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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

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

Plaintiff,

vs.

MENDOCINO FARMS, LLC, a Delaware
limited liability company; MENDOCINO
FARMS, INC., a Delaware corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No. 23CV005733

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Sacramento (“Court”), Plaintiff Francis Tapia (“Plaintiff”) and Defendants Mendocino Farms, LLC and Mendocino Farms, Inc. (“Defendants”) (collectively with Plaintiff, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of Plaintiff’s claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Tapia v. Mendocino Farms, LLC*, No. 23CV005733 (Sacramento County Superior Court).
2. “Aggrieved Employees” means all persons who were employed by Defendants in the State of California as non-exempt employees at any time from May 26, 2022 through January 19, 2025.
3. “Court” means the Superior Court for the State of California, County of Sacramento.
4. “Complaint” refers to the First Amended Complaint to be filed in the Action.
5. “Effective Date” means (a) the last date to appeal the Order and Judgment and no appeal is filed; i.e., 61 days from the date the Court grants approval and enters judgment, or (b) if an appeal is filed, review or writ is sought from the Order and Judgment, the day after the Order and Judgment is affirmed or the appeal, review or writ is dismissed or denied, and the Order and Judgment is no longer subject to further judicial review.
6. “Defendants” refers to Mendocino Farms, LLC and Mendocino Farms, Inc.
7. “Defendants’ Counsel” or “Defense Counsel” means and refers to Janel Ablon and Nathaniel Jenkins of Littler Mendelson, P.C.
8. “Gross Settlement Amount” means the settlement amount of Nine Hundred Fifteen Thousand Dollars (\$915,000) to be paid by Defendants in full satisfaction of all Released Claims arising from the Action.
9. “LWDA” means the California Labor and Workforce Development Agency.
10. “Notice” means the Notice of Proposed PAGA Action Settlement and Approval

Hearing that will be sent to the Aggrieved Employees. The Notice will be substantially similar to the draft Notice attached to this Agreement as **Exhibit “A,”** subject to the resolution by the Court of any and all outstanding issues between the Parties as to the terms contained therein and approval by the Court.

11. “Order and Judgment” means the Court’s Order and Judgment approving the Settlement Agreement.

12. “PAGA” shall refer to the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698–2699.5.

13. “PAGA Notice(s)” means Plaintiff’s initial and amended letters submitted to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3(a). The PAGA Notices are attached as Exhibits B and C.

14. “PAGA Pay Periods” for each Aggrieved Employee means any pay period during the PAGA Period, as applicable, in which the Aggrieved Employee was employed by Defendants as a non-exempt, hourly employee in California and worked at least one shift during the pay period, respectfully, for or on behalf of Defendants for which a prior release of claims has not been signed. PAGA Pay Periods will be calculated based on Defendants’ business records. All Aggrieved Employees will be credited with at least one PAGA Pay Period.

15. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.

16. “PAGA Period” means May 26, 2022 through January 19, 2025.

17. “Parties” means Plaintiff and Defendants, collectively.

18. “Plaintiff” means and refers to Francis Tapia.

19. “Plaintiff’s Counsel” means Capstone Law APC.

20. “QSF” or “Qualified Settlement Fund” means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the settling Aggrieved Employees, and from which the settlement payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue Code Section 468B.

21. “Release” shall mean the release and discharge of the claims by Plaintiff and the release and discharge of the Released Claims by Plaintiff and all of the Aggrieved Employees.

22. “Released Claims” means any and all claims for penalties pursuant to PAGA (Labor Code section 2698 *et al.*) based on the allegations stated in the initial and amended PAGA Notices and pleaded in the Complaint or First Amended Complaint, or which could have been pleaded based on the facts alleged therein, including PAGA claims premised on Labor Code violations: Sections 201, 202, 203, 204, 206, 206.5, 208, 210, 218, 218.5, 218.6, 221, 223, 226, 226.2, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6, 256, 351, 353, 432, 432.5, 432.6, 432.7, 510, 512, 516, 558, 1024.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2802, and 2810.5 during the PAGA Period.

23. “Released Parties” means Defendants and any of its/their former and present parents, subsidiaries, and affiliates, including their insurers, insurance policies, and benefit plans; each of the former and present officers, directors, employees, equity holders (partners, shareholders, holders of membership interests, etc.), agents, representatives, administrators, fiduciaries, and attorneys of the entities and plans described in this sentence; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described in this sentence.

24. “Service Award” means the amount to be paid to Plaintiff as payment for his service on behalf of the LWDA and Aggrieved Employees, and for a general release of all claims arising out of his employment with Defendants.

25. “Settlement Administration Costs” means the costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, due diligence, reporting and remittance obligations, distributing the Settlement Amount, and providing necessary reports and declarations, as requested by the Parties and the Court. The Settlement Administration Costs shall be paid from the Settlement Amount.

TERMS

26. First Amended Complaint. As a condition of settlement, Plaintiff will file a First Amended Complaint (“FAC”) to conform the pleadings with the scope of Plaintiff’s amended PAGA Notice. Defendants will not be required to file an answer or other responsive pleading to the FAC.

27. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met,

Defendants will pay Nine Hundred Fifteen Thousand Dollars (\$915,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

28. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims Released Claims. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

28(a) Defendants will calculate: (i) the total number of PAGA Pay Periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of PAGA Pay Periods worked by all Aggrieved Employees during the Settlement Period.

28(b) To determine each Aggrieved Employee’s payment from the PAGA Penalties Fund, the following formula will be used: Settlement Payment = 25% of PAGA Penalties Fund × [PAGA Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total PAGA Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

28(c) Defendants represent that Aggrieved Employees worked an aggregate total of approximately One Hundred Twenty-Four Thousand (124,000) PAGA Pay Periods during the Settlement Period. If the actual aggregate total of PAGA Pay Periods worked during the Settlement Period is greater than Ten Percent (10%) of this estimate, then Defendants must either: (a) increase the Gross Settlement Amount proportionately for each PAGA Pay Period above the Ten Percent (10%) allowance (e.g., if the total number of PAGA Pay Periods increases by 11%, the Gross Settlement Amount will increase by

1 1%); or (b) advance the end date of the Settlement Period to the last date on
2 which the total number of PAGA Pay Periods worked by Aggrieved
3 Employees in aggregate during the Settlement Period is no greater than One
4 Hundred Thirty-Six Thousand Four Hundred (136,400).

