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September 3, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(https://dir.govfa.net/411)

Subject: *Imaad Khan v. Creighton Enterprises, Inc.*

Dear PAGA Administrator:

This office represents Imaad Khan in connection with his claims under the California Labor Code. Mr. Khan was an employee of CREIGHTON ENTERPRISES, INC. ("CREIGHTON").

The employer may be contacted directly at the addresses below:

CREIGHTON ENTERPRISES, INC. 825 JEFFERSON BLVD. W SACRAMENTO, CA 95691	CREIGHTON ENTERPRISES, INC. 8151 STALLION WAY SACRAMENTO, CA 95830

Mr. Khan intends to seek civil penalties, attorneys' fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Mr. Khan seeks relief on behalf of himself, the State of California, and other persons who are or were employed by CREIGHTON 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.

CREIGHTON employed Mr. Khan as an hourly paid, non-exempt employee from approximately June 2023 to May 2025. Mr. Khan worked for CREIGHTON as a Crew Member at its Little Caesars restaurant located at 825 Jefferson Boulevard, West Sacramento, California. During his employment, Mr. Khan typically worked four (4) to six (6) hours or more per day and five (5) days per week. By the end of his employment, Mr. Khan was compensated approximately $21.00 per hour. His job duties included, without limitation assembling and baking pizzas, taking customer orders, and maintaining cleanliness, quality, speed, and accuracy in food preparation and presentation.

CREIGHTON committed each of the following Labor Code violations against Mr. Khan, the facts and theories of which follow, making him an "aggrieved employee" pursuant to California Labor Code section 2699(c)(1): [1]

<u>CREIGHTON's Company-Wide and Uniform Payroll and HR Practices</u>

CREIGHTON ENTERPRISES, INC. is a California corporation which owns and operates a chain of Little Caesars franchise restaurants, with at least 12 restaurants in California. Upon information and belief, CREIGHTON maintains a single, centralized Human Resources (HR) department at its corporate headquarters in West Sacramento, California, for all non-exempt, hourly paid employees working for CREIGHTON in California, including Mr. Khan and other aggrieved employees. At all relevant times, CREIGHTON issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Khan and other aggrieved employees, regardless of their location or position.

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

<u>Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime</u>

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.

CREIGHTON willfully failed to pay all overtime wages owed to Mr. Khan and other aggrieved employees. During the relevant time period, Mr. Khan 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.

[1] These facts, theories, and claims are based on Mr. Khan's experience and counsel's review of those records currently available relating to Mr. Khan'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. Khan 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.

First, during the relevant time period, CREIGHTON had, and continues to have, a company-wide policy and/or practice of discouraging and impeding Mr. Khan and other aggrieved employees from recording hours worked that were outside of their scheduled shifts, in order to limit the amount of overtime employees could accrue. This policy of limiting overtime led Mr. Khan and other aggrieved employees to work off-the-clock outside of their scheduled shift times. Specifically, CREIGHTON's management pressured Mr. Khan and other aggrieved employees to record their scheduled shift start-times and shift end-times instead of their actual hours worked to limit the overtime hours employees were eligible to be compensated for. Moreover, this policy of limiting overtime, coupled with CREIGHTON's practice of utilizing labor budgets and resultant understaffing and/or single-staffing (*see infra*) led Mr. Khan and other aggrieved employees to work off-the-clock before and after their scheduled shifts in order to complete their assigned tasks. Because CREIGHTON discouraged overtime accrual, Mr. Khan and other aggrieved employees were required to complete assigned tasks outside of their scheduled shifts without being compensated for the time they worked.

For example, CREIGHTON's management regularly required Mr. Khan to begin working about five (5) minutes prior to his scheduled shift-start time and before he clocked in for the day, performing opening tasks such as unlocking the restaurant's doors, turning on lights, and donning his apron and hairnet. Moreover, because CREIGHTON's timekeeping system was integrated with the company's point-of-sale ("POS") system, Mr. Khan and other aggrieved employees would often have to spend time waiting to clock in for the start of their shifts, because other employees were using the POS system to handle customer transactions and taking orders. For instance, Mr. Khan was required to wait several minutes under CREIGHTON's control until a POS machine was available for clocking-in, time for which he was not paid. During this time, Mr. Khan would assist coworkers with tasks such as taking customer orders or preparing food. Further, about four (4) times per week, Mr. Khan was required to continue working after he had clocked out at his scheduled shift-end time, such as doffing his apron and disposing of his hairnet, sweeping, mopping, counting and logging unused ingredients, and taking out garbage, which could take an additional 20 minutes.

