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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

23CV409446

MITCH HOUSE, as an aggrieved
employee pursuant to the Private
Attorneys General Act ("PAGA"), on
behalf of the State of California and
other non-party Aggrieved
Employees,

Plaintiff,

vs.

GUITAR CENTER STORES, INC., a
Delaware corporation; AVDG, LLC, a
Delaware limited liability company;
GC BUSINESS SOLUTIONS, INC.,
a Delaware corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No.:

**COMPLAINT – PAGA ENFORCEMENT
ACTION**

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

Jury Trial Demanded

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

3 JURISDICTION AND VENUE

4 1. This is an enforcement action under the Labor Code Private Attorneys General
5 Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
6 and any other available relief on behalf of Plaintiff, the State of California, and other current
7 and former employees who worked for Defendants in California as a non-exempt, hourly paid
8 employee and received at least one wage statement and against whom one or more violations
9 of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating
10 hours and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage
11 Order were committed, as set forth in this complaint, at any time between one year prior to the
12 filing of the pre-filing written notice to the Labor and Workforce Development Agency
13 (“LWDA”) in this case on October 27, 2022, until judgment (“non-party Aggrieved
14 Employees”). Plaintiff’s share of civil penalties sought in this action does not exceed
15 \$75,000.

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

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

1 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

2 4. Venue is proper in this Court because Defendants employ or employed persons
3 within the County of Santa Clara and have violated the requirements of the California Labor
4 Code and applicable IWC Wage Order in this county which give rise to the penalties sought in
5 this action. Cal. Code Civ. P. § 393. Specifically, Defendants have violated the requirements
6 of the California Labor Code and applicable IWC Wage Order in at least 3 locations within
7 the County of Santa Clara, including Defendants' stores located in Gilroy (6910 Automall
8 Parkway, Gilroy, California 95020-6635); San Jose (5140 Cherry Avenue, Suite 10, San Jose,
9 California 95118-3779); and Santa Clara (2677 Stevens Creek Boulevard, Santa Clara,
10 California 95051-7355). Pursuant to California Civil Code of Procedure section 393, venue is
11 proper for the recovery of a penalty imposed by statute in the county in which the cause, or
12 some part of the cause, arose. Because Defendants have employees in Santa Clara County,
13 and Plaintiff could bring an action filed under PAGA in any county in which an aggrieved
14 employee worked and Labor Code violations occurred, venue is proper. *Crestwood*
15 *Behavioral Health, Inc. v. Superior Court of Alameda County*, 60 Cal. App. 5th 1069 (2021).

16 5. California Labor Code sections 2698, *et seq.*, the "Labor Code Private
17 Attorneys General Act of 2004" ("PAGA"), authorize aggrieved employees to sue as private
18 attorneys general their current or former employers for various civil penalties for violations of
19 various provisions in the California Labor Code.

20 THE PARTIES

21 6. Plaintiff Mitch House is a resident of Contra Costa County, California.
22 Defendants employed Plaintiff as an hourly paid, non-exempt employee from approximately
23 May 2019 to May 2022. Plaintiff worked as an Instructor for Defendants at their store located
24 in Dublin, California. Plaintiff typically worked four (4) to eight (8) or more hours per day,
25 and three (3) to four (4) days per week. At the time Plaintiff's employment with Defendants
26 ended, he was compensated a base hourly rate of \$15.78 per hour, and a teaching rate of
27 \$24.80 per hour. Plaintiff's job duties included, without limitation, teaching piano, violin, and
28 guitar musical instrument lessons.

1 7. On information and belief, Defendants required some employees, including
2 Plaintiff, to execute an arbitration agreement at the time of their hire or during their
3 employment. On further information and belief, Defendants' arbitration agreement was and is
4 both procedurally and substantively unconscionable. Specifically, Defendants presented
5 employees with an "Arbitration Program Agreement" ("Arbitration Agreement") which had to
6 be reviewed and acknowledged immediately. Specifically, the Arbitration Agreement was
7 one of several documents presented to employees for signature during the orientation process.
8 Also, employees did not have a meaningful opportunity to negotiate the terms of the
9 Arbitration Agreement. Rather, it was provided to Defendants' employees for them to sign on
10 a take-it or leave-it basis, along with other onboarding documents. Further, Defendants did
11 not set forth in the agreement or otherwise provide employees with the rules which will
12 govern the arbitration, instead forcing employees to seek this information out on their own
13 ("Information regarding the AAA National Rules for the Resolution of Employment Disputes
14 is available for review from the Human Resources Department and may also be obtained
15 directly contacting AAA from the AAA's website (www.adr.org) or by calling (800) 778-
16 7879 or (888) 774-6904").

17 8. Defendants GUITAR CENTER STORES, INC. was and is, upon information
18 and belief, a Delaware corporation, and at all times hereinafter mentioned, an employer whose
19 employees are engaged throughout this county, the State of California.

20 9. AVDG, LLC was and is, upon information and belief, a Delaware limited
21 liability company, and at all times hereinafter mentioned, an employer whose employees are
22 engaged throughout this county, the State of California.

23 10. GC BUSINESS SOLUTIONS, INC. was and is, upon information and belief, a
24 Delaware corporation, and at all times hereinafter mentioned, an employer whose employees
25 are engaged throughout this county, the State of California.

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

capacities become known.

12. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10 were the partners, agents, owners, or managers of GUITAR CENTER STORES, INC.; AVDG, LLC; and GC BUSINESS SOLUTIONS, INC., at all relevant times.

13. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts and omissions alleged herein was performed by, or is attributable to, GUITAR CENTER STORES, INC.; AVDG, LLC; GC BUSINESS SOLUTIONS, INC; and/or DOES 1 through 10 (collectively, “Defendants” or “GUITAR CENTER”), each acting as the agent, employee, alter ego, and/or joint venturer of, or working in concert with, each of the other co-Defendants and was acting within the course and scope of such agency, employment, joint venture, or concerted activity with legal authority to act on the others’ behalf. The acts of any and all Defendants were in accordance with, and represent, the official policy of Defendants.

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

15. Plaintiff is informed and believes, and thereon alleges, that each of said Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions, occurrences, and transactions alleged herein.

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

1 Aggrieved Employees, Defendants are jointly and severally liable for the civil penalties
2 available to Plaintiff and other non-party Aggrieved Employees under the law.

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

- 6 (a) jointly exercised meaningful control over the work performed by
7 Plaintiff and other non-party Aggrieved Employees;
- 8 (b) jointly exercised meaningful control over Plaintiff's and other non-party
9 Aggrieved Employees' wages, hours, and working conditions, including
10 the quantity, quality standards, speed, scheduling, and operative details
11 of the tasks performed by Plaintiff and other non-party Aggrieved
12 Employees;
- 13 (c) jointly required that Plaintiff and other non-party Aggrieved Employees
14 perform work which is an integral part of Defendants' businesses; and
- 15 (d) jointly exercised control over Plaintiff and other non-party Aggrieved
16 Employees as a matter of economic reality in that Plaintiff and other
17 non-party Aggrieved Employees were dependent on Defendants, who
18 shared the power to set the wages of Plaintiff and other non-party
19 Aggrieved Employees and determined their working conditions, and
20 who jointly reaped the benefits from the underpayment of their wages
21 and noncompliance with other statutory provisions governing their
22 employment.

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

26 19. Defendants GUITAR CENTER STORES, INC.; AVDG, LLC; GC BUSINESS
27 SOLUTIONS, INC.; and/or DOES 1 through 10 are therefore alter egos of each other.

28 20. Adherence to the fiction of the separate existence of Defendants would permit

1 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
2 from liability for the wrongful acts committed by them under the name GUITAR CENTER.

3 21. Plaintiff further alleges, upon information and belief, that the Defendants
4 GUITAR CENTER STORES, INC.; AVDG, LLC; and GC BUSINESS SOLUTIONS, INC.
5 are alter egos of each other for the following reasons:

- 6 (a) On the California Secretary of State’s website
7 (<https://bizfileonline.sos.ca.gov/>), GUITAR CENTER STORES, INC.;
8 AVDG, LLC; and GC BUSINESS SOLUTIONS, INC. have the same
9 principal office address and mailing address, “5795 LINDERO
10 CANYON ROAD, WESTLAKE VILLAGE, CA 91362”;
- 11 (b) According to their most recent “Statement of Information” forms filed
12 with the California Secretary of State, GUITAR CENTER STORES,
13 INC.; AVDG, LLC; and GC BUSINESS SOLUTIONS, INC. share the
14 same officers, managers, and/or members, including, but not limited to:
- 15 i. Tim Martin, who serves as Chief Executive Officer and Chief
16 Financial Officer for GUITAR CENTER STORES, INC.; Chief
17 Financial Officer for GC BUSINESS SOLUTIONS, INC.; and
18 Manager and/or Member for AVDG, LLC;
- 19 ii. Michael Pendelton, who serves as Secretary for GUITAR
20 CENTER STORES, INC. and GC BUSINESS SOLUTIONS,
21 INC.; and
- 22 iii. GC BUSINESS SOLUTIONS, INC., which serves as Manager
23 or Member for AVDG, LLC;
- 24 (c) According to the California Secretary of State’s website, GUITAR
25 CENTER STORES, INC.; AVDG, LLC; and GC BUSINESS
26 SOLUTIONS, INC. share the same agent for service of process, C T
27 CORPORATION SYSTEM (C0168406); and
- 28 (d) On information and belief, GUITAR CENTER STORES, INC.; AVDG,

1 LLC; and GC BUSINESS SOLUTIONS, INC. utilize the same
2 standardized employment forms and issue the same employment
3 policies.

