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July 7, 2025

NOTICE OF LABOR CODE VIOLATIONS
CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.*

VIA CERTIFIED U.S. MAIL
- *Electronic Return Receipt* -

Wayfarer Bread, LLC
5525 La Jolla Blvd.
La Jolla, California 92037

- *PAGA Notice & Filing Fee* -
Submitted electronically to the Labor and
Workforce Development Agency

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **OSVALDO GOMEZ OLIVARES** (“Plaintiff(s)”) and all other “aggrieved employees” of the following “Defendant(s)”:

WAYFARER BREAD, LLC

Defendant(s) shall mean and include the foregoing in addition to any other related employer entities, individuals under Labor Code sections 558 and 558.1, and all others who may be later added upon further investigation and discovery as liable employers.

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiff requests that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good faith effort to correct any violations. Plaintiff attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in judgment or settlement approved by the Superior Court of California under Labor Code section 2699(s). Defendants are notified that any attempt to resolve this case should be conducted in coordination with Plaintiff's counsel to protect the interests of Plaintiff, the aggrieved employees, and the State of California via the LWDA. Plaintiff advises Defendants this letter should be also considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Assistant from about January 2024 to April 2025. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The “aggrieved employees” include Plaintiff and the following individuals:

All current and former non-exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the “aggrieved employees” and the “PAGA Period”).

Plaintiff reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants’ violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

Unpaid Hours Worked/Minimum Wage Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the “Hours and Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates

that “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.” Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The “Minimum Wages” sections of the applicable IWC Wage Order provide that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.” The foregoing California wage laws require payment of “not less than the applicable minimum wage *for all hours worked* in the payroll period” and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Specifically, Defendants engaged in an unlawful policy and practice of requiring Plaintiff and aggrieved employees to complete work off-the-clock, without compensation. For example, Plaintiff and other aggrieved employees regularly had to work through their off-the-clock meal periods due to the high volume of work and understaffing. For example, on pizza nights, Plaintiff often worked through his meal period due to the workload and demands. As discussed in more detail in the Unpaid Meal Period Premium Wages section, Plaintiff and the aggrieved employees’ meal periods would often be worked through entirely.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Overtime **Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders**

Defendants violated Labor Code sections 510, 1194, and 1198, along with the “Hours and Days of Work” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 510 requires “[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;” and “any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;” and “any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” Labor Code section 1194 renders it unlawful for an employee to receive less than

the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the “Hours and Days of Work” sections.

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As described above, Plaintiff and other aggrieved employees worked off-the-clock during unpaid meal periods. Each time this practice resulted in unpaid work over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Paid Sick Leave **Violation of Labor Code §§ 246 through 248.7**

Defendants violated Labor Code sections 246 through 248.7 with respect to the aggrieved employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 40 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

Employers must pay sick leave in accordance with one of the three permissible methods provided in Labor Code section 246(l): (1) “the same manner as the regular rate of pay for the workweek;” (2) “by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days;” or (3) “for exempt employee ... in the same manner as the employer calculates wages for other forms of paid leave time.” Labor Code sections 248.6 and 248.7 similarly require paid sick leave to be paid at a regular rate-based calculation in excess of the base hourly rate and at the lawful accrual rate.

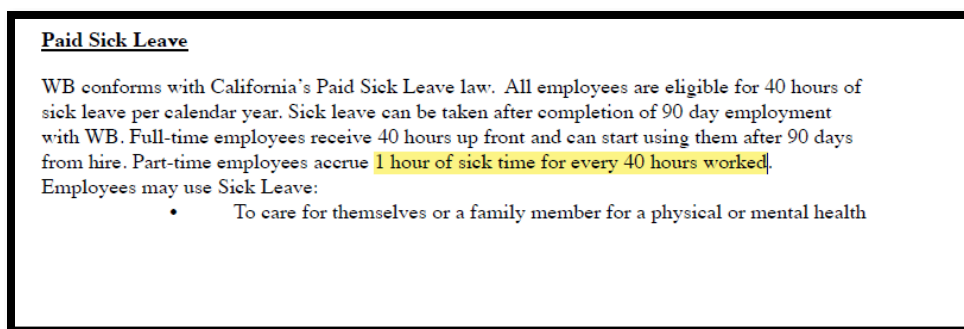
Under Labor Code section 246(i), employers must provide employees “with written notice of the amount of paid sick leave available ... for use on either the employee’s itemized wage

statement ... or in a separate writing provided on the designated pay date with the employee's payment of wages.”