5 29. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or
6 motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than Three Hundred Five
7 Thousand Dollars (\$305,000), plus the reimbursement of all out-of-pocket costs and expenses associated
8 with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees,
9 investigations costs, etc.), not to exceed Twenty Thousand Dollars (\$20,000), both of which will be paid
10 from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to
11 Plaintiff's Counsel will be added to the PAGA Penalties Fund.

12 30. Service Award. For a general release of all claims Plaintiff may have against Defendants
13 arising out of his employment, and for his service on behalf of the LWDA and Aggrieved Employees,
14 Defendants agree not to oppose or impede any application or motion by Plaintiff for a service award of
15 up to Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the Service Award, Plaintiff
16 will be deemed to have fully released and discharged Defendants from any and all claims, demands,
17 obligations, causes of action, rights, or liabilities of any kind which have been or could have been
18 asserted against Defendants arising out of, or relating to, Plaintiff's employment with Defendants or
19 termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation,
20 defamation, discrimination, harassment or wrongful termination of employment. This release specifically
21 includes any and all claims, demands, obligations and/or causes of action for damages, restitution,
22 penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any
23 way connected with the matters referred to herein, whether or not known or suspected to exist, and
24 whether or not specifically or particularly described herein. Specifically, Plaintiff will be deemed to have
25 waived all rights and benefits afforded by California Civil Code Section 1542, which provides:

26 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
27 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**
28 **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF**

**KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR
HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Plaintiff understands and agrees that this Settlement Agreement shall remain in full force and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the Court.

31. Settlement Administration Costs. The Parties will retain ILYM Group, Inc. as the third-party settlement administrator (“Settlement Administrator”). The Settlement Administrator will be responsible for establishing a qualified settlement fund (“QSF”) and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff’s Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Settlement Administration Costs are capped at Twenty Thousand Dollars (\$20,000). To the extent actual Settlement Administration Costs are less than Twenty Thousand Dollars (\$20,000), the difference will be added to the PAGA Penalties Fund.

32. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the “Order and Judgment”).

33. List of Aggrieved Employees. Within fourteen (14) calendar days after the Effective Date, Defendants will provide the Settlement Administrator a complete list of all Aggrieved Employees (“Aggrieved Employee List”). The Aggrieved Employee List will be formatted in Microsoft Office Excel and will include each Aggrieved Employees full name; most recent mailing address and telephone number; Social Security number; the respective number of PAGA Pay Periods during which each Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to calculate settlement payments.

34. Funding of the Settlement. Within fourteen (14) calendar days after the Effective Date, Defendants will deposit the Gross Settlement Amount into a Qualified Settlement Fund (“QSF”) to be established by the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff; (d) Plaintiff’s Counsel; and (e) itself. The

1 Settlement Administrator, and not Defendants, will issue the appropriate tax forms for all payments
2 issued under this Settlement.

3 35. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
4 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
5 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a
6 search based on the National Change of Address Database for information to update and correct for any
7 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
8 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address
9 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
10 to determine the correct address using a skip-trace, or other search using the name, address or Social
11 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.
12 Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain
13 outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be
14 distributed pursuant to the State Controller's Office, Unclaimed Property Division. All settlement
15 payments to Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be
16 issued.

17 36. Released Claims. Upon the Effective Date of this Settlement, Plaintiff, the LWDA, and
18 each Aggrieved Employee, for themselves and for their respective agents, spouses, domestic partners,
19 marital community, children, estates, trusts, attorneys, heirs, predecessors, successors, beneficiaries,
20 devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and
21 representatives, will forever completely release and discharge the Released Parties from the Released
22 Claims for the PAGA Period.

23 37. No Right to Exclusion or Objections by Representative Action Members. Because this
24 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
25 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
26 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
27 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
28 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties

1 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

2 38. No Publicity. Plaintiff's Counsel agree to discuss the terms of this Settlement only in
3 filings in the Action as required to approve the settlement and in discussions with Settlement Aggrieved
4 Employees or the Settlement Administrator in the context of administering this Settlement. Plaintiff's
5 Counsel will not discuss the settlement with any third parties or otherwise publicize the Settlement in any
6 manner, including but not limited to on any website or platform. Plaintiff's Counsel will not use any
7 information about the identities, contact information, or other data provided about the Aggrieved
8 Employees in the Action other than for purposes of the Action. However, for the limited purpose of
9 allowing Plaintiff's Counsel to prove adequacy as counsel in other actions, or for purposes of seeking
10 court approval of other class and PAGA settlements, Plaintiff's Counsel may disclose information
11 available in the public record about the Action and Settlement.

12 39. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
13 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
14 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
15 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
16 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
17 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

18 40. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
19 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
20 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
21 action or right herein released and discharged.

22 41. Nullification of Settlement Agreement. In the event that: (a) the Court does not approve
23 the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then
24 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
25 and the Parties will be returned to their original respective positions.

26 42. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
27 will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement
28 of the terms of the Settlement, (b) settlement administration matters, and (c) such post-Judgment matters

as may be appropriate under court rules or as set forth in this Settlement.

43. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

44. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, and approved by the Court.

45. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

46. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

47. California Law Governs. All terms of this Settlement Agreement will be governed by and interpreted according to the laws of the State of California.

48. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and scanned copies of the signature pages, will be deemed to be one and the same instrument.

49. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with

their counsel regarding the fairness and reasonableness of this Settlement.

50. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

51. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

52. Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

53. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

54. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

55. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

56. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

57. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

58. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

59. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 4/28/2025

Signed by:



5A6BA0493E9A4E3...

Francis Tapia

DEFENDANTS

Dated: _____

Name of Authorized Signatory
Mendocino Farms, LLC and Mendocino Farms, Inc.

1 57. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
2 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
3 Settlement Agreement.