4 **PAGA REPRESENTATIVE ALLEGATIONS**

5 22. Defendants operate a leading retail chain of musical instruments, lessons,
6 repairs, and rentals in the United States, with approximately 41 “Guitar Center” store
7 locations in California. Upon information and belief, Defendants maintain a single,
8 centralized Human Resources (HR) department at their corporate headquarters in Westlake
9 Village, California, for all non-exempt, hourly paid employees working for Defendants in
10 California, which is responsible for the recruiting and hiring of new employees, and
11 communicating and implementing Defendants’ company-wide policies, including timekeeping
12 policies and meal and rest period policies, to employees throughout California.

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

20 24. Upon information and belief, Defendants maintain a centralized Payroll
21 department at their corporate headquarters in Westlake Village, California, which processes
22 payroll for all non-exempt, hourly paid employees working for Defendants at their various
23 locations and jobsites in California, including Plaintiff and other non-party Aggrieved
24 Employees. Based upon information and belief, Defendants issue the same formatted wage
25 statements to all non-exempt, hourly paid employees in California, irrespective of their work
26 locations. Upon information and belief, Defendants process payroll for departing employees
27 in the same manner throughout the State of California, regardless of the manner in which each
28 employee’s employment ends.

1 25. Defendants continue to employ non-exempt or hourly paid employees in
2 California.

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

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

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

14 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that Plaintiff and/or other non-party Aggrieved Employees were entitled
16 to be paid at a regular rate of pay, and corresponding rates of pay for overtime wages and/or
17 meal and rest period premiums, that included as eligible income all remuneration required by
18 law, including but not limited to, all income derived from incentive pay, nondiscretionary
19 bonuses, differential pay, and/or other forms of compensation, but failed to include all forms
20 of remuneration in calculating the regular rate of pay for Plaintiff and/or other non-party
21 Aggrieved Employees.

22 30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
24 receive at least minimum wages for compensation and that they were not receiving at least
25 minimum wages for work that was required to be done off-the-clock. In violation of the
26 California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at
27 least minimum wages for work done off-the-clock.

28 31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or

1 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
2 meal periods in accordance with the California Labor Code and applicable IWC Wage Order
3 or payment of one (1) additional hour of pay at their regular rates of pay when they were not
4 provided with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and
5 other non-party Aggrieved Employees were not provided with all meal periods or payment of
6 one (1) additional hour of pay at their regular rates of pay when they did not receive a timely,
7 uninterrupted, thirty (30) minute meal period.

8 32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
9 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
10 rest periods in accordance with the California Labor Code and applicable IWC Wage Order or
11 payment of one (1) additional hour of pay at their regular rates of pay when they were not
12 authorized and permitted to take a compliant rest period. In violation of the California Labor
13 Code, Plaintiff and other non-party Aggrieved Employees were not authorized and permitted
14 to take compliant rest periods, nor did Defendants provide Plaintiff and other non-party
15 Aggrieved Employees with payment of one (1) additional hour of pay at their regular rates of
16 pay when they were not authorized and permitted to take a compliant rest period.

17 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
18 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
19 receive complete and accurate wage statements in accordance with California law. In
20 violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees
21 were not provided complete and accurate wage statements.

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

26 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
27 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
28 timely payment of wages during their employment. In violation of the California Labor Code,

1 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,
2 including, but not limited to, overtime wages, minimum wages, meal and rest period
3 premiums, and/or reporting time pay, within permissible time periods.

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

10 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
11 should have known that other non-party Aggrieved Employees were entitled to suitable
12 seating and/or were entitled to sit when it did not interfere with the performance of their duties
13 and also have seats nearby to use during a lull in tasks that do require moving about or
14 standing. In violation of the California Labor Code and applicable IWC Wage Order,
15 Defendants failed to provide other non-party Aggrieved Employees with suitable seating.

16 38. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
17 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
18 be paid reporting time pay when they reported to work for their usual or scheduled shift but
19 were put to work for less than half of the usual or scheduled shift. In violation of the
20 California Labor Code and applicable IWC Wage Order, Defendants did not pay Plaintiff and
21 other non-party Aggrieved Employees all reporting time pay due.

22 39. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
24 receive split shift premium pay when Defendants required Plaintiff and other non-party
25 Aggrieved Employees to return to work for an additional shift in the same day, after having
26 been clocked out for more than an hour. In violation of the California Labor Code and
27 applicable IWC Wage Order, Defendants did not pay Plaintiff and other non-party Aggrieved
28 Employees all split-shift premiums due.

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

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

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

18 43. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any
19 person who was employed by the alleged violator and against whom one or more of the
20 alleged violations was committed."

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

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

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

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

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

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

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

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

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

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

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

8 47. On October 27, 2022, Plaintiff provided written notice by online filing to the
9 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
10 Code alleged to have been violated, including facts and theories to support the alleged
11 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
12 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
13 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
14 Plaintiff PAGA Case Number LWDA-CM-916333-22. A true and correct copy of Plaintiff's
15 written notice to the LWDA and Defendants dated October 27, 2022, is attached hereto as
16 "Exhibit 1."

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

20 49. Thus, Plaintiff has satisfied the administrative prerequisites under California
21 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
22 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516,
23 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

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

1 underpaid. . . . (2) For each subsequent violation, one hundred dollars (\$100) for each
2 underpaid employee for each pay period for which the employee was underpaid. . . .” Labor
3 Code section 558(c) provides “[t]he civil penalties provided for in this section are in addition
4 to any other civil or criminal penalty provided by law.” Plaintiff, acting in the public interest
5 as a private attorney general, seeks assessment and collection of civil penalties under Labor
6 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
7 California against Defendants for violations of Labor Code sections 510, 512(a), 516, 1198,
8 and the applicable IWC Wage Order. Plaintiff, acting in the public interest as a private
9 attorney general, does not seek the recovery of unpaid wages under Labor Code section 558
10 from Defendants for violations of Labor Code sections 510, 512(a), 516, 1198, and the
11 applicable IWC Wage Order.

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

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

19 53. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
20 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public interest as a
21 private attorney general, seeks assessment and collection of civil penalties for himself, all
22 other non-party Aggrieved Employees, and the State of California against Defendants for
23 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516,
24 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

25 **FIRST CAUSE OF ACTION**

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

27 **(Against all Defendants)**

28 54. Plaintiff incorporates by reference and re-alleges as if fully stated herein each

1 and every allegation set forth above.

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

8 56. Defendants’ conduct, as alleged herein, violates numerous sections of the
9 California Labor Code, including, but not limited to, the following:

- 10 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC
11 Wage Order for Defendants’ failure to compensate Plaintiff and other
12 non-party Aggrieved Employees with all required overtime pay, as set
13 forth below;
- 14 (b) Violation of Labor Code sections 226.7, 510, and 1198, and the
15 applicable IWC Wage Order for Defendants’ failure to include all forms
16 of remuneration in the “regular rate” of pay as required by law for
17 purposes of paying overtime wages and/or meal and rest period
18 premiums to Plaintiff and/or other non-party Aggrieved Employees, as
19 set forth below;
- 20 (c) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and
21 the applicable IWC Wage Order for Defendants’ failure to compensate
22 Plaintiff and other non-party Aggrieved Employees with at least
23 minimum wages for all hours worked, as set forth below;
- 24 (d) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
25 applicable IWC Wage Order for Defendants’ failure to provide Plaintiff
26 and other non-party Aggrieved Employees with meal periods, as set
27 forth below;
- 28 (e) Violation of Labor Code sections 226.7, 516, and 1198, and the

1 applicable IWC Wage Order for Defendants' failure to authorize and
2 permit Plaintiff and other non-party Aggrieved Employees to take rest
3 periods, as set forth below;

4 (f) Violation of Labor Code sections 226(a) and 1198, and the applicable
5 IWC Wage Order for failure to provide accurate and complete wage
6 statements to Plaintiff and other non-party Aggrieved Employees, as set
7 forth below;

8 (g) Violation of Labor Code sections 1174(d) and 1198, and the applicable
9 IWC Wage Order for failure to maintain payroll records, as set forth
10 below;

11 (h) Violation of Labor Code sections 204 for failure to pay all earned wages
12 during employment, as set forth below;

13 (i) Violation of Labor Code section 201 and 202 for failure to pay all
14 earned wages upon termination, as set forth below;

15 (j) Violation of Labor Code section 1198 and the applicable IWC Wage
16 Order for failing to provide suitable seating to other non-party
17 Aggrieved Employees, as set forth below;

18 (k) Violation of Labor Code section 1198 and the applicable IWC Wage
19 Order for failure to pay reporting time pay when Plaintiff and other non-
20 party Aggrieved Employees were put to work for less than half of their
21 usual or scheduled shifts, as set forth below;

22 (l) Violation of Labor Code section 1198 and the applicable IWC Wage
23 Order for failure to pay split-shift premiums when Plaintiff and other
24 non-party Aggrieved Employees returned to work for an additional shift
25 in the same day, after having been clocked out for more than an hour, as
26 set forth below; and

27 (m) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff
28 and other non-party Aggrieved Employees for all business expenses

necessarily incurred, as set forth below.

