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July 14, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
(***Via Online Submission***)

RED LOBSTER RESTAURANTS, LLC
450 S Orange Ave Suite 800
Orlando, FL 32801
(***Via U.S. Certified Mail, Return Receipt Requested***)
#9489-0090-0027-6638-7793-14

RED LOBSTER RESTAURANTS, LLC
c/o CORPORATE CREATIONS NETWORK, INC., Agent for Service of Process
801 Us Highway 1
North Palm Beach, FL 33408
(***Via U.S. Certified Mail, Return Receipt Requested***)
#9489-0090-0027-6638-7793-07

Re: ***Anthony Taylor v. Red Lobster Restaurants, LLC***
Notice of California Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Anthony Taylor to pursue a representative action under the California Labor Code Private Attorneys General Act of 2004 (PAGA), California Labor Code[1] section 2699, *et seq.* against Mr. Taylor's former employer, Red Lobster Restaurants, LLC ("Red Lobster" or "Employer"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of Labor Code violations which Mr. Taylor alleges Red Lobster engaged in with respect to Mr. Taylor and potentially all Red Lobster's current and former employees.

Mr. Taylor wishes to pursue this action on behalf of Red Lobster's current and former employees, on behalf of the State of California, as well as on behalf of all other persons who worked for Red Lobster in California as non-exempt or hourly-paid employees at any time within the applicable statutory period collectively referred to as, "Aggrieved Employees").

Mr. Taylor and Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

[1] Unless otherwise stated, all references to "Labor Code" are meant to reference the California Labor Code.

Mr. Taylor's Employment with Red Lobster

Red Lobster is an American casual dining restaurant chain. Red Lobster owns and operates an industry business, and establishment within the State of California. Therefore, based on all the facts and circumstances incident to Red Lobster's business in California, Red Lobster is subject to the Labor Code, the Industrial Wage Commission's (IWC) Wage Orders, and the California Business and Professions Code.

Mr. Taylor is a resident of Visalia, California who worked for Red Lobster in Visalia, California, as an hourly-paid, non-exempt employee from approximately February 1, 2025 to May 11, 2025. Mr. Taylor worked as a server, and his primary job function was to take orders and serve tables.

During Mr. Taylor's employment with Red Lobster, Red Lobster paid Mr. Taylor an hourly wage and classified Mr. Taylor as non-exempt from overtime. Red Lobster typically scheduled Mr. Taylor to work at least three days in a workweek and at least four hours per day.

In performing his duties, Mr. Taylor was regularly required to perform work "off the clock" and without compensation, including but not limited to: stocking items prior to the start of his shift and being required to monitor, at all times, the scheduling app Red Lobster used to assign and change shifts for its servers. Additionally, Mr. Taylor was also frequently deprived of an opportunity to take legally compliant rest breaks. Specifically, Red Lobster required Mr. Taylor to be relieved by a manager before taking his rest breaks, but no manager ever relieved him due to high client volume or other reasons.

Red Lobster did not provide Mr. Taylor and Aggrieved Employees with the rest break premiums as required by the Labor Code, and Mr. Taylor does not recall ever receiving any rest break premiums. Additionally, Mr. Taylor necessarily incurred business-related expenses, including but not limited to purchases of work apparel, but Red Lobster did not reimburse such business expenses. These are just non-exhaustive examples of the facts and theories Mr. Taylor asserts, which are later described in more detail.

Throughout Mr. Taylor's employment, Red Lobster did not (1) pay for all hours worked (including minimum, and straight time wages); (2) authorize and permit Mr. Taylor to take rest periods; (3) timely pay all final wages to Mr. Taylor when Red Lobster terminated Mr. Taylor's employment; (4) furnish accurate wage statements to Mr. Taylor; and (5) indemnify Mr. Taylor for business expenditures. As will be further discussed, Mr. Taylor's experience working for Red Lobster was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum and Straight

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of the employer and including the time the employee is suffered or permitted to work, whether required to do so.

Throughout the statutory period, Red Lobster did not pay Mr. Taylor and Aggrieved Employees, or some of them, for all hours worked, including minimum and straight time wages At times, Red Lobster required Mr. Taylor and Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated by, for example, requiring Mr. Taylor and Aggrieved Employees to perform work during uncompensated rest breaks, and requiring Mr. Taylor and Aggrieved Employees to perform work before clocking in or after clocking out. As one example, Red Lobster required Mr. Taylor to stock items before clocking in to start his shift. As another example, Red Lobster required Mr. Taylor to continuously monitor a scheduling app during his "off-the-clock" hours so that he could be alerted as to shift changes affecting his schedule. In failing to pay for all hours worked, Red Lobster also did not maintain accurate records of the hours Mr. Taylor and the Aggrieved Employees, or some of them, worked.