4 58. Binding Agreement. The Parties warrant that they understand and have full authority to
5 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
6 binding on all parties and agree that it will be admissible and subject to disclosure in any proceeding to
7 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
8 under federal or state law.

9 59. Denial of Liability. The Parties expressly recognize that the making of this agreement
10 does not in any way constitute an admission or concession of wrongdoing on the part of Defendants.
11 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
12 discussions or communications, nor any materials prepared, exchanged, issued or used during the
13 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
14 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
15 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
16 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
17 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
18 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
19 of the Court entered into in connection therewith.

20
21 **READ CAREFULLY BEFORE SIGNING**

22 **PLAINTIFF**

23 Dated: _____

Francis Tapia

25 **DEFENDANTS**

26
27 Dated: 5/7/25 _____

Kevin Klippel

Name of Authorized Signatory
Mendocino Farms, LLC and Mendocino Farms, Inc.

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APPROVED AS TO FORM

CAPSTONE LAW APC

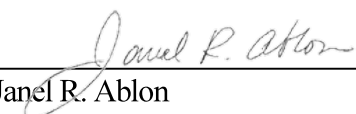
Dated: May 7, 2025



Raul Perez

LITTLER MENDELSON P.C.

Dated: May 15, 2025



Janel R. Ablon

Exhibit A

EXHIBIT A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Tapia v. Mendocino Farms, LLC*, No. 23CV005733
(Sacramento County Superior Court)**

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Tapia v. Mendocino Farms, LLC*, No. 23CV005733 (Sacramento County Superior Court) (the “Action”).

The Action was filed against Defendants Mendocino Farms, LLC and Mendocino Farms, Inc. (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendants on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties.

The Court has not ruled on the merits of the Action. It has nonetheless approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter). Additionally, you can access publicly available court records in this Action online at <https://prod-portal-sacramento-ca.journaltech.com/public-portal/?q=user/login&destination=node/414> by creating a free account and thereafter searching for Case Number 23CV005733.

Very Truly Yours,
[Administrator]

Exhibit B



1875 Century Park East, Suite 1000
Los Angeles, California 90067
310.556.4811 Main | 310.943.0396 Fax

SAIRAH BUDHWANI
310.929.5455 Direct
Sairah.Budhwani@capstonelawyers.com

May 26, 2023

VIA ONLINE SUBMISSION

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

Subject: *Francis Tapia v. Mendocino Farms, LLC, et al.*

Dear PAGA Administrator:

This office represents Francis Tapia in connection with his claims under the California Labor Code. Mr. Tapia was an employee of MENDOCINO FARMS, LLC and/or MENDOCINO FARMS, INC. For the purposes of this letter, Mr. Tapia collectively refers to these entities as "MENDOCINO FARMS."

The employers may be contacted directly at the addresses below:

MENDOCINO FARMS, LLC
13103 VENTURA BOULEVARD
SUITE 100
STUDIO CITY, CA 91604

MENDOCINO FARMS, INC.
C/O MENDOCINO FARMS BASE CAMP
2004-H EAST PARK PLACE
EL SEGUNDO, CA 90245

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

MENDOCINO FARMS employed Mr. Tapia as an hourly paid, non-exempt employee from approximately September 2022 to March 2023. Mr. Tapia worked for MENDOCINO FARMS as a Team Member (Salad Maker) at its location in Burbank, California. During his employment, Mr. Tapia worked up to eight (8) or more hours per day and five (5) to six (6) days per week. Mr. Tapia's job duties included, without limitation, preparing salads to order, preparing catering orders, cutting and preparing ingredients, washing dishes, and cleaning kitchen stations.

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

MENDOCINO FARMS’s Company-Wide and Uniform Payroll and HR Practices

MENDOCINO FARMS, LLC is a Delaware limited liability company and MENDOCINO FARMS, INC. is a Delaware corporation. Together, they are a fast-casual restaurant chain serving gourmet sandwiches, salads, and soups. Upon information and belief, MENDOCINO FARMS maintains a single, centralized Human Resources (HR) department at its corporate headquarters in El Segundo or Studio City, California for all non-exempt, hourly paid employees working for MENDOCINO FARMS in California, including Mr. Tapia and other aggrieved employees. At all relevant times, MENDOCINO FARMS issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Tapia and other aggrieved employees, regardless of their location or position.

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

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 Industrial Welfare Commission (“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.

¹ These facts, theories, and claims are based on Mr. Tapia’s experience and counsel’s review of those records currently available relating to Mr. Tapia’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. Tapia 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.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, MENDOCINO FARMS regularly failed to authorize and permit Mr. Tapia and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. During the relevant time period, on information and belief, MENDOCINO FARMS had, and continues to have, a company-wide policy and/or practice of strictly staffing its restaurant locations based on the labor hours allocated by each location’s labor or payroll budget set by corporate. MENDOCINO FARMS’s use of labor budgets, combined with the assignment of heavy workloads, resulted in understaffing and a lack of rest period coverage. As stated, MENDOCINO FARMS had, and continues to have, a policy of understaffing its locations, including adopting a single-staffing model for some of their positions, such as Salad Makers, and thereby failed to provide adequate rest period coverage to permit those employees to take compliant rest periods. Additionally, MENDOCINO FARMS failed to schedule and/or adhere to a schedule for rest periods, which, coupled with MENDOCINO FARMS’s failure to provide adequate rest period coverage, further led to Mr. Tapia and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, on information and belief, MENDOCINO FARMS maintained and implemented a company-wide on-premises rest period policy, which effectively required that Mr. Tapia and/or other aggrieved employees remain on the premises during their rest periods. Because Mr. Tapia and/or other aggrieved employees were restricted from leaving MENDOCINO FARMS’s 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, MENDOCINO FARMS effectively maintained control over Mr. Tapia and/or other aggrieved employees during rest periods.

As a result of MENDOCINO FARMS’s practices and policies, Mr. Tapia and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Mr. Tapia had to forego at least one of his rest periods per shift because of the heavy workload and lack of coverage resulting from being the only Salad Maker staffed on his shift.

