank, California 91506
t | 213.493.6300
Cheryl.K@abramsonlabor.com
www.AbramsonLaborGroup.com

May 1, 2025

VIA ONLINE SUBMISSION

Stewart Knox, Secretary
California Labor & Workforce
Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

VIA CERTIFIED MAIL

HNH PANCAKES, INC.
201 Davis Street
San Leandro, CA 94577

PANCAKES 655, INC.
2901 Douglas Blvd., Ste. 100
Roseville, CA 95661

PANCAKES 698, INC.
5777 Madison Ave., Ste. 790
Sacramento, CA 95841

HAVVA PANCAKES, INC.
HIBBA PANCAKES INC.
HNH PANCAKES, INC.
NAYMEL'S PANCAKES, INC.
PANCAKES 1702, INC.
PANCAKES 1705, INC.
PANCAKES 1707, INC.
PANCAKES 1716, INC.
PANCAKES 1717, INC.
PANCAKES 1720, INC.
PANCAKES 1726, INC.
PANCAKES 1727, INC.
PANCAKES 1749, INC.
PANCAKES 1760, INC.
PANCAKES 3148, INC.
PANCAKES 3306, INC.
PANCAKES 3378, INC.
PANCAKES 3546, INC.
PANCAKES 3547, INC.
PANCAKES 3552, INC.
PANCAKES 642, INC.
PANCAKES 654, INC.
PANCAKES 659, INC.
PANCAKES 660, INC.
PANCAKES 668, INC.
PANCAKES 694, INC.
PANCAKES 789, INC.
PANCAKES 655, INC.
PANCAKES 698, INC.

9281 Sierra College Blvd.
Roseville, CA 95661

NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CALIFORNIA LABOR CODE SECTION 2698, *ET SEQ.*

To: The California Labor and Workforce Development Agency; HAVVA PANCAKES, INC.; HIBBA PANCAKES INC.; HNH PANCAKES, INC.; NAYMEL'S PANCAKES, INC.; PANCAKES 1702, INC.; PANCAKES 1705, INC.; PANCAKES 1707, INC.; PANCAKES 1716, INC.; PANCAKES 1717, INC.; PANCAKES 1720, INC.; PANCAKES 1726, INC.; PANCAKES 1727, INC.; PANCAKES 1749, INC.; PANCAKES 1760, INC.; PANCAKES 3148, INC.; PANCAKES 3306, INC.;

PANCAKES 3378, INC.; PANCAKES 3546, INC.; PANCAKES 3547, INC.; PANCAKES 3552, INC.; PANCAKES 642, INC.; PANCAKES 654, INC.; PANCAKES 659, INC.; PANCAKES 660, INC.; PANCAKES 668, INC.; PANCAKES 694, INC.; PANCAKES 789, INC.; PANCAKES 655, INC.; and PANCAKES 698, INC.

From: Gabriela Chupin, on behalf of herself and all other current and former hourly nonexempt employees for violations of the California Labor Code

To Whom It May Concern:

Abramson Labor Group has been retained by former employee Gabriela Chupin ("Ms. Chupin") to seek compensation and all other available relief, including civil penalties on her behalf and on the behalf of all those similarly aggrieved (collectively with Ms. Chupin, "Claimants") who have been injured by HAVVA PANCAKES, INC.; HIBBA PANCAKES INC.; HNH PANCAKES, INC.; NAYMEL'S PANCAKES, INC.; PANCAKES 1702, INC.; PANCAKES 1705, INC.; PANCAKES 1707, INC.; PANCAKES 1716, INC.; PANCAKES 1717, INC.; PANCAKES 1720, INC.; PANCAKES 1726, INC.; PANCAKES 1727, INC.; PANCAKES 1749, INC.; PANCAKES 1760, INC.; PANCAKES 3148, INC.; PANCAKES 3306, INC.; PANCAKES 3378, INC.; PANCAKES 3546, INC.; PANCAKES 3547, INC.; PANCAKES 3552, INC.; PANCAKES 642, INC.; PANCAKES 654, INC.; PANCAKES 659, INC.; PANCAKES 660, INC.; PANCAKES 668, INC.; PANCAKES 694, INC.; PANCAKES 789, INC.; PANCAKES 655, INC.; and PANCAKES 698, INC., each doing business as IHOP (collectively, "IHOP") violations of the California Labor Code. Ms. Chupin, on behalf of herself and all other similarly aggrieved current and former hourly nonexempt employees of IHOP, 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.* of the Labor Code Private Attorneys General Act of 2004 ("PAGA").