As a result, Red Lobster is liable to Mr. Taylor and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Authorize and Permit Rest Breaks

Per California law, employers are required to authorize and permit breaks of 10 uninterrupted minutes for each 4 hours of work or major fraction of 4 hours (*i.e.*, more than 2 hours). Thus, for example, if an employee's work time is 6 hours and 10 minutes, the employee is entitled to 2 rest breaks. Each failure to authorize rest breaks as required is itself a violation of California's rest break laws.

Throughout the statutory period, Red Lobster at times has wrongfully failed to authorize and permit Mr. Taylor and Aggrieved Employees, or some of them, to take legally compliant rest breaks in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Mr. Taylor and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest breaks). Red Lobster at times required Mr. Taylor and Aggrieved Employees, or some of them, to work in excess of 4 consecutive hours a day without Red Lobster's authorizing and permitting Mr. Taylor to take a 10-minute, uninterrupted, duty-free rest period for every 4 hours of work (or major fraction of 4 hours), or without compensating Mr. Taylor and Aggrieved Employees, or some of them, for rest breaks that were not authorized or permitted.

Instead, Red Lobster at times continued to assert control over Mr. Taylor and Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform tasks which could not be completed without working in lieu of taking mandatory rest breaks, or at times by denying Mr. Taylor and Aggrieved Employees, or some of them, permission to take a rest break. For example, at times, it was impossible for Mr. Taylor and others to take rest breaks due to Red Lobster's policy of requiring employees to be relieved by a manager before they could take a rest break. In practice, Red Lobster's managers would not be available to relieve employees for their rest breaks. The result was that Red Lobster's employees were left unable to take their rest breaks at all.

Accordingly, Red Lobster at times failed to authorize and permit Mr. Taylor and Aggrieved Employees, or some of them, to take rest breaks in compliance with California law. Mr. Taylor and Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not authorized and permitted to take all required rest breaks. Red Lobster, however, at times failed to pay Mr. Taylor and Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest breaks that they were not authorized and permitted to take.

As a result, Red Lobster is liable to Mr. Taylor and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Red Lobster's failure at times to pay Mr. Taylor and Aggrieved Employees, or some of them, for all wages as discussed above, Red Lobster also violated Labor Code section 204.

Section 204 requires employers to pay employees all earned wages twice per month. Throughout the applicable statute of limitations period, employees were entitled to be paid twice a month at their regular rates, including all meal and rest break premium wages owed and wages owed for overtime hours worked. However, at times, Red Lobster failed and refused to pay Mr. Taylor all wages due, and failed to pay those wages twice a month, in that Mr. Taylor was not paid all wages for all rest periods not provided by Red Lobster, all wages for all rest periods not authorized and permitted by Red Lobster, and all wages for all hours worked. As a result, Red Lobster owes Mr. Taylor the legally required wages for unpaid wages, and Mr. Taylor and Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Red Lobster is liable to Mr. Taylor and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked

Mr. Taylor seeks penalties under Labor Code section 1174, subdivision (d). Per Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by section 1174 is subject to a penalty under section 1174.5. Under the applicable IWC Order section 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal breaks and total hours worked daily shall also be recorded.

Red Lobster, however, at times failed to maintain accurate records of hours worked by Mr. Taylor and Aggrieved Employees, or some of them.

Red Lobster's failure to provide and maintain records required by the Labor Code and the applicable IWC Wage Orders deprived Mr. Taylor and Aggrieved Employees, or some of them, the accuracy of their hours worked stated in Red Lobster's records. Therefore, Mr. Taylor and Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Red Lobster. As a direct result, Mr. Taylor and Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Red Lobster to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Red Lobster's knowing failure, at times, to comply with the Labor Code and applicable IWC Wage Orders, Mr. Taylor and Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

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 their employment, their wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code section 213, subdivision (d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Mr. Taylor and many other Aggrieved Employees ended, *i.e.*, was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Red Lobster at times failed, and continue at times to fail, to pay Mr. Taylor and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within 72 hours of their leaving Red Lobster's employment. These include wages for unpaid work time (including minimum, straight time, and overtime wages), and missed rest break premium wages. Red Lobster also violated, and continue to violate, Labor Code section 213, subdivision (d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization. Mr. Taylor recalls that Mr. Taylor did not receive final wages at the time of discharge, nor within 72 hours of leaving Red Lobster's employment.