MENDOCINO FARMS has also engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. Tapia and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that MENDOCINO FARMS did pay other aggrieved employees one (1) additional hour of premium pay for missed rest periods, MENDOCINO FARMS did so at the incorrect rates. In addition to an hourly wage, MENDOCINO FARMS paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, MENDOCINO FARMS failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay. Therefore, during times when other aggrieved employees received meal period premiums and these other forms of pay, MENDOCINO FARMS failed to pay full rest period premiums by paying a lower rate than required.

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

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

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

As stated above, MENDOCINO FARMS had, and continues to have, company-wide policies and/or practices of understaffing its locations due to labor budgeting by adopting a single-staffing model for certain positions, which, combined with the assignment of heavy workloads, resulted in a lack of meal period coverage and prevented other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. As a result, other aggrieved employees would be forced to work in excess of five (5) hours before taking a meal period and, at times, had their meal periods cut short and/or had to forgo their meal periods altogether. Additionally, MENDOCINO FARMS did not provide other aggrieved employees with second 30-minute meal periods on days that they worked in excess of ten (10) hours in one day. 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, MENDOCINO FARMS had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. MENDOCINO FARMS took the position that non-exempt, hourly paid employees had waived their rights to first and/or second 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. Moreover, MENDOCINO FARMS's meal period waiver form requires employees provide advance notice should they wish to revoke the waiver. MENDOCINO FARMS's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours and for shifts in excess of ten (10) hours but less than twelve (12) hours, due to blanket meal period waivers signed at or near the time of hire, and imposition on employees to revoke the waivers in advance, discouraged and impeded 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 MENDOCINO FARMS requires 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 MENDOCINO FARMS’s obligation to provide other aggrieved employees with meal periods did not arise until they had employed them for a full five (5) hours.

Additionally, MENDOCINO FARMS’s company-wide timekeeping system prevented other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out 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.

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

Furthermore, MENDOCINO FARMS 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, other aggrieved employees have not received premium pay for missed, late, and interrupted meal periods. Alternatively, to the extent that MENDOCINO FARMS did pay other aggrieved employees premium pay for missed, late, and interrupted meal periods, MENDOCINO FARMS did not pay other aggrieved employees at the correct rate of pay for premiums because MENDOCINO FARMS systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

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

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

California Labor Code sections 510 and 1198 and the applicable IWC Wage Order require employers to pay employees working more than eight (8) hours in 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.

MENDOCINO FARMS willfully failed to pay all overtime wages owed to other aggrieved employees. During the relevant time period, 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.

As stated, MENDOCINO FARMS's policies and/or practices of understaffing its restaurants and/or single-staffing certain positions while assigning heavy workloads resulted in a failure to provide other aggrieved employees with adequate meal period coverage, and thus, other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. Consequently, other aggrieved employees missed meal periods and/or had meal periods interrupted in order to complete their assigned workloads. Moreover, as stated, MENDOCINO FARMS's company-wide timekeeping system prevented other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal periods before 30 minutes had elapsed. Thus, MENDOCINO FARMS did not record all hours worked during meal periods and other aggrieved employees performed work during meal periods for which they were not paid.

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

Furthermore, MENDOCINO FARMS did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. MENDOCINO FARMS failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, MENDOCINO FARMS failed to pay all overtime wages by paying a lower overtime rate than required.

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

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

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 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, whether or not required to do so.” Cal. Code Regs. tit. 8, § 11050(2)(K) (defining “Hours Worked”).

As stated above, due to MENDOCINO FARMS’s uniform practice of understaffing and/or single-staffing, assignment of heavy workloads, and resultant lack of meal period coverage, 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. As a result, other aggrieved employees were not relieved of all duties during unpaid meal periods. Also, as set forth above, during the relevant time period, MENDOCINO FARMS systematically failed to pay other aggrieved employees for actual hours worked during unpaid meal periods, because MENDOCINO FARMS’s timekeeping system locked out other aggrieved employees for 30 minutes when they clocked out for a meal period. Thus, MENDOCINO FARMS systematically failed to pay other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

Thus, MENDOCINO FARMS did not pay at least minimum wages for all hours worked by and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, MENDOCINO FARMS 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, MENDOCINO FARMS regularly failed to pay at least minimum wages to 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. Other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226(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. MENDOCINO FARMS has not provided Mr. Tapia 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, MENDOCINO FARMS has knowingly and intentionally provided Mr. Tapia and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, MENDOCINO FARMS issued uniform wage statements to Mr. Tapia and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the address of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate.

Specifically, MENDOCINO FARMS violated sections 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9).

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

In addition, because MENDOCINO FARMS did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, meal and rest period premiums, and/or paid sick leave, MENDOCINO FARMS did not list the correct amount of gross wages in compliance with section 226(a)(1) and did not list the correct amount of net wages in violation of section 226(a)(5). MENDOCINO FARMS also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, in violation of section 226(a)(9).

Further, and separate from these violations, MENDOCINO FARMS issued uniform wage statements to Mr. Tapia and other aggrieved employees that fail to list the correct address of the legal entity of the actual employer in violation of Labor Code section 226(a)(8). The purpose of section 226(a)(8) is to provide California employees with transparency as to the true identity of their employer, to allow the employee to contact their employer during employment or in the future for various reasons, including filing an administrative claim, judicial claim, or other action to seek relief against their employer, obtain unemployment benefits, etc. During the relevant time period, MENDOCINO FARMS systematically, and on a company-wide basis, issued wage statements to Mr. Tapia and other aggrieved employees that fail to list the employing entity's correct address. Mr. Tapia's and other aggrieved employees' wage statements incorrectly list the employer MENDOCINO FARMS, LLC's address as "2004-H East Park Place, El Segundo, CA 90245" but, according to the California Secretary of State's website, the correct address is "13103 Ventura Boulevard Suite 100, Studio City, CA 91604." *See example paystub below.*

CERIDIAN		Employee Name:	Francis Cornelius Tapia	Check Date:	3/17/2023
		Employee #:	[REDACTED]	Pay Period:	3/6/2023 - 3/19/2023
		Employee Address:	[REDACTED]	Check #:	605497
		Department:	Production	Pay Frequency:	Bi-Weekly
		Job Title:	PROD - Team Member	Pay Rate:	16.0000
		Site:	000043-Toluca Lake	Federal Filing Status:	[REDACTED]
Employer Name:	Mendocino Farms, LLC			Federal 2c/Extra Withholding:	[REDACTED]
Employer Phone:	818-933-7300			State Filing Status:	[REDACTED]
Employer Address:	2004-H East Park Place El Segundo, CA 90245			State Exemptions:	[REDACTED]

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 of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating the hours they 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), MENDOCINO FARMS willfully failed to maintain accurate payroll records for 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, MENDOCINO FARMS failed, on a company-wide basis, to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and stop times for other aggrieved employees, in violation of section 1198. Furthermore, in light of MENDOCINO FARMS’s failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, MENDOCINO FARMS kept no records of meal start and end times for second meal periods.