In addition, CREIGHTON had, and continues to have, a company-wide policy and/or practice of requiring Mr. Khan and other aggrieved employees to complete mandatory training modules, but did not permit them to complete them during their shifts. For example, Mr. Khan was required to complete at least one (1) training module, while on his day off or when he was at home, which took about twenty (20) minutes to complete. Thus, CREIGHTON failed to track all the time Mr. Khan and other aggrieved employees spent performing work-related tasks outside of their scheduled shifts, and Mr. Khan and other aggrieved employees received no compensation for this time.

Second, as stated, upon information and belief, CREIGHTON had, and continues to have, a company-wide policy and/or practice of strictly staffing its locations based on the labor hours allocated by each location's labor or payroll budget set by the corporate office. This practice of labor budgeting and/or limited payroll allocation has resulted in chronic understaffing and a lack of adequate meal period coverage, because there were too few employees on duty to handle the workload and attend to customers. Because CREIGHTON did not employ or staff a sufficient number of employees to meet customer demand, there was no one available to relieve employees needing meal period coverage, and Mr. Khan and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. Also, CREIGHTON systematically, and on a company-wide basis, understaffed its locations, by adopting a single-staffing model for some of their positions, such as Crew Member, whereby only one (1) employee was scheduled to work at certain times, thereby failing to provide adequate meal period coverage to permit those employees to take compliant meal periods. Moreover, CREIGHTON had a practice of failing to schedule meal periods, which further caused Mr. Khan and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Mr. Khan sometimes worked through his meal periods due to the lack of coverage and to keep up with customer demand. Additionally, Mr. Khan's meal periods were often interrupted because he was required to return to work to complete food orders.

Third, on information and belief, because CREIGHTON frowned upon employees accruing meal period premiums, CREIGHTON's management pressured employees to clock out for meal periods to reflect compliant meal periods, even when they had not received compliant meal periods. For example, Mr. Khan would clock out for his meal period but would work through his unpaid meal period, out of fear of being disciplined by CREIGHTON. Moreover, CREIGHTON's company-wide timekeeping system prevented Mr. Khan and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Khan and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes elapsed. Thus, CREIGHTON's timekeeping system further prevented Mr. Khan and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted.

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

CREIGHTON's failure to pay Mr. Khan 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. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with the applicable IWC Wage Order and Labor Code sections 510 and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

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

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 Wage Order No. 5-2001 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 for the employer, whether or not required to do so." Cal. Code Regs. Tit. 8, § 11050(2)(M) (defining "Hours Worked").

First, as set forth above, as a result of CREIGHTON's policies and/or practices of limiting the amount of overtime employees could accrue, CREIGHTON required Mr. Khan and other aggrieved employees to perform work off-the-clock. As stated, CREIGHTON required Mr. Khan and other aggrieved employees to perform work off-the-clock outside of their scheduled shift start- and end-times and on days off, including unlocking doors, turning on lights, donning aprons and hairnets, waiting until a POS machine was available for clocking-in, doffing aprons and disposing of hairnets, sweeping, mopping, counting and logging unused ingredients, taking out garbage, and completing mandatory online training modules. As a result, CREIGHTON failed to track this time that Mr. Khan and other aggrieved employees spent working off-the-clock, and thus, Mr. Khan and other aggrieved employees received no compensation for this time.

Second, as set forth above, due to CREIGHTON's company-wide policies and/or practices of utilizing labor budgets, understaffing and/or single-staffing its locations, and failing to schedule meal periods, Mr. Khan 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, have their meal periods interrupted, and/or were otherwise not relieved of all duties during unpaid meal periods.

Third, to limit the meal period premiums that CREIGHTON would otherwise owe, CREIGHTON pressured Mr. Khan and other aggrieved employees to clock out for meal periods to reflect compliant meal periods, even when meal periods were missed, short, and/or interrupted. Additionally, as stated, CREIGHTON's company-wide timekeeping system prevented Mr. Khan and other aggrieved employees from entering time worked during meal periods because the system locked out Mr. Khan and other aggrieved employees for a full 30 minutes. Thus, CREIGHTON systematically failed to pay Mr. Khan and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

CREIGHTON did not pay at least minimum wages for all hours worked by Mr. Khan and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, CREIGHTON 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, CREIGHTON regularly failed to pay at least minimum wages to Mr. Khan 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. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with the applicable IWC Wage Order and Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f), and (k).

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.