Red Lobster's conduct violates Labor Code sections 201 and 202. Labor Code section 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than 30 days.

Accordingly, Mr. Taylor and Aggrieved Employees, or some of them, are entitled to recover from Red Lobster their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code section 203.

Moreover, Red Lobster is liable to Mr. Taylor and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2699, subdivision (f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Wage Statements

Labor Code section 226, subdivision (a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of its employees an accurate itemized wage statement in writing showing 9 pieces of information, including: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of their Social Security number or an employee identification number other than a Social Security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Cal. Lab. Code, § 226, subd. (e)(1).)

Throughout the statutory period, Red Lobster at times failed, and continues at times to fail, to timely furnish Mr. Taylor and Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, and correct wages for rest breaks that were not authorized and permitted to take in accordance with California law).

Because Red Lobster at times violated Labor Code section 226, Mr. Taylor and Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Mr. Taylor and similarly Aggrieved Employees, or some of them, are entitled to recover from Red Lobster the greater of their actual damages caused by Red Lobster's failure to comply with Labor Code section 226, subdivision (a), or an aggregate penalty not exceeding $4,000 per employee. Moreover, Red Lobster is liable to Mr. Taylor and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 226.3 for failing to timely furnish accurate itemized wage statements.

Recordkeeping Requirement Violations

Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by employees.

Based on information and belief, Red Lobster at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Mr. Taylor and other Aggrieved Employees began and ended each work period, and accurate itemized wage statements.

Based on information and belief, Red Lobster at times failed and continues at times to fail to keep accurate and complete records showing total hours worked by Mr. Taylor and Aggrieved Employees, or some of them, by virtue of Red Lobster's time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Red Lobster failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Red Lobster's failure to relieve Mr. Taylor and Aggrieved Employees, or some of them, of all duties and Red Lobster's control for unpaid rest periods, resulting in unpaid hours worked.

Based on further information and belief, Red Lobster further failed at times and continue at times to fail, to record the true start and end times of Mr. Taylor's and Aggrieved Employees' work shifts, or some of them.

Additionally, Red Lobster at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Mr. Taylor and Aggrieved Employees, or some of them. Red Lobster's failure to keep "accurate and complete" payroll records for Mr. Taylor and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Red Lobster to civil penalties under Labor Code sections

558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.[2]

Failure to Indemnify Necessary Expenditures

Labor Code section 2802, subdivision (a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of their duties. Throughout the applicable statute of limitations period, Red Lobster at times wrongfully required Mr. Taylor and Aggrieved Employees, or some of them, to pay expenses they incurred in direct discharge of their duties for Red Lobster including but not limited to work apparel they were required to purchase for work. Mr. Taylor and Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Mr. Taylor and Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Red Lobster but Red Lobster failed to indemnify Mr. Taylor and Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Red Lobster is liable to Mr. Taylor and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2802 and 2699, subdivision (f)(2) for failing to indemnify Mr. Taylor and Aggrieved Employees, or some of them, for necessary business expenditures.

Action for PAGA Civil Penalties

In light of the above, Mr. Taylor alleges that Red Lobster violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code sections 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages and straight time wages;
2. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to authorize and permit rest breaks;
3. Labor Code section 204 by failing at times to pay all earned wages twice per month;
4. Labor Code section 1174.5 and applicable IWC Wage Orders by failing at times to maintain accurate records of hours worked;
5. Labor Code sections 201 to 203 by willfully failing at times to pay all wages owed at termination;
6. Labor Code section 226 by failing at times to provide accurate itemized wage statements;
7. Labor Code section 1174 by failing at times to keep accurate and complete payroll records; and
8. Labor Code section 2802 by failing at times to indemnify for necessary expenditures;

Therefore, on behalf of potentially Aggrieved Employees, Mr. Taylor seeks applicable penalties related to the violations alleged above per PAGA. These include, but are not limited to, penalties under Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699.

[2] *See* Labor Code § 2699, subdivision (f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Mr. Taylor has placed Red Lobster on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Jesse S. Chen
Wilshire Law Firm, PLC