Because MENDOCINO FARMS failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Tapia and/or 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. Tapia and/or 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. Tapia and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

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

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

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

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

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

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

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

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

Violation of California Labor Code § 246 and 248.6 – Failure to Properly Calculate Paid Sick Leave and Provide Written Notice of Paid Sick Leave

At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Pursuant to California Labor Code section 246(b)(4), employers must provide no less than 24 hours or three (3) days of paid sick leave (or equivalent paid leave or paid time off) in each year of the employee's employment. Further, Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt employees shall be calculated 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 of employment."

At all relevant times herein, California Labor Code section 248.6 provides covered employees with COVID-19 supplemental paid sick leave. Labor Code section 248.6(d) provides that COVID-19

supplemental paid sick leave shall be set forth separately from paid sick days and that an “employer shall provide an employee with written notice that sets forth the amount of COVID-19 supplemental paid sick leave that the employee has used through the pay period in which it was due to be paid on either the employee’s itemized wage statement . . . or in a separate written statement provided on the designated pay date with the employee’s payment of wages. The employer shall list zero hours used if a worker has not used any COVID-19 supplemental paid sick leave.” Further, California Labor Code section 248.6(b)(3)(A), provides that each hour of COVID-19 supplemental paid sick leave shall be compensated at a rate equal to the following: 1) “[c]alculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]” or 2) “[c]alculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total nonovertime hours worked in the full pay periods occurring within the prior 90 days of employment; provided that, for nonexempt employees paid by piece rate, commission or other method that uses all hours to determine the regular rate of pay, total wages, not including overtime premium pay, shall be divided by all hours, to determine the correct amount of COVID-19 supplemental paid sick leave under this subdivision.”

During the relevant time period, MENDOCINO FARMS did not pay other aggrieved employees the correct sick leave rates of pay. As stated, in addition to an hourly wage, MENDOCINO FARMS paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, MENDOCINO FARMS failed to incorporate all remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave rate. Therefore, during times when other aggrieved employees took sick leave and received these other forms of pay, MENDOCINO FARMS failed to pay all sick leave benefits by paying a lower sick leave rate than required. Specifically, MENDOCINO FARMS paid other aggrieved employees sick leave based on their hourly rate of pay instead of their regular rate of pay. MENDOCINO FARMS’s failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to other aggrieved employees on a company-wide basis, in violation of Labor Code section 246(l) and 248.6(b)(3)(A).

Moreover, during the relevant time period, MENDOCINO FARMS failed, on a company-wide basis, to provide Mr. Tapia and other aggrieved employees with written notice on all wage statements that listed the amount of COVID-19 supplemental paid sick leave used by them. MENDOCINO FARMS’s systematic failure to provide written notice of COVID-19 supplemental paid sick leave benefits to Mr. Tapia and other aggrieved employees is in violation of Labor Code section 248.6(d).

Mr. Tapia and/or other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 248.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan’s Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 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, MENDOCINO FARMS, on a company-wide basis, required Mr. Tapia and other aggrieved employees to use their own 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 expenses. Mr. Tapia and other aggrieved employees were required to use their personal mobile devices for work-related tasks, including looking up recipes for MENDOCINO FARMS’s menu items. Although MENDOCINO FARMS required Mr. Tapia and other aggrieved employees to utilize their personal mobile devices and/or mobile data to carry out their work-related responsibilities, MENDOCINO FARMS failed to reimburse them for these costs.

Further, during the relevant time period, MENDOCINO FARMS required other aggrieved employees to wear uniforms bearing MENDOCINO FARMS’s company logo, including a shirt and hat. However, MENDOCINO FARMS did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. Because MENDOCINO FARMS failed to provide other aggrieved employees with an adequate number of uniform items in relation to their scheduled shifts and for the tasks they were required to perform, other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of food service and restaurant work, other aggrieved employees’ uniform shirts would become sweaty, soiled, and/or acquire an unpleasant odor such that they would be required to wash their uniform shirts more frequently than their regular clothing, thus incurring additional laundry expenses for the upkeep of their uniforms. Thus, MENDOCINO FARMS failed to maintain uniforms they required other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

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

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

Violation of California Labor Code § 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.

At all relevant times, MENDOCINO FARMS failed, on a company-wide basis, to provide written notice to Mr. Tapia and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). MENDOCINO FARMS's failure to provide Mr. Tapia and other aggrieved employees with written notice of basic information regarding their employment with MENDOCINO FARMS is in violation of Labor Code section 2810.5.

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

California Labor Code § 558(a)

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

Accordingly, Mr. Tapia 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 2699(a), 2699.3(a), 2699.3(c), 2699.5, and 558, Mr. Tapia, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for himself, all other aggrieved employees, and the State of California against MENDOCINO FARMS for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 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. Tapia seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Pre-Litigation Demand

This notice shall further serve as Mr. Tapia's reasonable attempt to settle his dispute with MENDOCINO FARMS prior to litigation. Pursuant to *Graham v. Daimler Chrysler Corp.*, 34 Cal.

4th 553 (2004), this notice serves to inform MENDOCINO FARMS of Mr. Tapia's aforementioned grievances and the proposed remedies as detailed below, while affording MENDOCINO FARMS a reasonable opportunity to satisfy Mr. Tapia's demands.