Factual Statement:

A single franchisee owns and operates approximately 29 IHOP restaurants located in California, which offer patrons a casual dining atmosphere, many of which are 24-hour establishments.

Claimant Ms. Chupin worked at IHOP's San Leandro location from approximately March 1, 2023 to January 14, 2025 as an hourly, nonexempt employee in the position of Server (earning $20.00 per hour plus gratuities) at the time of her separation. Ms. Chupin, on behalf of herself and all other similarly aggrieved current and former employees in California in various positions, was generally engaged in serving customers and providing labor at approximately 29 IHOP restaurants owned and operated by a single franchisee. As part of their employment with IHOP, Claimants and other hourly, nonexempt employees, collectively, "hourly nonexempt employees," are or were assigned to and required to suffer and permitted to work without pay, while performing tasks collectively including, but not limited to, washing, preparing, and refilling food and condiments; labeling food with expiry dates and discarding expired food; brewing coffee; cooking food and keeping the cooking stations clean; filling up and delivering drinks to patrons; providing condiments to patrons; taking patrons' orders, serving them, and then processing their payments; bussing tables; organizing and washing dishes; unlocking and locking the restaurant doors with personally-assigned keys to admit employees and/or the public at opening and let out employees and/or keep out the public at closing; arming and disarming the restaurant alarm system; checking the perimeter of the restaurant to report any issues like graffiti; checking and reporting temperatures of refrigerators; drafting and sending emails to report on daily sales; to-go orders, staffing, and other figures; making trips to the bank to deposit cash; and complying with health department inspections.

Claimant Ms. Chupin regularly worked five (5) days per week for 8 hours or more hours per day. During the entire course of her employment, IHOP failed to provide Ms. Chupin and continues to fail to provide those similarly aggrieved with some overtime pay and compliant meal periods and rest breaks. IHOP has also failed to remit all gratuities owed and pay minimum wages to Ms. Chupin and other hourly, nonexempt employees in violation of Labor Code sections 510, 1194, 1197, and 1182.12, and section 4 of IWC Wage Order No. 5-2001. As a consequence of failing to pay minimum wages, IHOP has failed to comply with Labor Code sections 226.7, 510, and 512, and sections 3, 11, and 12 of all applicable Industrial Welfare Commission ("IWC") Wage Orders, including but not limited to, IWC Wage Order No. 5-2001. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, IHOP has failed to compensate Claimants at a rate of one and one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek.

IHOP has also failed and continues to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, IHOP has failed and continues to fail to provide timely, accurate wage statements to Ms. Chupin and other aggrieved persons in violation of Labor Code section 226(a). Relatedly, IHOP has failed to comply with Labor Code section 1174(d) and IWC Wage Order No. 5-2001's requirement that employers keep and maintain accurate time records showing when employees begin and end each work period, including meal periods. With regard to those no longer employed by IHOP, including Ms. Chupin, IHOP violated Labor Code section 203 by failing to pay all wages due upon separation. IHOP has failed and continues to fail to fully reimburse Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs for uniform laundering, in violation of Labor Code section 2802. Ms. Chupin is informed and believes that such violations are ongoing, systematic, and continuous. Ms. Chupin intends to bring an action against IHOP under the Private Attorneys General Act ("PAGA") to recover wages and penalties as provided by California law.[1]

Theories of Labor Code Violations and Remedies:

Claimant Ms. Chupin was employed by IHOP from approximately March 1, 2023 to January 14, 2025 as an hourly, nonexempt employee holding the position of Server at the time of her separation. For a period of at least four (4) years prior to April 2025, but for our purposes here, one (1) year prior, IHOP has violated and continues to violate the California Labor Code sections as detailed below.