FAILURE TO PAY OVERTIME

VIOLATION OF LABOR CODE SECTIONS 510 AND 1198

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

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

59. Specifically, the applicable IWC Wage Order provides that Defendants are and were required to pay Plaintiff and other non-party Aggrieved Employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

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

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

1 62. During the relevant time period, Defendants willfully failed to pay all overtime
2 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time
3 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums
4 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)
5 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were
6 not recorded.

7 63. First, Defendants had, and continue to have, a company-wide policy and/or
8 practice requiring Plaintiff and other non-party Aggrieved Employees to perform various
9 work-related tasks while off-the-clock before and after their shifts. For example, because
10 Defendants' company-wide timekeeping system was integrated with the company's point-of-
11 sale ("POS") system, Plaintiff and other non-party Aggrieved Employees would often have to
12 wait to clock in for the start of their shifts, because other employees were using the POS
13 system to handle customer transactions. For instance, Plaintiff was required to wait several
14 minutes under Defendants' control until a POS machine was available for clocking-in, time
15 for which he was not paid.

16 64. As another example, Defendants' managers scheduled the start-time for
17 Plaintiff's and other non-party Aggrieved Employees' shifts to coincide with the start-time of
18 their first music lesson of the day. However, Plaintiff and other non-party Aggrieved
19 Employees were expected to begin their lessons immediately so students would not have to
20 wait, which forced Plaintiff and other non-party Aggrieved Employees to prepare the teaching
21 studios before their shifts began. Specifically, Plaintiff regularly arrived to work
22 approximately 30 minutes before the scheduled start of his shift to bring in and set up
23 equipment such as musical instruments, amplifiers, and sheet music stands, but was permitted
24 to clock in no earlier than 15 minutes before his scheduled shift start-time. Furthermore, it
25 was not possible for Plaintiff and other non-party Aggrieved Employees to complete all of
26 these tasks on the clock because, on information and belief, Defendants' company-wide
27 timekeeping system would not permit Plaintiff and other non-party Aggrieved Employees to
28 clock in more than 15 minutes before their scheduled shift start times. Thus, Plaintiff and

1 other non-party Aggrieved Employees were forced to work off the clock because Defendants
2 did not provide them with a mechanism to record this time.

3 65. In addition, Plaintiff and other non-party Aggrieved Employees were required
4 to review emails from Defendants' management after their shifts or on their days off. For
5 example, at the end of each day, Plaintiff would receive an email from his supervisor with his
6 schedule of music lessons for the following work day, and spend about 5-10 minutes, off-the-
7 clock, reviewing the email to determine what equipment to bring to work the next day. Thus,
8 Defendants failed to track all of the time that employees spent performing work-related tasks
9 before and after their scheduled shifts, and Plaintiff and other non-party Aggrieved Employees
10 received no compensation for this time.

11 66. Second, during the relevant time period, Defendants had, and continue to have,
12 a company-wide policy and/or practice of scheduling their Instructors' music lesson
13 appointments so that they are continuous and non-stop throughout the entirety of their shift,
14 without building in time to allow for 30-minute meal periods, such that Plaintiff and other
15 non-party Aggrieved Employees were prevented from taking all uninterrupted 30-minute meal
16 periods, and were also forced to work off-the-clock during their meal periods to complete their
17 assigned appointments. Defendants also had a company-wide practice and/or policy of failing
18 to schedule meal periods, which further caused Plaintiff and other non-party Aggrieved
19 Employees to not be relieved for their duties for compliant meal periods. Consequently,
20 Plaintiff and other non-party Aggrieved Employees were required to work through and/or had
21 their unpaid meal periods interrupted in order to complete their assigned duties and handle
22 customer demand, time for which they were not paid.

23 67. Third, during the relevant time period, on information and belief, Defendants
24 implemented a company-wide policy and/or practice of automatically deducting meal periods
25 from Plaintiff's and other non-party Aggrieved Employees' time records. As a result of this
26 policy, Defendants deducted 30-minute meal periods from Plaintiff's and other non-party
27 Aggrieved Employees' time records even when meal periods were missed, short, and/or
28 interrupted. Thus, Defendants did not record all hours worked during meal periods, and

1 Plaintiff and other non-party Aggrieved Employees performed work during meal periods for
2 which they were not paid.

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

11 69. Furthermore, Defendants did not pay other non-party Aggrieved Employees the
12 correct overtime rates for the recorded overtime hours that they generated. In addition to an
13 hourly wage, Defendants paid other non-party Aggrieved Employees incentive pay,
14 nondiscretionary bonuses, differential pay, and/or other forms of remuneration. However, in
15 violation of the California Labor Code, Defendants failed to incorporate all remunerations,
16 including incentive pay, nondiscretionary bonuses, and/or differential pay, and/or other forms
17 of remuneration, into the calculation of the regular rate of pay for purposes of calculating the
18 overtime wage rates. Therefore, during times when other non-party Aggrieved Employees
19 worked overtime and received these other forms of pay, Defendants failed to pay all overtime
20 wages by paying a lower overtime rate than required.

21 70. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
22 the balance of overtime compensation as required by California law, violates the provisions of
23 California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved
24 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
25 558 and/or 2699(a), (f), and (g).

26 **FAILURE TO PAY MINIMUM WAGES**

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

28 71. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and

1 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage
2 to be paid to employees, and the payment of a wage less than the minimum so fixed is
3 unlawful. Compensable work time is defined in IWC Wage Order No. 7-2001 as “the time
4 during which an employee is subject to the control of an employer, and includes all the time
5 the employee is suffered or permitted to work, whether or not required to do so.” Cal. Code.
6 Regs. tit. 8, § 11070(2)(G) (defining “Hours Worked”).

7 72. As stated above, during the relevant time period, Defendants had a company-
8 wide policy and/or practice requiring Plaintiff and other non-party Aggrieved Employees to
9 perform various work-related tasks while off-the-clock, including waiting to clock in for the
10 start of their shifts because other employees were using the POS system, preparing music
11 studios for lessons before their shifts, and reviewing emails from management after their shifts
12 or on their off days. Thus, Defendants failed to track this time Plaintiff and other non-party
13 Aggrieved Employees spent working off-the-clock, and Plaintiff and other non-party
14 Aggrieved Employees received no compensation for this time.

15 73. As set forth above, due to Defendants’ policies and/or practices of assigning
16 heavy workloads while scheduling continuous and non-stop music lesson appointments, and
17 failing to schedule meal periods, Plaintiff and other non-party Aggrieved Employees were
18 impeded from taking all uninterrupted meal periods to which they were entitled and were
19 required to work off-the-clock during meal periods. Moreover, as stated, on information and
20 belief, Defendants, had a company-wide practice and/or policy of automatically deducting
21 meal periods from Plaintiff’s and other non-party Aggrieved Employees’ time records, even
22 when meal periods were missed, short, and/or interrupted. Thus, Defendants systematically
23 failed to pay Plaintiff and other non-party Aggrieved Employees for actual hours worked
24 during unpaid meal periods because these hours were not always correctly recorded.

25 74. Thus, Defendants did not pay minimum wages for all hours worked by Plaintiff
26 and other non-party Aggrieved Employees. To the extent that these off-the-clock hours did
27 not qualify for overtime premium payment, Defendants did not pay at least minimum wages
28 for those hours worked off-the-clock in violation of California Labor Code sections 1182.12,

1 1194, 1197, and 1198.

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

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

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

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

18 78. At all relevant times herein set forth, California Labor Code sections 226.7,
19 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
20 meal period mandated by an applicable order of the IWC.

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

28 80. As stated above, Defendants had, and continue to have, a company-wide policy

1 and/or practice of assigning of heavy workloads and scheduling continuous and non-stop
2 music lesson appointments, without building in time to allow for 30-minute meal periods,
3 such that Plaintiff and other non-party Aggrieved Employees were prevented from taking all
4 uninterrupted 30-minute meal periods to which they were entitled. Further, as stated,
5 Defendants also had a company-wide practice and/or policy of failing to schedule meal
6 periods, which further caused Plaintiff and other non-party Aggrieved Employees to not be
7 relieved for their duties for compliant meal periods.

8 81. As a result, Plaintiff and other non-party Aggrieved Employees had to work
9 through all or part of their meal periods, had their meal periods interrupted, and/or had to wait
10 extended periods of time before taking meal periods. For example, according to Plaintiff's
11 timesheets, on January 12, 2022, he clocked in at the start of his shift at 12:19 p.m. and
12 clocked out at the end of his shift at 6:36 p.m., working a total six (6) hours and 17 minutes
13 (or 6.28 hours), without clocking out for a meal period. In fact, according to Plaintiff's
14 timesheets, he did not clock out for a meal period during every shift he worked when he was
15 entitled to receive a meal period, since September 28, 2021 to the time he resigned from his
16 employment with Defendants on June 9, 2022.

17 82. Furthermore, as stated, Defendants implemented a company-wide policy and
18 practice of automatically deducting meal periods from Plaintiff's and other non-party
19 Aggrieved Employees' time records. As a result of this policy, Defendants deducted 30
20 minutes from Plaintiff's and other non-party Aggrieved Employees' time records even when
21 meal periods were missed, short, and/or interrupted. Thus, Defendants systematically failed to
22 correctly record meal periods.

23 83. Also, Defendants did not provide other non-party Aggrieved Employees with
24 second 30-minute meal periods on days that they worked in excess of ten (10) hours in one
25 day. Plaintiff and other non-party Aggrieved Employees did not sign valid meal period
26 waivers on days that they were entitled to meal periods and were not relieved of all duties.