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

1. MENDOCINO FARMS shall pay Mr. Tapia and all other aggrieved employees employed by MENDOCINO FARMS at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. MENDOCINO FARMS shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked and provided lawful meal and rest periods.
3. MENDOCINO FARMS shall conduct a survey or interview all current and former aggrieved employees in California who worked for MENDOCINO FARMS in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for mobile device usage, laundering services, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. MENDOCINO FARMS shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512(a), 516, and 1198. MENDOCINO FARMS also shall pay Mr. Tapia and each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. MENDOCINO FARMS shall reimburse Mr. Tapia and all aggrieved employees who were required to pay for any business expenses incurred for MENDOCINO FARMS's benefit, including, but not limited to, costs of mobile device usage and/or laundering expenses, as required by Labor Code section 2802.
6. MENDOCINO FARMS shall provide Mr. Tapia and all aggrieved employees employed by MENDOCINO FARMS at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
7. MENDOCINO FARMS shall properly calculate aggrieved employees' rates of pay for overtime, meal and rest period premiums, and/or paid sick leave based on all remuneration paid, pursuant to Labor Code sections 226.7, 510, 246(l), and 248.6(b)(3)(A). Additionally, MENDOCINO FARMS shall provide aggrieved employees with written notice on wage statements and/or other separate written statements that list the amount of COVID-19 supplemental paid sick leave used by them, as required by Labor Code section 248.6(d).
8. MENDOCINO FARMS shall pay accrued legal interest to Mr. Tapia and all aggrieved employees at the rate of 10% per annum for said unpaid wages.

9. MENDOCINO FARMS shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
10. MENDOCINO FARMS shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 248.5, 256, 558, 1174.5, 1197.1, and 2699, and IWC Wage Order No. 5-2001, section 20.

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

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

Best Regards,



Sairah Budhwani

Copy: MENDOCINO FARMS, LLC (via U.S. Certified Mail); MENDOCINO FARMS, INC. (via U.S. Certified Mail)

Exhibit C

JONATHAN LEE
310.712.8006 Direct
Jonathan.Lee@capstonelawyers.com

April 7, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.tfaforms.net/422>)

Subject: *Francis Tapia v. Mendocino Farms, LLC, et al.*
LWDA Case No. LWDA-CM-957743-23 – AMENDED NOTICE

Dear PAGA Administrator:

This office represents Francis Tapia in connection with his claims under the California Labor Code. Mr. Tapia was an employee of MENDOCINO FARMS, LLC and/or MENDOCINO FARMS, INC. For the purposes of this letter, Mr. Tapia collectively refers to these entities as “MENDOCINO FARMS.” We previously provided notice of Mr. Tapia’s claims to the California Labor and Workforce Development Agency (“LWDA”) on May 26, 2023, and submitted the applicable filing fee pursuant to Labor Code section 2699.3(a)(1)(B). This amended notice supplements Mr. Tapia’s prior LWDA notice and is intended to clarify the facts and theories supporting his claims.

The employers may be contacted directly at the addresses below:

MENDOCINO FARMS, LLC
MENDOCINO FARMS, INC.
C/O MENDOCINO FARMS BASE CAMP
2004-H EAST PARK PLACE
EL SEGUNDO, CA 90245

Mr. Tapia intends to seek civil penalties, attorney’s fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Mr. Tapia seeks relief on behalf of himself, the State of California, and other persons who are or were employed by MENDOCINO FARMS 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.

MENDOCINO FARMS employed Mr. Tapia as an hourly paid, non-exempt employee from approximately September 2022 to March 2023. Mr. Tapia worked for MENDOCINO FARMS as a Team Member (Salad Maker) at its location in Burbank, California. During his employment, Mr.

Tapia worked up to eight (8) or more hours per day and five (5) to six (6) days per week. Mr. Tapia's job duties included, without limitation, preparing salads to order, preparing catering orders, cutting and preparing ingredients, washing dishes, and cleaning kitchen stations.

MENDOCINO FARMS committed one or more of the following Labor Code violations against Mr. Tapia, the facts and theories of which follow, making him an "aggrieved employee" pursuant to California Labor Code section 2699(c):¹

MENDOCINO FARMS's Company-Wide and Uniform Payroll and HR Practices

MENDOCINO FARMS, LLC is a Delaware limited liability company and MENDOCINO FARMS, INC. is a Delaware corporation. Together, they are a fast-casual restaurant chain serving gourmet sandwiches, salads, and soups. Upon information and belief, MENDOCINO FARMS maintains a single, centralized Human Resources (HR) department at its corporate headquarters in El Segundo or Studio City, California for all non-exempt, hourly paid employees working for MENDOCINO FARMS in California, including Mr. Tapia and other aggrieved employees. At all relevant times, MENDOCINO FARMS issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Tapia and other aggrieved employees, regardless of their location or position.

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

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 Industrial Welfare Commission ("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

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

(10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, MENDOCINO FARMS regularly failed to authorize and permit Mr. Tapia and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. During the relevant time period, on information and belief, MENDOCINO FARMS had, and continues to have, a company-wide policy and/or practice of strictly staffing its restaurant locations based on the labor hours allocated by each location’s labor or payroll budget set by corporate. MENDOCINO FARMS’s use of labor budgets, combined with the assignment of heavy workloads, resulted in understaffing and a lack of rest period coverage. As stated, MENDOCINO FARMS had, and continues to have, a policy of understaffing its locations, including adopting a single-staffing model for some of their positions, such as Salad Makers, and thereby failed to provide adequate rest period coverage to permit those employees to take compliant rest periods. Additionally, MENDOCINO FARMS failed to schedule and/or adhere to a schedule for rest periods, which, coupled with MENDOCINO FARMS’s failure to provide adequate rest period coverage, further led to Mr. Tapia and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, on information and belief, MENDOCINO FARMS maintained and implemented a company-wide on-premises rest period policy, which effectively required that Mr. Tapia and/or other aggrieved employees remain on the premises during their rest periods. Because Mr. Tapia and/or other aggrieved employees were restricted from leaving MENDOCINO FARMS’s 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, MENDOCINO FARMS effectively maintained control over Mr. Tapia and/or other aggrieved employees during rest periods.