First, during the relevant time period, as stated, CREIGHTON had, and continues to have, a company-wide policy and/or practice of understaffing locations due to labor budgeting and/or limited payroll allocation, which has resulted in a lack of meal period coverage and prevented Mr. Khan and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. As also stated, CREIGHTON systematically, and on a company-wide basis, understaffed its locations by adopting a single-staffing model for some of its positions, such as Crew Member, whereby only one (1) employee was scheduled to work at certain times, thereby failing to provide adequate meal period coverage to permit those employees to take compliant meal periods. Moreover, as stated above, CREIGHTON failed to schedule meal periods, which further caused Mr. Khan and other aggrieved employees to not be relieved of their duties for compliant meal periods. As a result, Mr. Khan 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, as set forth above, Mr. Khan sometimes missed his meal periods due to the heavy workload and lack of coverage. Additionally, Mr. Khan's meal periods were often interrupted because he was required to return to work to complete food orders. Further, Mr. Khan sometimes took his meal periods late, after the fifth hour of work, for the same reasons. Thus, CREIGHTON failed to provide Mr. Khan and other aggrieved employees with compliant, 30-minute meal periods.

Second, because CREIGHTON frowned upon employees accruing meal period premiums, CREIGHTON's management pressured employees to clock out for meal periods to reflect compliant meal periods, even when they had not received compliant meal periods. For example, as stated, Mr. Khan would clock out for his meal period but would continue to work through his meal period, out of fear of being disciplined by CREIGHTON. Additionally, as set forth above, CREIGHTON's company-wide timekeeping system prevented Mr. Khan and other aggrieved employees from recording when their meal periods were shortened or interrupted, because the system locked out Mr. Khan and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. Mr. Khan 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.

Moreover, CREIGHTON had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. CREIGHTON took the position that non-exempt, hourly paid employees had waived their rights to first meal periods for the entirety of their employment and, on that basis, did not provide them with all meal periods to which they were entitled. CREIGHTON's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours, due to blanket meal period waivers signed at or near the time of hire, discouraged and impeded Mr. Khan and other aggrieved employees from taking all meal periods to which they were entitled.

Furthermore, an employer's obligation to provide a meal period is only "triggered" when the employer "employs an employee for a work period of more than five hours per day." *Brinker*, 53 Cal. 4th at 1039 ("If an employer engages, suffers, or permits anyone to work for a full five hours, its meal break obligation is triggered.").

> [A]fter the meal break obligation is triggered . . . an employer is put to a choice: it must (1) afford an off-duty meal period; (2) consent to a mutually agreed-upon waiver if one hour or less will end the shift; or (3) obtain written agreement to an on-duty meal period if circumstances permit. Failure to do one of these will render the employer liable for premium pay.

Id. (citing Cal. Labor Code § 226.7; Wage Order No. 5, subd. 11(A), (B)). That CREIGHTON required Mr. Khan and other aggrieved employees to sign meal period waivers simultaneously at or near their time of hire (as opposed to on a specific work day) renders them invalid and unenforceable, because CREIGHTON's obligation to provide Mr. Khan and other aggrieved employees with meal periods did not arise until they had employed them for a full five (5) hours.

At all times herein mentioned, CREIGHTON knew or should have known that, as a result of these policies, Mr. Khan and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. CREIGHTON further knew or should have known that CREIGHTON did not pay Mr. Khan and other aggrieved employees meal period premiums when meal periods were missed, shortened, interrupted, and/or late.

Furthermore, CREIGHTON engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Khan and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods.

Accordingly, CREIGHTON failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 512(a), 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

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.

During the relevant time period, CREIGHTON regularly failed to authorize and permit Mr. Khan 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, CREIGHTON's company-wide use of labor budgeting and/or limited payroll allocation, understaffing and/or single-staffing, has resulted in a lack of rest period coverage and prevented Mr. Khan and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. Additionally, CREIGHTON's management erroneously informed Mr. Khan and other aggrieved employees that they were only entitled to a 10-minute rest period after working four (4) hours. CREIGHTON also failed to schedule rest periods, which further led to Mr. Khan and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, upon information and belief, during the relevant time period, CREIGHTON maintained a company-wide on-premises rest period policy, which effectively required that Mr. Khan and/or other aggrieved employees remain on CREIGHTON's premises during their rest periods. Because Mr. Khan and/or 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, CREIGHTON effectively maintained control over Mr. Khan and/or other aggrieved employees during rest periods.