27 84. At all times mentioned herein, Defendants knew or should have known that as a
28 result of their policies, Plaintiff and other non-party Aggrieved Employees were not actually

1 relieved of all duties to take timely, uninterrupted meal periods. Defendants further knew or
2 should have known that they did not pay Plaintiff and other non-party Aggrieved Employees
3 meal period premiums when meal periods were late, interrupted, shortened, and/or missed.

4 85. Furthermore, Defendants engaged in a company-wide practice and/or policy of
5 not paying all meal period premiums owed when compliant meal periods are not provided.
6 Because of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees
7 have not received premium pay for missed, late, and interrupted meal periods. Alternatively,
8 to the extent that Defendants did pay Plaintiff and/or other non-party Aggrieved Employees
9 premium pay for missed, late, and interrupted meal periods, Defendants did not pay Plaintiff
10 and/or other non-party Aggrieved Employees the correct rate of pay for premiums because
11 Defendant systematically failed to include all forms of compensation such as incentive pay,
12 nondiscretionary bonuses, differential pay, and/or other forms of remuneration, in the regular
13 rate of pay.

14 86. Defendants' conduct violates the applicable IWC Wage Order, and California
15 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved
16 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
17 558 and/or 2699(a), (f), and (g).

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

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

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

23 88. At all relevant times, the applicable IWC Wage Order provides that "[e]very
24 employer shall authorize and permit all employees to take rest periods, which insofar as
25 practicable shall be in the middle of each work period" and that the "rest period time shall be
26 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
27 hours or major fraction thereof" unless the total daily work time is less than three and one-half
28 (3 ½) hours.

1 89. At all relevant times, California Labor Code section 226.7 provides that no
2 employer shall require an employee to work during any rest period mandated by an applicable
3 order of the California IWC. To comply with its obligation to authorize and permit rest
4 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
5 employer must “relinquish any control over how employees spend their break time, and
6 relieve their employees of all duties—including the obligation that an employee remain on
7 call. A rest period, in short, must be a period of rest.” *Augustus v. ABM Security Services,*
8 *Inc.*, 2 Cal. 5th 257, 269-270 (2016).

9 90. Pursuant to the applicable IWC Wage Order and California Labor Code section
10 226.7(c), Plaintiff and other non-party Aggrieved Employees are entitled to recover from
11 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a
12 required rest period was not authorized and permitted.

13 91. During the relevant time period, Defendants regularly failed to authorize and
14 permit Plaintiff and other non-party Aggrieved Employees to take a ten (10) minute rest
15 period per each four (4) hour period worked or major fraction thereof. As with meal periods,
16 Defendants’ company-wide scheduling policies and practices, while simultaneously assigning
17 heavy workloads, prevented Plaintiff and other non-party Aggrieved Employees from being
18 relieved of all duty in order to take their rest periods. Defendants also failed to schedule rest
19 periods, which further led to Plaintiff and other non-party Aggrieved Employees not being
20 authorized and permitted to take compliant rest periods.

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

1 93. As a result of Defendants' practices and policies, Plaintiff and other non-party
2 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
3 excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they
4 were entitled. For example, Plaintiff had to forego nearly all of his rest periods due to
5 Defendants' scheduling policies, assignment of heavy workloads, and Defendants' expectation
6 that all employees would work through their rest periods.

7 94. Defendants have also engaged in a systematic, company-wide practice and/or
8 policy of not paying rest period premiums owed when rest periods are not authorized and
9 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
10 Employees have not received premium pay for all missed rest periods. Alternatively, to the
11 extent that Defendants did pay Plaintiff and/or other non-party Aggrieved Employees one (1)
12 additional hour of premium pay for missed rest periods, Defendants did not pay Plaintiff
13 and/or other non-party Aggrieved Employees at the correct rate of pay for premiums because
14 Defendants failed to include all forms of compensation, such as incentive pay,
15 nondiscretionary bonuses, differential pay, and/or other forms of remuneration, in the regular
16 rate of pay.

17 95. Accordingly, Defendants failed to authorize and permit all compliant rest
18 periods and failed to pay the full rest period premiums due. Defendants' conduct violates the
19 applicable IWC Wage Order and California Labor Code sections 226.7, 516, and 1198.
20 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
21 penalties pursuant to Labor Code sections 558 and/or 2699(a), (f), and (g).

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

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

1 97. During the relevant time period, Defendants have knowingly and intentionally
2 provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and
3 inaccurate wage statements. For example, Defendants issued uniform wage statements to
4 Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages
5 earned; total hours worked; net wages earned; and all applicable hourly rates in effect during
6 the pay period, including rates of pay for overtime wages and/or meal and rest period
7 premiums, and the corresponding number of hours worked at each hourly rate. Specifically,
8 Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

9 98. First, during the relevant time period, Defendants issued wage statements to
10 Plaintiff and other non-party Aggrieved Employees that fail to list all applicable hourly rates in
11 effect during the pay period and the corresponding number of hours worked at each hourly rate
12 in compliance with section 226(a)(9). For example, Defendants paid Plaintiff and other non-
13 party Aggrieved Employees differential pay when they taught music lessons. On information
14 and belief, these wages were listed on Plaintiff's and other non-party Aggrieved Employees'
15 wage statements as "Lessons Diff." However, Defendants listed differential pay earned in lump
16 sum amounts and did not list any applicable pay rates and the corresponding hours worked, in
17 violation of section 226(a)(9). In addition to being unlawful, this practice makes it extremely
18 difficult for employees to determine whether they are being paid correctly or not.

19 99. Second, because Defendants did not record the time Plaintiff and other non-
20 party Aggrieved Employees spent working off-the-clock and deducted time from their records
21 for meal periods that were interrupted and/or missed (and therefore time for which they should
22 have been paid), Defendants did not list the correct amount of gross wages and net wages
23 earned by Plaintiff and other non-party Aggrieved Employees in compliance with section
24 226(a)(1) and section 226(a)(5), respectively. For the same reason, Defendants failed to
25 accurately list the total number of hours worked by Plaintiff and other non-party Aggrieved
26 Employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of
27 pay in effect during the pay period and the corresponding accurate number of hours worked at
28 each hourly rate, in violation of section 226(a)(9).

1 100. Third, because Defendants did not calculate Plaintiff's and/or other non-party
2 Aggrieved Employees' regular rate of pay correctly for purposes of paying overtime wages
3 and/or meal and rest period premiums, Defendants did not list the correct amount of gross
4 wages in compliance with section 226(a)(1) and did not list the correct amount of net wages in
5 violation of section 226(a)(5). Defendants also failed to correctly list all applicable hourly
6 rates in effect during the pay period, namely, correct rates of pay for overtime wages and/or
7 meal and rest period premiums, in violation of section 226(a)(9).

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

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

28 103. California Labor Code section 1198 provides that the maximum hours of work

1 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
2 set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he
3 employment of any employees for longer hours than those fixed by the order or under
4 conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC
5 Wage Order, employers are required to keep accurate time records showing when the
6 employee begins and ends each work period and meal period. During the relevant time
7 period, Defendants engaged in company-wide practices and/or policies of failing to record
8 actual hours worked (including falsifying time records by recording that compliant meal
9 periods were taken regardless of if or when meal periods were actually taken), and thereby
10 failed to keep accurate records of work period and meal period start and stop times for
11 Plaintiff and other non-party Aggrieved Employees, in violation of section 1198.
12 Furthermore, in light of Defendants’ failure to provide other non-party Aggrieved Employees
13 with second 30-minute meal periods to which they were entitled, Defendants kept no records
14 of meal start and end times for second meal periods.

15 104. Defendants’ conduct violates California Labor Code 226(a), 1174(d), and 1198.
16 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
17 penalties pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (g).

18 **FAILURE TO PAY WAGES DURING EMPLOYMENT**
19 **VIOLATION OF LABOR CODE SECTION 204**

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

28 106. At all relevant times herein, California Labor Code section 204 also requires

1 that all wages earned for labor in excess of the normal work period shall be paid no later than
2 the payday for the next regular payroll period. Alternatively, at all relevant times herein,
3 Labor Code section 204 provides that the requirements of this section are deemed satisfied by
4 the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not
5 more than seven (7) calendar days following the close of the payroll period.

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

10 108. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
11 recover civil penalties pursuant to Labor Code sections 210 and/or 2699(a), (f), and (g).

12 **FAILURE TO PAY WAGES UPON TERMINATION**

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

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

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

26 111. Defendants' failure to pay Plaintiff and those non-party Aggrieved Employees
27 who are no longer employed by Defendants their wages earned and unpaid at the time of
28 discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates

1 Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are
2 therefore entitled to recover civil penalties pursuant to Labor Code sections 256 and/or
3 2699(a), (f), and (g).

4 **FAILURE TO PROVIDE SUITABLE SEATING**
5 **VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF**
6 **REGULATIONS, TITLE 8, SECTION 11070(14)(A)**

7 112. At all relevant times herein, California Labor Code section 1198 makes it
8 illegal to employ an employee under conditions of labor that are prohibited by the applicable
9 wage order. California Labor Code section 1198 requires that “. . . the standard conditions of
10 labor fixed by the commission shall be the . . . standard conditions of labor for employees.
11 The employment of any employee . . . under conditions of labor prohibited by the order is
12 unlawful.”