As a result of MENDOCINO FARMS’s practices and policies, Mr. Tapia and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Mr. Tapia had to forego at least one of his rest periods per shift because of the heavy workload and lack of coverage resulting from being the only Salad Maker staffed on his shift.

MENDOCINO FARMS has also engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. Tapia and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that MENDOCINO FARMS did pay other aggrieved employees one (1) additional hour of premium pay for missed rest periods, MENDOCINO FARMS did so at the incorrect rates. In addition to an hourly wage, MENDOCINO FARMS paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, MENDOCINO FARMS failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay. Therefore, during times when other aggrieved employees received meal period premiums and these other forms of pay, MENDOCINO FARMS

failed to pay full rest period premiums by paying a lower rate than required.

Accordingly, MENDOCINO FARMS failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198, and/or 226, 512, 558, and 2698 *et seq.* Mr. Tapia and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

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

As stated above, MENDOCINO FARMS had, and continues to have, company-wide policies and/or practices of understaffing its locations due to labor budgeting by adopting a single-staffing model for certain positions, which, combined with the assignment of heavy workloads, resulted in a lack of meal period coverage and prevented other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. As a result, other aggrieved employees would be forced to work in excess of five (5) hours before taking a meal period and, at times, had their meal periods cut short and/or had to forgo their meal periods altogether. Additionally, MENDOCINO FARMS did not provide other aggrieved employees with second 30-minute meal periods on days that they worked in excess of ten (10) hours in one day. 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, MENDOCINO FARMS had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. MENDOCINO FARMS took the position that non-exempt, hourly paid employees had waived their rights to first and/or second 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. Moreover, MENDOCINO FARMS's meal period waiver form requires employees provide advance notice should they wish to revoke the waiver. MENDOCINO FARMS's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours and for shifts in excess of ten (10) hours but less than twelve (12) hours, due to blanket meal period waivers signed at or near the time of hire, and imposition on employees to revoke the waivers in advance, discouraged and impeded 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 MENDOCINO FARMS requires 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 MENDOCINO FARMS's obligation to provide other aggrieved employees with meal periods did not arise until they had employed them for a full five (5) hours.

Additionally, MENDOCINO FARMS's company-wide timekeeping system prevented other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out 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.

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

Furthermore, MENDOCINO FARMS 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, other aggrieved employees have not received premium pay for missed, late, and interrupted meal periods. Alternatively, to the extent that MENDOCINO FARMS did pay other aggrieved employees premium pay for missed, late, and interrupted meal periods, MENDOCINO FARMS did not pay other aggrieved employees at the correct rate of pay for premiums because MENDOCINO FARMS systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, MENDOCINO FARMS failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198, and/or 226, 558, and 2699 *et seq.* Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

California Labor Code sections 510 and 1198 and the applicable IWC Wage Order require employers to pay employees working more than eight (8) hours in 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.

MENDOCINO FARMS willfully failed to pay all overtime wages owed to other aggrieved employees. During the relevant time period, 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.

As stated, MENDOCINO FARMS's policies and/or practices of understaffing its restaurants and/or single-staffing certain positions while assigning heavy workloads resulted in a failure to provide other aggrieved employees with adequate meal period coverage, and thus, other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. Consequently, other aggrieved employees missed meal periods and/or had meal periods interrupted in order to complete their assigned workloads. Moreover, as stated, MENDOCINO FARMS's company-wide timekeeping system prevented other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal periods before 30 minutes had elapsed. Thus, MENDOCINO FARMS did not record all hours worked during meal periods and other aggrieved employees performed work during meal periods for which they were not paid.

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

Furthermore, MENDOCINO FARMS did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. MENDOCINO FARMS failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, MENDOCINO FARMS failed to pay all overtime wages by paying a lower overtime rate than required.

MENDOCINO FARMS's failure to pay other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198, and/or 200, 204, 206, 206.5, 210, 218, 218.5, 218.6, 221, 223, 351, 511, 558, 1194, 1197, 1197.1, and 2698 *et seq.* Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 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, whether or not required to do so.” Cal. Code Regs. tit. 8, § 11050(2)(K) (defining “Hours Worked”).

As stated above, due to MENDOCINO FARMS’s uniform practice of understaffing and/or single-staffing, assignment of heavy workloads, and resultant lack of meal period coverage, 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. As a result, other aggrieved employees were not relieved of all duties during unpaid meal periods. Also, as set forth above, during the relevant time period, MENDOCINO FARMS systematically failed to pay other aggrieved employees for actual hours worked during unpaid meal periods, because MENDOCINO FARMS’s timekeeping system locked out other aggrieved employees for 30 minutes when they clocked out for a meal period. Thus, MENDOCINO FARMS systematically failed to pay other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

Thus, MENDOCINO FARMS did not pay at least minimum wages for all hours worked by and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, MENDOCINO FARMS 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, MENDOCINO FARMS regularly failed to pay at least minimum wages to 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, and/or 200, 218.5, 226, 558, 1194.2, and 2698 *et seq.* Other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 218.6 and 226, Wage Order No. 5, subd. 5 – Failure to Provide Reporting Time Pay

The IWC Wage Order requires employers to pay half of the employee’s “usual or scheduled day’s work” and in no event less than two (2) hours pay, on each instance the employer requires an employee to report to work, as set forth fully below:

5. Reporting Time Pay

(A) Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no

event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage.

During the relevant time period, Mr. Tapia and/or other aggrieved employees were sometimes sent home without being provided at least half of their usual or scheduled day's work and were not paid required reporting time wages. Reporting time pay constitutes wages required by law. *Kamar v. RadioShack Corp.*, No. CV07-2252AHM(AJWX), 2008 WL 2229166, at *4 (C.D. Cal. May 15, 2008). Accordingly, as required by Cal. Lab. Code § 218.6, and as a result of these violations, MENDOCINO FARMS is liable for civil penalties pursuant to Cal. Lab. Code §§ 558 and 2698, *et seq.*

Violation of California Labor Code § 351 – Unlawful Taking of Employee Tips

California Labor Code section 351 prohibits employers from taking any portion of employee tips.