As a result of CREIGHTON's practices and policies, Mr. Khan 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 rest periods to which they were entitled. For example, Mr. Khan often had to forgo his rest periods because the restaurant was busy and did not have coverage. Mr. Khan also missed his rest periods when he worked shifts in excess of 3.5 hours and less than four (4) hours, because CREIGHTON's management erroneously informed Mr. Khan he was entitled to a 10-minute rest period only after working four (4) hours. Additionally, about once per week, when Mr. Khan was able to take his rest periods, they were cut short because he was required to return to work to assist his coworkers prepare food and take customer orders.

CREIGHTON 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 and permitted. Because of this practice and/or policy, Mr. Khan and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, CREIGHTON failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

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. CREIGHTON has not provided Mr. Khan 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, CREIGHTON has knowingly and intentionally provided Mr. Khan and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, CREIGHTON issued uniform wage statements to Mr. Khan 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 the corresponding number of hours worked at each hourly rate. Specifically, CREIGHTON violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because CREIGHTON did not accurately record the time Mr. Khan and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), CREIGHTON did not list the correct amount of gross wages and net wages earned by Mr. Khan and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, CREIGHTON failed to accurately list the total number of hours worked by Mr. Khan 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).

The wage statement deficiencies also include, among other things, 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), CREIGHTON willfully failed to maintain accurate payroll records for Mr. Khan 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, CREIGHTON engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Mr. Khan and other aggrieved employees, in violation of section 1198.

Because CREIGHTON failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Khan 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. Khan 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. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with the applicable IWC Wage Order and Labor Code sections 226(a), 1174(d), and 1198, pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

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

Mr. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with Labor Code section 204, pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

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.

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

Mr. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with Labor Code sections 201 and 202, pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

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. 5-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft." IWC Wage Order No. 5-2001 further 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, CREIGHTON, on a company-wide basis, required that Mr. Khan and other aggrieved employees use their personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties but failed to reimburse them for the costs of their work-related mobile device and/or mobile data expenses. For example, Mr. Khan was required to use his personal cellular phone to communicate with his managers and coworkers regarding scheduling. Although CREIGHTON required Mr. Khan and other aggrieved employees to use their personal mobile devices and mobile data to carry out their work-related duties, CREIGHTON failed to reimburse them for their costs incurred.

Additionally, during the relevant time period, CREIGHTON required Mr. Khan and other aggrieved employees to report to work in clean and presentable uniforms bearing the Little Caesars company logo and name, including uniform shirts. However, CREIGHTON did not provide Mr. Khan and other aggrieved employees with sufficient uniforms to wear in relation to the tasks they were required to perform and the number of shifts they worked throughout the week. For example, CREIGHTON only provided Mr. Khan with two (2) uniform shirts at the time of hire. Because CREIGHTON failed to provide Mr. Khan with an adequate number of uniform items, Mr. Khan and other aggrieved employees had to wash their uniforms more frequently than they otherwise would do laundry, and incur expenses in doing so. Thus, CREIGHTON failed to maintain the uniforms they required Mr. Khan and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

CREIGHTON could have provided Mr. Khan and other aggrieved employees with the actual equipment for use on the job, such as company mobile devices, as well as access to laundering services; or CREIGHTON could have reimbursed employees for the costs of their mobile device usage, laundering expenses, or provided a uniform maintenance allowance. Instead, CREIGHTON passed these operating costs onto Mr. Khan and other aggrieved employees. At all relevant times, Mr. Khan did not earn at least two (2) times the minimum wage.

Thus, CREIGHTON 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. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with the applicable IWC Wage Order and Labor Code section 2802, pursuant to Labor Code sections 2699(a), (f), and (k).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

CREIGHTON failed to provide Mr. Khan and other aggrieved employees written notice that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). CREIGHTON's failure to provide Mr. Khan and other aggrieved employees with written notice of basic information regarding their employment with CREIGHTON is in violation of Labor Code section 2810.5.

Mr. Khan and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring CREIGHTON into compliance with Labor Code section 2810.5, pursuant to Labor Code sections 2699(a), (f), and (k).

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." CREIGHTON, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. Khan's and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Mr. Khan 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(k), 2699.3(a), 2699.3(c), 2699.5, and 558, Mr. Khan, 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 CREIGHTON 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, 2802, and 2810.5.

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

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 1860
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

Alexander Lima

Copy: CREIGHTON ENTERPRISES, INC. (via U.S. Certified Mail)

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

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8151 STALLION WAY
SACRAMENTO, CA 95830

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