Claimants also were at all times entitled to payment of **minimum wages**. IHOP has failed and continues to fail to pay Claimants minimum wages for all hours worked as required by Labor Code sections 510, 1194, and 1194.2 and sections 4 and 5 of IWC Wage Order No. 5-2001. First, Claimants worked a

---

[1] Without limitation, Ms. Chupin, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes each provision as set forth in Labor Code section 2699.5 as follows:

> The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230A, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651., and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

substantial amount of time while off-the-clock—meaning they were not punched in for work—and therefore, those working hours were not recorded and then compensated. This off-the-clock time primarily occurred for a few reasons: (1) Claimants were required to perform work before clocking in at the beginning of their shifts because they had to unlock the door to the restaurant, turn on the lights, disarm the alarm, and then lock the door to keep out the public prior to opening; (2) Claimants were required to perform work after clocking out at the end of their shifts because they had to unlock the door for employees to leave, turn off the lights, arm the alarm, and lock the door to the restaurant upon closing; (3) Claimants were interrupted during meal periods with requests that they return early from lunch, so Claimants returned to work early but could not back in until 30 minutes had elapsed, (4) on closing shifts, Claimants were locked inside the restaurant and had to wait for a keyholder to unlock the door to let them out of the restaurant, and (5) upon clocking out to avoid accruing overtime hours, Claimants had to complete all tasks that remained at the end of their shifts. Accordingly, Claimants were not paid for that time spent working off the clock. That is, IHOP implemented policies and enforced practices requiring Claimants to perform work during their meal periods (while clocked out) and rest breaks, the effects of which IHOP could have mitigated by adjusting expectations and/or by adding more staff to reduce the expected daily workload. However, IHOP instead chose to instruct Claimants to work during their meal periods on particularly demanding days and to skip rest breaks. Likewise, IHOP knew Claimants were clocked out performing compensable tasks before and after their shifts like unlocking and locking doors, turning lights on and off, and disarming and arming the alarm but still chose to not compensate Claimants for that extra time. In effect, these policies and practices cause Claimants to remain on-duty during meal periods and rest breaks and remain uncompensated for working off the clock before and after shifts, and therefore, constitute a failure on IHOP's part to pay minimum wages for all hours worked and also to provide compliant meal periods and rest breaks. With that, IHOP's corresponding failure to provide premium pay at the correct regular rate, if any premiums were paid at all, in lieu of compliant meal periods and rest breaks likewise constitutes IHOP's failure to pay minimum wages and all hours worked every pay period and upon separation in violation of Labor Code sections 201, 202, 203, 204, 226(a), 510, 1182.12, 1194, and 1197. Second, IHOP's failure to pay Claimants their meal period and rest break premiums for noncompliant meal periods and rest breaks, as explained in further detail below, also constitutes a failure to pay minimum wages to Claimants. Third, section 5 of the IWC Wage Order No. 5-2001 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." Claimants, including Ms. Chupin, reported to work on regularly scheduled workdays but, due to low customer volume, were sent home without the requisite pay on the corresponding paycheck. For all of the foregoing reasons, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 1197.1 and section 20 of IWC Wage Order No. 5-2001.

Claimants were at all times entitled to unpaid off-duty, uninterrupted **meal periods**. As mentioned in the preceding paragraph, IHOP failed to provide timely, full-length meal periods for Ms. Chupin and all other similarly aggrieved employees as required by Labor Code sections 226.7 and 512 and section 11 of IWC Wage Order No. 5-2001. Ms. Chupin and all similarly aggrieved persons were required to perform work during their meal periods in the form of either forgoing meal periods entirely or else returning to work early to perform their assigned services that interrupted their 30-minute meal periods, necessitating that they returned from their meal period early before 30 minutes had elapsed. Ms. Chupin and Claimants also began their meal periods after the end of the fifth hour. Despite that, IHOP did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant meal periods for each workday on which they occurred. Accordingly, since IHOP required Ms. Chupin and others similarly situated to work during their meal periods in violation of Labor Code sections 226.7(a) and 512, Claimants seek all available penalties as set forth in Labor Code sections 558, section 20 of IWC Wage Order No. 5-2001, and 2699(f).