Effective January 1, 2024, Senate Bill (SB) 616 expanded the existing paid sick leave entitlements required under the California Healthy Workplaces, Healthy Families Act (HWHFA). The City of San Diego Sick Leave and Minimum Wage Ordinance (ESLMWO) requires employers to provide paid sick leave to employees who work within the geographic boundaries of the City of San Diego. San Diego Municipal Code (SDMC) Section 39.0105(b) states, “Employers must provide an Employee with one hour of Earned Sick Leave for every 30 hours worked by the Employee within the geographic boundaries of the City...”

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees. Due to Defendants’ unlawful policy and practice of requiring off-the-clock work, Defendants failed to properly credit Plaintiff and the aggrieved employees with all sick leave accrued. Consequently, Plaintiff and the aggrieved employees were systematically denied all owed paid sick leave hours.

Furthermore, Defendants improperly accrued paid sick leave without abiding by the proper accrual rates for California and SDMC Section 39.0105(b) or affording that time off the same protected status as paid sick leave.



Extract of Defendants’ Employee Handbook

Due to this policy, Defendants improperly accrued sick leave at an unlawful rate of 1 hour for every 40 hours worked. Thus, Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees. The failure to calculate and pay sick leave at one of the lawful rates set forth in Labor Code § 246(l)(1)-(3) and 247 et seq. was applied as a matter of common policy and practice to aggrieved employee.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Vacation Wages
Violation of Labor Code § 227.3

Defendants violated Labor Code section 227.3 with respect to the aggrieved employees.

Labor Code section 227.3 requires “whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination.”

Defendants maintained an unlawful policy and practice of failing to pay all accrued and unused vacation wages upon separation of employment at the lawful rate of pay, resulting in forfeiture of vested vacation time and wages. As described above, Defendants failed to record all of the time that Plaintiff and other aggrieved employees worked for Defendants. Consequently, Defendants failed to credit the aggrieved employees with all vacation time they had actually accrued. Therefore, vacation wages were not paid out at the lawful final rate of pay inclusive of all earnings.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Meal Period Premium Wages
Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee’s “regular rate” of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 (“We hold that the terms are synonymous: “regular rate of compensation” under section 226.7(c), like “regular rate of pay” under section 510(a), encompasses all nondiscretionary payments, not just hourly wages”). “[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage.” *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders,

including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

In violation of Labor Code 226.7, Defendants consistently failed to pay meal period premiums for missed, late, short, or interrupted meal periods. Due to employee responsibilities and the steady flow of business, Plaintiff and aggrieved employees were not always provided their 30-minute, duty-free meal period before their fifth hour of work on shifts over six hours. For example, Plaintiff and other aggrieved employees regularly worked through their off-the-clock meal periods due to understaffing and the increased workload during busy days.

Below is an example of Defendants' failure to pay meal period premiums for meal period violations:

Clockin date	Clockin time	Clockout date	Clockout time	Break start date	Break start time	Break end date	Break end time	Unpaid break	Paid break
7/3/24	6:02:12 AM PDT	7/3/24	4:29:07 PM PDT	7/3/24	10:52:08 AM PDT	7/3/24	11:25:29 AM PDT	0.55	0
7/4/24	6:03:49 AM PDT	7/4/24	4:25:21 PM PDT	7/4/24	11:20:49 AM PDT	7/4/24	11:55:53 AM PDT	0.58	0
7/5/24	10:04:58 AM PDT	7/5/24	8:36:33 PM PDT	7/5/24	3:07:10 PM PDT	7/5/24	3:39:40 PM PDT	0.53	0
7/6/24	10:03:27 AM PDT	7/6/24	8:30:07 PM PDT	7/6/24	3:01:51 PM PDT	7/6/24	3:36:45 PM PDT	0.58	0
7/10/24	6:02:14 AM PDT	7/10/24	4:03:16 PM PDT	7/10/24	11:09:57 AM PDT	7/10/24	11:42:39 AM PDT	0.55	0
7/11/24	6:05:47 AM PDT	7/11/24	3:53:03 PM PDT	7/11/24	10:54:39 AM PDT	7/11/24	11:27:52 AM PDT	0.55	0
7/12/24	10:06:14 AM PDT	7/12/24	8:40:04 PM PDT	7/12/24	2:38:00 PM PDT	7/12/24	3:08:00 PM PDT	0.5	0
7/13/24	10:04:09 AM PDT	7/13/24	8:36:09 PM PDT	7/13/24	3:21:42 PM PDT	7/13/24	4:01:31 PM PDT	0.67	0
7/17/24	6:07:10 AM PDT	7/17/24	4:06:06 PM PDT	7/17/24	11:10:03 AM PDT	7/17/24	11:44:17 AM PDT	0.57	0
7/18/24	6:04:42 AM PDT	7/18/24	3:41:47 PM PDT	7/18/24	11:13:33 AM PDT	7/18/24	11:46:08 AM PDT	0.55	0
7/19/24	10:01:34 AM PDT	7/19/24	8:36:43 PM PDT	7/19/24	3:29:55 PM PDT	7/19/24	4:00:58 PM PDT	0.52	0
7/20/24	10:01:17 AM PDT	7/20/24	8:38:36 PM PDT	7/20/24	2:00:00 PM PDT	7/20/24	2:30:00 PM PDT	0.5	0
7/24/24	6:02:36 AM PDT	7/24/24	4:02:45 PM PDT	7/24/24	11:05:00 AM PDT	7/24/24	11:38:42 AM PDT	0.55	0
7/25/24	6:04:13 AM PDT	7/25/24	4:32:59 PM PDT	7/25/24	11:16:43 AM PDT	7/25/24	11:50:37 AM PDT	0.57	0

Extract of Plaintiff's Time Records from 07/03/2024 to 07/25/2024

GENERAL INFORMATION							EARNINGS		PIECES	HOURS	YTD HOURS	AMOUNT	YTD AMOUNT
WAYFARER BREAD LLC							Regular Hours			78.03	885.52	1,521.65	17,267.60
5525 LA JOLLA BLVD							Overtime Hours				2.42		70.70
La Jolla, CA 92037 (714)404-4787							Held Tips					687.14	6,111.19
00000003 - BOH_00000001 - Main_00000011 - BOH													
Osvaldo Gomez Olivares EE# 00000084													
PAY PERIOD 06/26/24 TO 07/10/24													
PAY FREQUENCY Semi-Monthly													
CHECK DATE 07/15/2024 CHECK# E02203													
VARIABLE PAY INFORMATION							TOTAL EARNINGS						
EARNINGS	DEPT	RATE ID	PCS	HRS	RATE	AMT	FILING STATUS		TAX TYPE		AMOUNT	YTD AMOUNT	
Regular Hrs	BOH			78.03	19.50	1,521.65	Federal S	STD W/H TBL	+0.00	Federal	182.39	1,828.16	
Held Tips	BOH					687.14	State S	0	+0.00	FICA	136.94	1,453.85	
										Medicare	32.03	340.03	
										CA SDI	24.30	257.94	
										CA State	67.92	664.98	
TOTAL EARNINGS										78.03	887.93	\$2,208.79	\$23,449.49
ACCURAL							ADJUSTMENTS	CO MATCH	CO MATCH YTD	AMOUNT	YTD AMOUNT		
CA SICK		2.65				30.22	MISC REIMB					690.99	
							TOTAL RMB					\$690.99	