13 113. California Code of Regulations, Title 8, section 11070(14)(A) provides that
14 “[a]ll working employees shall be provided with suitable seats when the nature of the work
15 reasonably permits the use of seats.”

16 114. Defendants’ California stores are generally similar in their layout and design
17 and there was, and continues to be, space behind cash wraps to allow for the presence and use
18 of a seat or stool by other non-party Aggrieved Employees (with reasonable or no
19 modification to these work areas) during the performance of their work duties. Defendants
20 could have provided other non-party Aggrieved Employees with a seat or stool at cash wraps,
21 but instead denied them seating and forced other non-party Aggrieved Employees to stand
22 throughout the day.

23 115. Other non-party Aggrieved Employees spent a portion of their day behind these
24 cash wraps. The nature of the work of an employee performing cashier duties can reasonably
25 be accomplished from a seated position. However, Defendants systematically, and on a
26 company-wide basis, do not provide seats or stools at or near the cash wraps, forcing other
27 non-party Aggrieved Employees to stand throughout their work shifts.

28 116. Defendants violated California Labor Code section 1198 and California Code

1 of Regulations, Title 8, section 11070(14)(A), because other non-party Aggrieved Employees
2 were not allowed to sit, even when it would not have interfered with the performance of their
3 duties, nor were they provided with suitable seats. Defendants' management did not inform
4 other non-party Aggrieved Employees that they were allowed to sit down, provide any means
5 for them to sit down, or mention any policy regarding sitting.

6 117. As a result of Defendants' company-wide policy and/or practice of prohibiting
7 employees from sitting during their shifts and company-wide failure to provide suitable
8 seating, other non-party Aggrieved Employees were forced to stand during shifts and denied
9 seats. Defendants' failure to provide suitable seating to other non-party Aggrieved Employees
10 violated and continues to violate California Labor Code section 1198 and IWC Wage Order
11 No. 7-2001, subdivision 14(A).

12 118. Other non-party Aggrieved Employees are therefore entitled to recover civil
13 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

14 **FAILURE TO PROVIDE SUITABLE SEATING**
15 **VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF**
16 **REGULATIONS, TITLE 8, SECTION 11070 SUBDIVISION 14(B)**

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

23 120. California Code of Regulations, Title 8, section 11070 subdivision 14(B)
24 provides that “[w]hen employees are not engaged in the active duties of their employment and
25 the nature of the work requires standing, an adequate number of suitable seats shall be placed
26 in reasonable proximity to the work area and employees shall be permitted to use such seats
27 when it does not interfere with the performance of their duties.”

28 121. During the relevant time period, Defendants violated California Labor Code

1 section 1198 and California Code of Regulations, Title 8, section 11070(14)(B), because other
2 non-party Aggrieved Employees were not allowed to sit, even during lulls in their work
3 duties, nor were they provided with suitable seats in reasonable proximity to their work areas.

4 122. Defendants' California stores are generally similar in their layout and design
5 and there was, and continues to be, space near their work areas (with reasonable or no
6 modification to these work areas) to allow for the presence and use of a seat or stool by other
7 non-party Aggrieved Employees during lulls in operation. Defendants could have provided
8 other non-party Aggrieved Employees with a seat or stool in their work areas, but instead
9 denied other non-party Aggrieved Employees suitable seating altogether and effectively
10 forced other non-party Aggrieved Employees to stand throughout the day.

11 123. Defendants did not provide other non-party Aggrieved Employees with seats or
12 stools in reasonable proximity to their work areas to allow them to use seats when it would not
13 interfere with the performance of their duties for times when they were not engaged in active
14 duties that require standing. In other words, to the extent other non-party Aggrieved
15 Employees engaged in duties in which the nature of the work required standing, Defendants
16 denied them the use of seats nearby during lulls in their work duties. Moreover, Defendants
17 did not inform other non-party Aggrieved Employees of their rights to a seat or stool under
18 California law.

19 124. As a result of Defendants' company-wide policy and/or practice of prohibiting
20 employees from sitting at any time, even when they were not engaged in active duties
21 requiring standing, and company-wide failure to provide seats in reasonable proximity to their
22 work areas, other non-party Aggrieved Employees were forced to stand during shifts and
23 denied seats. Defendants' failure to provide suitable seating to other non-party Aggrieved
24 Employees violated and continues to violate California Labor Code section 1198 and IWC
25 Wage Order No. 7-2001, subdivision 14(B).

26 125. Other non-party Aggrieved Employees are therefore entitled to recover civil
27 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

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FAILURE TO PAY REPORTING TIME PAY
VIOLATION OF LABOR CODE SECTION 1198

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

127. California Code of Regulations, Title 8, section 11070(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

128. During the relevant time period, Defendants violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A), because Defendants failed to pay Plaintiff and other non-party Aggrieved Employees reporting time pay when they reported to work for their usual or scheduled shift but were put to work for less than half of the usual or scheduled day’s work.

129. Defendants had a company-wide practice of sending Plaintiff and other non-party Aggrieved Employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay Plaintiff and other non-party Aggrieved Employees for half of their usual or scheduled shift. For example, when scheduled to work a six (6) hour shift, Plaintiff was sent home before three (3) hours had elapsed because the remaining music lesson appointments he had scheduled for the rest of his shift had

1 cancelled, but was only paid for the time that he had worked. Although Plaintiff and other
2 non-party Aggrieved Employees would report to work based on the schedule that Defendants
3 provided to them, Defendants would send them home before they had worked at least half of
4 their scheduled shifts without giving them reporting time pay.

5 130. Accordingly, Plaintiff and other non-party Aggrieved Employees were not
6 properly compensated with reporting time pay in violation of California Labor Code section
7 1198 and California Code of Regulations, Title 8, section 11070(5)(A). Plaintiff and other
8 non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to
9 Labor Code sections 2699(a), (f), and (g).

10 **FAILURE TO PAY SPLIT-SHIFT PAY**

11 **VIOLATION OF LABOR CODE SECTION 1198**

12 131. California Labor Code section 1198 provides that no employer may employ an
13 employee under conditions of labor that are prohibited by the applicable IWC wage order.
14 California Labor Code section 1198 further requires that “. . . the standard conditions of labor
15 fixed by the commission shall be the . . . standard conditions of labor for employees. The
16 employment of any employee . . . under conditions of labor prohibited by the order is
17 unlawful.”

18 132. California Code of Regulations, Title 8, section 11070(4)(C) provides that,
19 “When an employee works a split shift, one (1) hour’s pay at the minimum wage shall be paid
20 in addition to the minimum wage for that workday, except when the employee resides at the
21 place of employment.” California Code of Regulations, Title 8, defines a split shift as “a
22 work schedule, which is interrupted by non-paid non-working periods established by the
23 employer, other than bona fide rest or meal periods.”

24 133. Defendants willfully violated California Labor Code section 1198 and
25 California Code of Regulations, Title 8, section 11070(4)(C), because Defendants failed to
26 pay Plaintiff and other non-party Aggrieved Employees a split-shift premium when they
27 returned to work for an additional shift in the same day, after having been clocked out for
28 several hours. For example, Plaintiff would be scheduled to work a six-hour shift made up of

12 back-to-back, 30-minute music lesson appointments, but if the music lesson appointments that were scheduled for the middle of his work day were cancelled or if Defendants' students did not show up for their scheduled music lesson, Defendants' required Plaintiff to clock out for several hours before returning to work later in the day for the remainder of his scheduled music lesson appointments; which resulted in Plaintiff having to work for two (2) hours, clock out for one (1) or more hours, and then return to work for the remainder of his scheduled music lesson appointments. When this occurred, Defendants did not always pay Plaintiff and other non-party Aggrieved Employees an additional hour at minimum wage.

134. Defendants' failure to provide Plaintiff and other non-party Aggrieved Employees with split-shift pay when they returned to work for an additional shift in the same day, after having been clocked out for more than an hour, violates California Labor Code section 1198 and California Code of Regulations Title 8, Section 11070(4)(C). Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES

VIOLATION OF LABOR CODE SECTION 2802

135. At all times herein set forth, California Labor Code section 2802 provides that an employer must reimburse employees for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 7-2001 provides that: "[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer."

136. During the relevant time period, Defendants expected Plaintiff and other non-party Aggrieved Employees to wear uniforms bearing the "Guitar Center" company logo, including T-shirts. However, Defendants did not provide their employees with sufficient uniforms to wear for their shifts throughout the week. For example, Defendants only provided

1 Plaintiff with one T-shirt at the time of hire. Because Defendants failed to provide Plaintiff
2 and other non-party Aggrieved Employees with an adequate number of uniforms in relation to
3 their scheduled shifts, Plaintiff and other non-party Aggrieved Employees had to wash their
4 uniforms more frequently than they otherwise do laundry, and incur expenses in doing so.
5 Thus, Defendants failed to maintain the uniforms they required Plaintiff and other non-party
6 Aggrieved Employees to wear during their shifts and forced them to incur the cost of
7 maintaining employee uniforms.

8 137. Defendants could have provided Plaintiff and other non-party Aggrieved
9 Employees with an adequate number of uniform items or access to laundering services. Or,
10 Defendants could have reimbursed employees for the costs of their laundering expenses or
11 provided a uniform maintenance allowance. Instead, Defendants passed these operating costs
12 off onto Plaintiff and other non-party Aggrieved Employees.