Claimants were at all times entitled to take paid, off duty 10-minute **rest breaks**. However, for the same reasons cited in the preceding paragraph regarding meal periods, IHOP likewise failed to authorize and permit Ms. Chupin and all other similarly aggrieved employees to take any full-length, off-duty rest breaks as required by Labor Code sections 226.7 and section 12 of IWC Wage Order No. 5-2001. Claimants were not permitted to take their requisite number of 10-minute rest breaks based on their shift duration; Claimants regularly worked through their rest breaks to ensure adequate coverage of the restaurant, including a requisite number of cashiers or persons able to process payments. For instance, servers and others were regularly unable to take breaks because if they left to a rest break, too few (or no) persons would remain on the floor who would be able to cashier/process payments for patrons. IHOP did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant rest breaks for each workday on which they occurred. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 558 and section 20 of IWC Wage Order No. 5-2001. Furthermore, since IHOP required their hourly nonexempt employees to perform work during rest periods in violation of Labor Code section 226.7(b), Claimants seek all available penalties set forth in Labor Code sections 558 and 2699.

At all times relevant herein, Claimants were entitled to the payment of **overtime**. That is, pursuant to Labor Code sections 510, 1194, 1197, and 1182.12, IHOP was required to compensate Claimants at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek. Ms. Chupin and Claimants regularly worked overtime hours. IHOP has failed to and continues to fail to pay Claimants overtime wages owed for off-the-clock time worked that should have been compensated as overtime, yet regularly required them to work these overtime hours without premium pay under Labor Code section 1194. In short, during the entire course of their employment, IHOP failed to provide Ms. Chupin and continues to fail to provide all others similarly situated with all overtime pay in violation of 226.7, 510, and 512 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 5-2001, section 3.

Claimants were at all times entitled to receive all **gratuities** paid to or left for employees by patrons regardless of the form in which the gratuity was delivered, which shall not be deducted by credit card fees assessed to IHOP by credit card companies. Cal. Lab. Code § 351. IHOP failed to remit all gratuities owed Claimants as required by Labor Code section 351. For example, IHOP engaged in improper tip withholding practices by reducing the tips collected by the amount credit card companies assessed to IHOP on those particular transactions. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

Pursuant to Labor Code sections 201–203, Claimants who have since separated from IHOP, including Ms. Chupin, were entitled to be paid all **wages owed upon separation** within the statutorily allotted time—immediately (resignation with notice and termination) or within seventy-two (72) hours (resignation without notice). On January 14, 2025, IHOP terminated Ms. Chupin's employment and provided her a paycheck on that date, however, that paycheck did not include a variety of amounts IHOP owed. Claimants, including Ms. Chupin, did not receive all wages owed upon separation based on IHOP's prior failings to pay all wages owed every pay period, including but not limited to minimum and overtime wages for all hours worked, gratuities, and meal and rest premiums owed, as explained above, which constitutes violations of Labor Code sections 201 and 202.

Claimants were at all times entitled to be provided timely and accurate **wage statements** from IHOP pursuant to Labor Code section 226. First, Ms. Chupin's wage statements do not reflect the correct legal name of the employer: HNH Pancakes, Inc.—they simply say "HNH Pancakes Inc" without the comma or period. Second, because IHOP failed to pay Claimants all of their meal period and rest break premiums for noncompliant meal periods and rest breaks and failed to pay Claimants minimum wages for all hours worked before, during, and after their shifts and for all overtime wages due, Claimants' wage statements were inaccurate in reflecting meal period and rest break premiums owed, overtime and minimum wages, and all hours worked every pay period. As a consequence, Claimants' wage statements also do not reflect the accurate amount of net and gross wages owed. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