GENERAL INFORMATION							EARNINGS									
WAYFARER BREAD LLC							PIECES		HOURS		YTD HOURS		AMOUNT		YTD AMOUNT	
5525 LA JOLLA BLVD									96.42		981.93		1,880.13		19,147.73	
La Jolla, CA 92037 (714)404-4787									Overtime Hours		0.27		2.68		78.50	
00000003 - BOH_00000001 - Main_00000011 - BOH									Held Tips				743.50		6,354.69	
Osvaldo Gomez Olivares EE# 00000084																
PAY PERIOD 07/10/24 TO 07/25/24																
PAY FREQUENCY Semi-Monthly																
CHECK DATE 08/01/2024 CHECK# E02227																
VARIABLE PAY INFORMATION							TOTAL EARNINGS									
							FILING STATUS			TAX TYPE			AMOUNT		YTD AMOUNT	
EARNINGS							Federal S STD W/H TBL +0.00			Federal			238.96		2,067.12	
Regular Hrs BOH							96.42 19.50 1,880.13			FICA			163.15		1,617.00	
Overtime Hrs BOH							0.27 29.25 7.80			Medicare			38.16		378.19	
Held Tips BOH							743.50			CA SDI			28.95		256.89	
										CA State			99.22		764.20	

Extract of Plaintiff's Wage Statements from 06/26/2024 to 07/25/2024

As shown in Plaintiff's time records, Plaintiff suffered about eight meal period violations. However, in the corresponding wage statements, Plaintiff was not paid a meal period premium despite the violations. Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period, they were owed a meal period premium. As a matter of policy and practice, Defendants failed to pay all owed meal period premiums.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Rest Period Premium Wages
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the aggrieved employees.

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Defendants failed to provide all rest periods to which employees were entitled and failed to pay rest period premiums to Plaintiff and other aggrieved employees. As stated in the above sections, due to employee responsibilities and the steady flow of business, Plaintiff and other aggrieved employees were very rarely, if at all, authorized or permitted to take all their rest periods. For example, on days Plaintiff and other aggrieved employees were required to make pizzas, Defendants required employees to effectively waive or otherwise forego their first and/or second rest periods contrary to law. As a matter of common policy and practice, when Plaintiff and the aggrieved employees suffered non-compliant rest periods, Defendants failed to pay them a corresponding rest period premium.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages During Employment
Violation of Labor Code §§ 204, 204b, 210

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the aggrieved employees.

Labor Code section 204(a) requires payment of "all wages" for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid "not more than seven calendar days following the close of the payroll period." Labor Code section

204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides “every person who fails to pay the wages of an employee as provided in Section ... 204 ... shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice. Indeed, Defendants failed to pay all premiums, overtime, regular, and other earnings on time each payday.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages Upon Separation of Employment **Violation of Labor Code §§ 201, 202, 203, 256**

Defendants violated Labor Code sections 201, 202, and 203 with respect to the aggrieved employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours’ notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours’ notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. For example, Plaintiff did not receive his tips until a few days after involuntary termination of employment. As a result, Defendants violated Labor Code sections 201, 202, and 203.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements

Violation of Labor Code §§ 226, 226.3

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the aggrieved employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, “an accurate itemized statement in writing showing:” (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

An illustrative example of Defendants violation is shown below:

VARIABLE PAY INFORMATION						
EARNINGS	DEPT	RATE ID	PCS	HRS	RATE	AMT
Regular Hrs	FOH				3,125.00	3,125.00
TOTAL EARNINGS						\$3,125.00

Extract from Plaintiff's Wage Statement for the Pay Period of 08/10/2024 to 08/25/2024

Here, Defendants failed to include the total hours worked in violation of Labor Code 226(a)(2). Defendants also violated this labor code by failing to accurately list employees' "total hours worked," as the wage statements did not accurately include the uncompensated time Plaintiff and other aggrieved employees worked due to Defendant's policy and practice of requiring off-the-clock work.

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Maintain Accurate Records
Violation of Labor Code § 1174; IWC Wage Orders

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and other aggrieved employees.

Labor Code section 1174 requires that employers maintain accurate "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." Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Attorneys' Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other aggrieved employees and the State of California. Plaintiff continues to incur attorneys' fees

and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,



Xavier L. Woodford

Cc Plaintiff Osvaldo Gomez Olivares

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