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

18 **REQUEST FOR JURY TRIAL**

19 Plaintiff requests a trial by jury.

20 **PRAYER FOR RELIEF**

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

23 1. For civil penalties and attorneys' fees in excess of twenty-five thousand dollars
24 (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a different
25 amount.

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

27 2. That the Court declare, adjudge and decree that Defendants violated the
28 following California Labor Code provisions as to Plaintiff and/or other non-party Aggrieved

1 Employees: 510 and 1198 (by failing to pay all overtime compensation); 226.7, 510, and 1198
2 (by failing to include all forms of remuneration in the “regular rate” of pay for purposes of
3 paying overtime wages and/or meal and rest period premiums); 1182.12, 1194, 1197, and
4 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516,
5 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and
6 permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage
7 statements and maintain accurate payroll records); 204 (by failing to timely pay all earned
8 wages during employment); 201 and 202 (by failing to timely pay all earned wages upon
9 termination); 1198 and the applicable IWC Wage Order (by failing to provide suitable
10 seating); 1198 and the applicable IWC Wage Order (by failing to provide reporting time pay);
11 1198 and the applicable IWC Wage Order (by failing to provide split-shift pay); and 2802 (by
12 failing to reimburse business expenses).

13 3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 256,
14 558, 1174.5, 2699(a), (f), and (g), for violations of California Labor Code sections 201, 202,
15 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802;

16 4. For attorneys’ fees and costs pursuant to California Labor Code section
17 2699(g)(1), and any and all other relevant statutes, for Defendants’ violations of California
18 Labor Code sections 201, 202, 204, 226(a), 226.7, 3, 510, 512(a), 516, 1174(d), 1182.12,
19 1194, 1197, 1198, and 2802;

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

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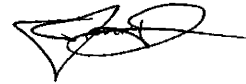
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1 6. For such other and further relief as the Court may deem equitable and
2 appropriate.

3
4 Dated: January 3, 2023

Respectfully submitted,

Capstone Law APC

6 

7 By: _____

8 Robert Drexler

Molly DeSario

9 Jonathan Lee

10 Attorneys for Plaintiff Mitch House
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Exhibit 1



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Los Angeles, California 90067
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ALEXANDER LIMA
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Alexander.Lima@capstonelawyers.com

October 27, 2022

VIA ONLINE SUBMISSION

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

Subject: *Mitch House v. Guitar Center Stores, Inc., et al.*

Dear PAGA Administrator:

This office represents Mitch House in connection with his claims under the California Labor Code. Mr. House was an employee of GUITAR CENTER STORES, INC.; AVDG, LLC; and/or GC BUSINESS SOLUTIONS, INC. For the purpose of this letter, Mr. House collectively refers to these entities as "GUITAR CENTER."

The employers may be contacted directly at the addresses below:

GUITAR CENTER STORES, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

AVDG, LLC
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

GC BUSINESS SOLUTIONS, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

Mr. House intends to seek civil penalties, attorney's fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Mr. House seeks relief on behalf of himself, the State of California, and other persons who are or were employed by GUITAR CENTER as a non-exempt, hourly paid employee in California and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

GUITAR CENTER employed Mr. House as an hourly paid, non-exempt Instructor from approximately May 2019 to May 2022. During his employment, Mr. House typically worked four (4) or more hours per day and three (3) days per week. Mr. House worked at GUITAR CENTER's retail store located in Dublin, California. By the end of his employment, Mr. House was

compensated a base hourly rate of \$15.78 per hour, and a teaching rate of \$24.80 per hour. His job duties included, without limitation, teaching piano, violin, and guitar musical instrument lessons.

GUITAR CENTER committed one or more of the following Labor Code violations against Mr. House, the facts and theories of which follow, making him an “aggrieved employee” pursuant to California Labor Code section 2699(c):¹

GUITAR CENTER’s Company-Wide and Uniform Payroll and HR Practices

GUITAR CENTER STORES, INC. and GC BUSINESS SOLUTIONS, INC. are Delaware corporations, while AVDG, LLC is a Delaware limited liability company. Together, they are a leading retailer of musical instruments, lessons, repairs and rentals in the United States, with approximately 41 Guitar Center store locations in California. Upon information and belief, GUITAR CENTER maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Westlake Village, California, for all non-exempt, hourly paid employees working for GUITAR CENTER in California, including Mr. House and other aggrieved employees. At all relevant times, GUITAR CENTER issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. House and other aggrieved employees, regardless of their location or position.

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

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

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

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

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

First, GUITAR CENTER had, and continues to have, a company-wide policy and/or practice requiring Mr. House and other aggrieved employees to perform various work-related tasks while off-the-clock before and after their shifts. For example, because GUITAR CENTER's company-wide timekeeping system was integrated with the company's point-of-sale ("POS") system, Mr. House and other aggrieved employees would often have to wait to clock in for the start of their shifts, because other employees were using the POS system to handle customer transactions. For instance, Mr. House was required to wait several minutes under GUITAR CENTER's control until a POS machine was available for clocking-in, time for which he was not paid.

As another example, GUITAR CENTER's management scheduled the start-time for Mr. House's and other aggrieved employees' shifts to coincide with the start-time of their first music lesson of the day. However, Mr. House and other aggrieved employees were expected to begin their lessons immediately so students would not have to wait, which forced Mr. House and other aggrieved employees to prepare the teaching studios before their shifts began. Specifically, Mr. House regularly arrived to work approximately 30 minutes before the scheduled start of his shift to bring in and set up equipment such as musical instruments, amplifiers, and sheet music stands, but was permitted to clock in no earlier than 15 minutes before his scheduled shift start-time. Furthermore, it was not possible for Mr. House and other aggrieved employees to complete all of these tasks on the clock because, on information and belief, GUITAR CENTER's company-wide timekeeping system would not permit Mr. House and other aggrieved employees to clock in more than 15 minutes before their scheduled shift start times. Thus, Mr. House and other aggrieved employees were forced to work off the clock because GUITAR CENTER did not provide them with a mechanism to record this time.

In addition, Mr. House and other aggrieved employees were required to review emails from GUITAR CENTER's management after their shifts or on their days off. For example, at the end of each day, Mr. House would receive an email from his supervisor with his schedule of music lessons for the following work day, and spend about 5-10 minutes, off-the-clock, reviewing the email to determine what equipment to bring to work the next day. Thus, GUITAR CENTER failed to track all of the time that employees spent performing work-related tasks before and after their scheduled shifts, and Mr. House and other aggrieved employees received no compensation for this time.

Second, during the relevant time period, GUITAR CENTER had, and continues to have, a company-wide policy and/or practice of scheduling its Instructors' music lesson appointments so that they are continuous and non-stop throughout the entirety of their shift, without building in time to allow for 30-minute meal periods, such that Mr. House and other aggrieved employees were prevented from taking all uninterrupted 30-minute meal periods, and were also forced to work off-the-clock during their meal periods to complete their assigned appointments. GUITAR CENTER also had a company-wide practice and/or policy of failing to schedule meal periods, which further caused Mr. House and other aggrieved employees to not be relieved for their duties for compliant meal periods. Consequently, Mr. House and other aggrieved employees were required to work through and/or had their unpaid meal periods interrupted in order to complete their assigned duties and handle customer demand, time for which they were not paid.

Third, during the relevant time period, on information and belief, GUITAR CENTER implemented a company-wide policy and/or practice of automatically deducting meal periods from Mr. House's and other aggrieved employees' time records. As a result of this policy, GUITAR CENTER deducted 30-minute meal periods from Mr. House's and other aggrieved employees' time records even when meal periods were missed, short, and/or interrupted. Thus, GUITAR CENTER did not record all hours worked during meal periods, and Mr. House and other aggrieved employees performed work during meal periods for which they were not paid.

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

Moreover, in addition to an hourly wage, GUITAR CENTER paid other aggrieved employees incentive pay, nondiscretionary bonuses, differential pay, and/or other forms of remuneration. However, in violation of the California Labor Code, GUITAR CENTER failed to incorporate all remunerations, including incentive pay, nondiscretionary bonuses, differential pay, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, GUITAR CENTER failed to pay all overtime wages by paying a lower overtime rate than required.

GUITAR CENTER's failure to pay Mr. House and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 7-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code. Regs. tit. 8, § 11070(2)(G) (defining "Hours Worked").

As stated, during the relevant time period, GUITAR CENTER had a company-wide policy and/or practice requiring Mr. House and other aggrieved employees to perform various work-related tasks while off-the-clock before their shifts, including waiting to clock in for the start of their shifts because other employees were using the POS system, preparing music studios for lessons, and reviewing emails from management after their shifts or on their off days. Thus, GUITAR CENTER failed to track this time Mr. House and other aggrieved employees spent working off-the-clock, and Mr. House and other aggrieved employees received no compensation for this time

As set forth above, due to GUITAR CENTER's policies and/or practices of assigning heavy workloads while scheduling continuous and non-stop music lesson appointments, and failing to schedule meal periods, Mr. House and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock during meal periods. Moreover, as stated, on information and belief, GUITAR CENTER, had a company-wide practice and/or policy of automatically deducting meal periods from Mr. House's and other aggrieved employees' time records, even when meal periods were missed, short, and/or interrupted. Thus, GUITAR CENTER systematically failed to pay Mr. House and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

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

Accordingly, GUITAR CENTER regularly failed to pay at least minimum wages to Mr. House and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

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

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

As stated above, GUITAR CENTER had, and continues to have, a company-wide policy and/or practice of assigning of heavy workloads and scheduling continuous and non-stop music lesson appointments, without building in time to allow for 30-minute meal periods, such that Mr. House and other aggrieved employees were prevented from taking all uninterrupted 30-minute meal periods to which they were entitled. Further, as stated, GUITAR CENTER also had a company-wide practice and/or policy of failing to schedule meal periods, which further caused Mr. House and other aggrieved employees to not be relieved for their duties for compliant meal periods.