Pursuant to Labor Code section 1174(d) and IWC Wage Order No. 5-2001, employers are required to **keep and maintain accurate time records** showing when employees begin and end each work period, including meal periods. During the relevant time period, IHOP had a company-wide policy and engaged in a companywide practice of failing to record actual hours worked by both instructing Claimants to not record (or adjust) their actual workday start and stop times on the timekeeping system while imposing strict coverage and work-completion expectations. That is, Claimants were not logistically able to clock in earlier than the time they disarmed the alarms and were not logistically able to clock out after locking the door to the restaurant upon closing, however, IHOP required Claimants to accomplish these tasks off the clock and uncompensated. Similarly, upon information and belief, IHOP deducted 30 minutes for "phantom meal periods"—either (1) meal periods that Claimants did not actually take and for which they did not clock out or (2) meal periods they did not take but they clocked out for anyway to avoid discipline because the lack of a meal period would trigger a premium owed. IHOP added these phantom meal periods to Claimants' hours. Therefore, IHOP failed to keep accurate records of work period start and stop times for Claimants, in violation of section 1198. To elaborate, by failing to adjust Claimants' hours for off the clock work before and after shifts and during meal periods where Claimants returned early but did not clock back in and by adding the phantom meal periods in the instance Claimants did not record or take a meal period and IHOP effectively deducted 30 minutes from their hours worked by adding meal periods taken to their time records, IHOP failed to record all hours worked and also falsified the times to ensure the phantom meal periods were taken before the end of the fifth hour. Because IHOP failed to provide the actual hours worked and, therefore, the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on Claimants' wage statements, Claimants have been prevented from verifying—solely from information on the wage statements themselves—that they were paid correctly and in full. Instead, Claimants have had to refer to other sources beyond their wage statements and reconstruct time records to determine whether in fact they were paid correctly and the extent to which they were underpaid, thereby causing them injury. IHOP's decision to fail to record this time was knowing and intentional because it was in the sole position to set forth and implement and enforce these companywide practices and to edit Claimants' time records. Accordingly, Claimants are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)–(g).

Finally, Claimants were entitled to be reimbursed by IHOP for all necessary, **business-related expenses** they incurred in executing their duties for IHOP. California Labor Code section 2802 provides that "An employer shall indemnify his or his employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or his duties, or of his or his obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." IHOP, however, failed to reimburse Ms. Chupin and Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, costs incurred for uniform laundering expenses because Claimants were provided too few uniform shirts to last throughout the workweek without requiring extra loads of laundry. IHOP required Claimants to wear particular uniform shirts that IHOP provided, however, IHOP did not provide laundry services or reimbursements nor enough shirts, which effectively, required Claimants to incur additional expenses to launder their uniform shirts more frequently than they would have otherwise washed loads of laundry. Accordingly, Claimants are entitled to recover their unreimbursed expenditures and losses pursuant to Labor Code section 2802.

IHOP's uniform failure to pay overtime and minimum wages, failure to authorize and permit full-length, off-duty rest breaks and meal periods or pay Claimants adequate premium compensation in lieu thereof, failure to remit all gratuities, failure to furnish timely and accurate wage statements, and failure to reimburse all necessary, business-related expenses violate Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 351, 510, 512, 1174, 1182.12, 1194, 1197, and 2802, and as such, penalties are recoverable as set forth in Labor Code sections 210, 1194, *et seq.*, and 2699.

Claimants are entitled to recover unpaid wages, with interest, and are entitled to an award of attorneys' fees as permitted by Labor Code section 1194, other penalties as permitted by Labor Code sections 210 and 2699, and waiting time penalties for former employees pursuant to Labor Code section 203.

Accordingly, Claimants seek the remedies set forth in the above-referenced Labor Code sections for themselves, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, Ms. Chupin, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against IHOP for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 351, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Should you require any additional information, please feel free to contact me.

Sincerely,

ABRAMSON LABOR GROUP

Cheryl Kenner

Cheryl A. Kenner