As a result, Mr. House and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods. For example, according to Mr. House's timesheets, on January 12, 2022, he clocked in at the start of his shift at 12:19 p.m. and clocked out at the end of his shift at 6:36 p.m., working a total six (6) hours and 17 minutes (or 6.28 hours), without clocking out for a meal period. In fact, according to Mr. House's timesheets, he did not clock out for a meal period during every shift he worked when he was entitled to receive a meal period, since September 28, 2021 to the time he resigned from his employment with GUITAR CENTER on June 9, 2022.

Furthermore, as stated, GUITAR CENTER implemented a company-wide policy and practice of automatically deducting meal periods from Mr. House's and other aggrieved employees' time records. As a result of this policy, Defendants deducted 30 minutes from Mr. House's and other aggrieved employees' time records even when meal periods were missed, short, and/or interrupted. Thus, GUITAR CENTER systematically failed to correctly record meal periods.

Also, GUITAR CENTER did not provide other aggrieved employees with second 30-minute meal periods on days that they worked in excess of ten (10) hours in one day. Mr. House and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

At all times mentioned herein, GUITAR CENTER knew or should have known that as a result of its policies, Mr. House and other aggrieved employees were not actually relieved of all duties to take timely, uninterrupted meal periods. GUITAR CENTER further knew or should have known that it did not pay Mr. House and other aggrieved employees meal period premiums when meal periods were late, interrupted, shortened, and/or missed.

Furthermore, GUITAR CENTER engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. House and other aggrieved employees have not received premium pay for missed, late, and interrupted meal periods. Alternatively, to the extent that GUITAR CENTER did pay Mr. House and/or other aggrieved employees for missed, late, and interrupted meal periods, GUITAR CENTER did not pay Mr. House and/or other aggrieved employees at the correct rate of pay for premiums because GUITAR CENTER systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, differential pay, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, GUITAR CENTER failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. House and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

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

provides that “[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period” and that the “rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 269-270 (2016).

During the relevant time period, GUITAR CENTER regularly failed to authorize and permit Mr. House and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, GUITAR CENTER’s company-wide scheduling policies and practices, while simultaneously assigning heavy workloads, prevented Mr. House and other aggrieved employees from being able to take rest periods. GUITAR CENTER also failed to schedule rest periods, which further led to Mr. House and other aggrieved employees not being authorized and permitted to take compliant rest periods.

Furthermore, upon information and belief, GUITAR CENTER maintained a company-wide on-premises rest period policy, which mandated that Mr. House and other aggrieved employees remain on GUITAR CENTER’s premises during their rest periods. Because Mr. House and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, GUITAR CENTER effectively maintained control over Mr. House and other aggrieved employees during rest periods.

As a result of GUITAR CENTER’s practices and policies, Mr. House and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Mr. House had to forego nearly all of his rest periods due GUITAR CENTER’s scheduling policies, assignment of heavy workloads, and management’s expectation that all employees would work through their rest periods.

GUITAR CENTER also has engaged in a company-wide practice and/or policy of not paying rest period premiums owed when compliant rest periods are not authorized or permitted. Because of this practice and/or policy, Mr. House and other aggrieved employees have not received premium pay for missed rest periods. Alternatively, to the extent that GUITAR CENTER did pay Mr. House and/or other aggrieved employees one (1) additional hour of premium pay for missed rest periods, GUITAR CENTER did not pay Mr. House and/or other aggrieved employees at the correct rate of pay for premiums because GUITAR CENTER failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, differential pay, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, GUITAR CENTER failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. House and other aggrieved employees are entitled to civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

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

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

First, during the relevant time period, GUITAR CENTER issued wage statements to Mr. House and other aggrieved employees that fail to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate in compliance with section 226(a)(9). For example, GUITAR CENTER paid Mr. House and other aggrieved employees differential pay when they taught music lessons. On information and belief, these wages were listed on Mr. House's and other aggrieved employees' wage statements as "Lessons Diff." However, GUITAR CENTER listed differential pay earned in lump sum amounts and did not list any applicable pay rates and the corresponding hours worked, in violation of section 226(a)(9). In addition to being unlawful, this practice makes it extremely difficult for employees to determine whether they are being paid correctly or not.

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

Third, because GUITAR CENTER did not calculate Mr. House's and/or other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages and/or meal and rest period premiums, GUITAR CENTER did not list the correct amount of gross wages in compliance with section 226(a)(1) and did not list the correct amount of net wages in violation of section 226(a)(5).

GUITAR CENTER also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages and/or meal and rest period premiums, in violation of section 226(a)(9).

The wage statement deficiencies also include, without limitation, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. . . .” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), GUITAR CENTER willfully failed to maintain accurate payroll records for Mr. House and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, GUITAR CENTER engaged in company-wide practices and/or policies of failing to record actual hours worked (including falsifying time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken), and thereby failed to keep accurate records of work period and meal period start and end times for Mr. House and other aggrieved employees in violation of section 1198. Furthermore, in light of GUITAR CENTER’s failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, GUITAR CENTER kept no records of meal start and end times for second meal periods.

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

Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

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

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

During the relevant time period, GUITAR CENTER failed to pay Mr. House and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within any time period specified by California Labor Code section 204.

Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

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

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

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

Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 14(A) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11070(14)(A) provides that

“[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.”

“The ‘nature of the work’ refers to an employee’s tasks performed at a given location for which a right to a suitable seat is claimed, rather than a ‘holistic’ consideration of the entire range of an employee’s duties anywhere on the jobsite during a complete shift. If the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 558 (Cal. 2016). “Whether the nature of the work reasonably permits sitting is a question to be determined objectively based on the totality of the circumstances. An employer’s business judgment and the physical layout of the workplace are relevant but not dispositive factors. The inquiry focuses on the nature of the work, not an individual employee’s characteristics.” *Id.* The burden of proof to show suitable seating is not available is on the employer. *Id.* at 568. In other words, the employer must show that compliance is “infeasible because no suitable seating exists.” *See id.*

GUITAR CENTER’s California stores are generally similar in their layout and design and there was, and continues to be, space behind cash wraps to allow for the presence and use of a seat or stool by other aggrieved employees (with reasonable or no modification to these work areas) during the performance of their work duties. GUITAR CENTER could provide other aggrieved employees with a seat or stool at its cash wraps, but instead denies employees seating and forces other aggrieved employees to stand throughout the day.

Other aggrieved employees spent a substantial portion of their day behind or at these cash wraps. The nature of the work of an employee performing cashier duties can reasonably be accomplished from a seated position. However, as set forth herein, GUITAR CENTER systematically, and on a company-wide basis, does not provide seats or stools at or near the cash wraps, forcing other aggrieved employees to stand throughout their work shifts.

GUITAR CENTER violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(14)(A) because other aggrieved employees were not allowed to sit, even when it would not have interfered with the performance of their duties, nor were they provided with suitable seats. GUITAR CENTER’s management did not inform other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of GUITAR CENTER’s company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, other aggrieved employees were forced to stand during shifts and denied seats. GUITAR CENTER’s failure to provide suitable seating to other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 7-2001, subdivision 14(A).

Other aggrieved employees are therefore entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, and seek injunctive relief to bring GUITAR CENTER into compliance with California’s seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 14(B) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11070(14)(B) provides that “[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

The IWC states that subdivision 14(B) applies during “lulls in operation” when an employee, while still on the job, is not then actively engaged in any duties. *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 565 (Cal. 2016), citing IWC, 1976 Wage Orders, Summary of Basic Provisions, Seats. When taken together, an employee is entitled to a seat under subdivision 14(A) if his or her actual tasks at a discrete location make seated work feasible, while working there. *Id.* However, if other job duties take the employee to a different location where he or she must perform tasks requiring standing, the employee would be entitled to a seat under subdivision 14(B) during “lulls in operation.” *Id.*

GITAR CENTER’s California stores are generally similar in their layout and design and there was, and continues to be, space near their work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by other aggrieved employees during lulls in operation. GITAR CENTER could have provided other aggrieved employees with a seat or stool in its work areas, but instead denied, and continues to deny, employees seating, forcing them to stand throughout the day.

GITAR CENTER did not provide other aggrieved employees with seats or stools in reasonable proximity to their work areas to allow them to use seats when it would not interfere with the performance of their duties for times when they were not engaged in active duties that require standing. In other words, to the extent other aggrieved employees engaged in duties in which the nature of the work required standing, GITAR CENTER denied them the use of seats nearby during lulls in their work duties. Moreover, GITAR CENTER did not inform other aggrieved employees of their rights to a seat or stool under California law.

As a result of GITAR CENTER’s company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, other aggrieved employees were forced to stand during shifts and denied seats. GITAR CENTER’s failure to provide suitable seating to other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 7-2001, subdivision 14(B).

Other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, and seek injunctive relief to bring GITAR CENTER into compliance with California’s seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 5(A) – Failure to Pay Reporting Time Pay

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

California Code of Regulations, Title 8, section 11070(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, GUITAR CENTER violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A), because GUITAR CENTER failed to pay Mr. House and other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the usual or scheduled day’s work.

GUITAR CENTER had a company-wide practice of sending Mr. House and other aggrieved employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay Mr. House and other aggrieved employees for half of their usual or scheduled shift. For example, when scheduled to work a six (6) hour shift, Mr. House was sent home before three (3) hours had elapsed because the remaining music lesson appointments he had scheduled for the rest of his shift had cancelled, but was only paid for the time that he had worked. Although Mr. House and other aggrieved employees would report to work based on the schedule that GUITAR CENTER provided to them, GUITAR CENTER would send them home before they had worked at least half of their scheduled shifts without giving them reporting time pay.

Accordingly, Mr. House and other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A).

Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 4(C) – Failure to Pay Split-Shift Premiums

California Labor Code section 1198 provides that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

California Code of Regulations, Title 8, section 11070(4)(C) provides that, “When an employee works a split shift, one (1) hour’s pay at the minimum wage shall be paid in addition to the minimum wage for that workday, except when the employee resides at the place of employment.” California Code of Regulations, Title 8, defines a split shift as “a work schedule, which is interrupted by non-paid non-working periods established by the employer, other than bona fide rest or meal periods.”

GUITAR CENTER willfully violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(4)(C), because GUITAR CENTER failed to pay Mr. House and other aggrieved employees a split-shift premium when they returned to work for an additional shift in the same day, after having been clocked out for several hours. For example, Mr. House would be scheduled to work a six-hour shift made up of 12 back-to-back, 30-minute music lesson appointments, but if the music lesson appointments that were scheduled for the middle of his work day were cancelled or if GUITAR CENTER’s students did not show up for their scheduled music lesson, GUITAR CENTERS’s managers required Mr. House to clock out for several hours before returning to work later in the day for the remainder of his scheduled music lesson appointments; which resulted in Mr. House having to work for two (2) hours, clock out for one (1) or more hours, and then return to work for the remainder of his scheduled music lesson appointments. When this occurred, GUITAR CENTER did not always pay Mr. House and other aggrieved employees an additional hour at minimum wage. Accordingly, GUITAR CENTER required Mr. House and other aggrieved employees to work split shifts but failed to pay them an additional hour at minimum wage, in violation of California Labor Code section 1198.

GUITAR CENTER’s failure to provide Mr. House and other aggrieved employees with split-shift pay when they returned to work for an additional shift in the same day, after having been clocked out for several hours, violates California Labor Code section 1198 and California Code of Regulations Title 8, Section 11070(4)(C). Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan’s Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 7-2001 provides that: “[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.”

During the relevant time period, GUITAR CENTER expected Mr. House and other aggrieved employees to wear uniforms bearing the “Guitar Center” company logo, including T-shirts. However, GUITAR CENTER did not provide their employees with sufficient uniforms to wear for their shifts throughout the week. For example, GUITAR CENTER only provided Mr. House with one T-shirt at the time of hire. Because GUITAR CENTER failed to provide Mr. House and other aggrieved employees with an adequate number of uniforms in relation to their scheduled shifts, Mr. House and other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. Thus, GUITAR CENTER failed to maintain the uniforms it required Mr. House and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

GUITAR CENTER could have provided Mr. House and other aggrieved employees with an adequate number of uniform items or access to laundering services. Or, GUITAR CENTER could have reimbursed employees for the costs of their laundering expenses or provided a uniform maintenance allowance. Instead, GUITAR CENTER passed these operating costs off onto Mr. House and other aggrieved employees.

Thus, GUITAR CENTER had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. House and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

California Labor Code § 558(a)

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

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

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

Pre-Litigation Demand

This notice shall further serve as Mr. House’s reasonable attempt to settle his dispute with GUITAR CENTER prior to litigation. Pursuant to *Graham v. Daimler Chrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to inform GUITAR CENTER of Mr. House’s aforementioned grievances and the proposed remedies as detailed below, while affording GUITAR CENTER a reasonable opportunity to satisfy Mr. House’s demands.

Demand is hereby made that GUITAR CENTER shall, within 30 calendar days of this notice, agree, in writing to the following corrective actions:

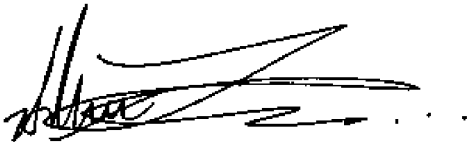
1. GUITAR CENTER shall pay Mr. House and all other aggrieved employees employed by GUITAR CENTER at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. GUITAR CENTER shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked and provided lawful meal and rest periods.
3. GUITAR CENTER shall conduct a survey or interview all current and former aggrieved employees in California who worked for GUITAR CENTER in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for uniform maintenance, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. GUITAR CENTER shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512(a), 516, and 1198. GUITAR CENTER also shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. GUITAR CENTER shall reimburse Mr. House and all aggrieved employees who were required to pay for any business expenses incurred for GUITAR CENTER's benefit, including, but not limited to, costs of uniform maintenance, as required by Labor Code section 2802.
6. GUITAR CENTER shall pay accrued legal interest to Mr. House and all aggrieved employees at the rate of 10% per annum for said unpaid wages.
7. GUITAR CENTER shall provide Mr. House and all aggrieved employees employed by GUITAR CENTER at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
8. GUITAR CENTER shall implement and provide suitable seating to all aggrieved employees.
9. GUITAR CENTER shall provide pay all aggrieved employees who are required to report for work and do report but are not put to work or are furnished less than half their scheduled day's work, with pay 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 aggrieved employee's regular rate of pay.
10. GUITAR CENTER shall pay Mr. House and all aggrieved employees with split-shift pay when they returned to work for an additional shift in the same day, after having been clocked out for more than an hour, as required by California Labor Code section 1198 and California Code of Regulations Title 8, Section 11070(4)(C).

11. GUITAR CENTER shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
12. GUITAR CENTER shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 256, 558, 1174.5, 1197.1, and 2699, and Wage Order No. 7-2001, section 20.

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

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

Best Regards,

A handwritten signature in black ink, appearing to read 'Alexander Lima', with a stylized flourish extending to the right.

Alexander Lima

Copy: GUITAR CENTER STORES, INC. (via U.S. Certified Mail); AVDG, LLC (via U.S. Certified Mail); GC BUSINESS SOLUTIONS, INC. (via U.S. Certified Mail)

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

CERTIFIED MAIL®



7022 2410 0000 2406 3546

GUITAR CENTER STORES, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

SENDER: COMPLETE THIS SECTION

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

GUITAR CENTER STORES, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362



2. A0950010402177006121221492704

7022 2410 0000 2406 3546

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

Service Type

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

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Extra Services & Fees (check box, add fee as appropriate)

☒ Return Receipt (hardcopy) \$ _____

☐ Return Receipt (electronic) \$ _____

☐ Certified Mail Restricted Delivery \$ _____

Signature
Postmark
Here

GUITAR CENTER STORES, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

7022 2410 0000 2406 3546

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



7022 2410 0000 2406 3522

AVDG, LLC
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

SENDER: COMPLETE THIS SECTION

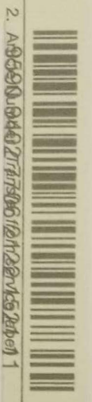
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece.

AVDG, LLC
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

COMPLETE THIS SECTION ON DELIVERY

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

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



2. AVDG, LLC 5795 LINDERO CANYON ROAD WESTLAKE VILLAGE, CA 91362
7022 2410 0000 2406 3522

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

Domestic Return Receipt

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U.S. Postal Service™
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For delivery information, visit our website at www.usps.com.

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Certified Mail Fee \$
Extra Services & Fees (check box, and fee as appropriate)
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☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
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AVDG, LLC
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

Instructions

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



7022 2410 0000 2406 3539

CERTIFIED MAIL

GC BUSINESS SOLUTIONS, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

SENDER: COMPLETE THIS SECTION

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

GC BUSINESS SOLUTIONS, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

Service Type

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



2. ADDRESS (Add Postage, Insurance, and Signature)

7022 2410 0000 2406 3539

Restricted Delivery

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

Domestic Return Receipt

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OFFICIAL USE

Certified Mail Fee

Example: Certified Mail Fee, add fee as appropriate
☒ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$

Postmark
Here

GC BUSINESS SOLUTIONS, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362

7022 2410 0000 2406 3539

SENDER: COMPLETE THIS SECTION

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GUITAR CENTER STORES, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362



2. Article Number (Transit from Service Label)

7022 2410 0000 2406 3546

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Keith Moss

☐ Agent☐ Addressee

B. Received by (Printed Name)

Keith Moss

C. Date of Delivery

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

Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Mail☐ Mail Restricted Delivery

(500)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

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- Attach this card to the back of the mailpiece.

AVDG, LLC
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362



2. Article Number (Transit from Service Label)

7022 2410 0000 2406 3522

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Keith Moss

☐ Agent☐ Addressee

B. Received by (Printed Name)

Keith Moss

C. Date of Delivery

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

Service Type

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

Restricted Delivery

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GC BUSINESS SOLUTIONS, INC.
5795 LINDERO CANYON ROAD
WESTLAKE VILLAGE, CA 91362



2. Article Number (Transit from Service Label)

7022 2410 0000 2406 3539

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

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Keith Moss

☐ Agent☐ Addressee

B. Received by (Printed Name)

Keith Moss

C. Date of Delivery

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

Service Type

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

Restricted Delivery