During the relevant time period, MENDOCINO FARMS instituted an illegal tip pooling policy and practice in violation of Labor Code sections 351 and 353, with respect to Mr. Tapia and/or other aggrieved employees, and is therefore liable for civil penalties pursuant to Cal. Lab. Code §§ 351, 353, 558 and/or 2698, *et seq.*

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. MENDOCINO FARMS has not provided Mr. Tapia and other aggrieved employees with properly itemized wage statements. Labor Code section 226 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, MENDOCINO FARMS has knowingly and intentionally provided Mr. Tapia and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, MENDOCINO FARMS issued uniform wage statements to Mr. Tapia and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the address of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, MENDOCINO FARMS violated sections 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9).

Because MENDOCINO FARMS did not record the time other aggrieved employees spent working off-the-clock and deducted time from their meal periods that were missed and/or interrupted (and therefore time for which they should have been paid), MENDOCINO FARMS did not list the correct amount of gross wages and net wages earned by other aggrieved employees in compliance with

section 226(a)(1) and section 226(a)(5), respectively. For the same reason, MENDOCINO FARMS failed to accurately list the total number of hours worked by 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).

In addition, because MENDOCINO FARMS did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, meal and rest period premiums, and/or paid sick leave, MENDOCINO FARMS did not list the correct amount of gross wages in compliance with section 226(a)(1) and did not list the correct amount of net wages in violation of section 226(a)(5). MENDOCINO FARMS also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, in violation of section 226(a)(9).

Further, and separate from these violations, MENDOCINO FARMS issued uniform wage statements to Mr. Tapia and other aggrieved employees that fail to list the correct address of the legal entity of the actual employer in violation of Labor Code section 226(a)(8). The purpose of section 226(a)(8) is to provide California employees with transparency as to the true identity of their employer, to allow the employee to contact their employer during employment or in the future for various reasons, including filing an administrative claim, judicial claim, or other action to seek relief against their employer, obtain unemployment benefits, etc. During the relevant time period, MENDOCINO FARMS systematically, and on a company-wide basis, issued wage statements to Mr. Tapia and other aggrieved employees that fail to list the employing entity's correct address. Mr. Tapia's and other aggrieved employees' wage statements incorrectly list the employer MENDOCINO FARMS, LLC's address as "2004-H East Park Place, El Segundo, CA 90245" but, according to the California Secretary of State's website, the correct address is "13103 Ventura Boulevard Suite 100, Studio City, CA 91604." *See example paystub below.*

CERIDIAN		Employee Name:	Francis Cornelius Tapia	Check Date:	3/17/2023
		Employee #:	[REDACTED]	Pay Period:	3/6/2023 - 3/19/2023
		Employee Address:	[REDACTED]	Check #:	605497
		Department:	Production	Pay Frequency:	Bi-Weekly
		Job Title:	PROD - Team Member	Pay Rate:	16.0000
		Site:	000043-Toluca Lake	Federal Filing Status:	[REDACTED]
Employer Name:	Mendocino Farms, LLC			Federal 2c/Extra Withholding:	[REDACTED]
Employer Phone:	818-933-7300			State Filing Status:	[REDACTED]
Employer Address:	2004-H East Park Place El Segundo, CA 90245			State Exemptions:	[REDACTED]

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 of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating the hours they 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), MENDOCINO FARMS willfully failed to maintain accurate payroll records for 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, MENDOCINO FARMS failed, on a company-wide basis, to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and stop times for other aggrieved employees, in violation of section 1198. Furthermore, in light of MENDOCINO FARMS’s failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, MENDOCINO FARMS kept no records of meal start and end times for second meal periods.

Because MENDOCINO FARMS failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Tapia and/or 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. Tapia and/or 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.

Lastly, MENDOCINO FARMS has violated Labor Code sections 206.5, 432.5 and/or 432, 432.6, and 432.7, for forcing Mr. Tapia and/or other aggrieved employees to sign employment-related contracts and documents that contained unlawful terms of employment, including invalid meal period waivers resulting from a noncompliant meal period policy and/or practice.

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

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

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are

deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

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

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

Violation of California Labor Code §§ 201-202, 203, 208 – 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.

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

Mr. Tapia and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 201, 202, 203, 208, 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 246 and 248.6 – Failure to Properly Calculate Paid Sick Leave and Provide Written Notice of Paid Sick Leave

At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Pursuant to California Labor Code section 246(b)(4), employers must provide no less than 24 hours or three (3) days of paid sick leave (or equivalent paid leave or paid time off) in each year of the employee's employment. Further, Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt employees shall be calculated 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 of employment."

At all relevant times herein, California Labor Code section 248.6 provides covered employees with COVID-19 supplemental paid sick leave. Labor Code section 248.6(d) provides that COVID-19 supplemental paid sick leave shall be set forth separately from paid sick days and that an "employer

shall provide an employee with written notice that sets forth the amount of COVID-19 supplemental paid sick leave that the employee has used through the pay period in which it was due to be paid on either the employee's itemized wage statement . . . or in a separate written statement provided on the designated pay date with the employee's payment of wages. The employer shall list zero hours used if a worker has not used any COVID-19 supplemental paid sick leave." Further, California Labor Code section 248.6(b)(3)(A), provides that each hour of COVID-19 supplemental paid sick leave shall be compensated at a rate equal to the following: 1) "[c]alculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[:]" or 2) "[c]alculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total nonovertime hours worked in the full pay periods occurring within the prior 90 days of employment; provided that, for nonexempt employees paid by piece rate, commission or other method that uses all hours to determine the regular rate of pay, total wages, not including overtime premium pay, shall be divided by all hours, to determine the correct amount of COVID-19 supplemental paid sick leave under this subdivision."

During the relevant time period, MENDOCINO FARMS did not pay other aggrieved employees the correct sick leave rates of pay. As stated, in addition to an hourly wage, MENDOCINO FARMS paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, MENDOCINO FARMS failed to incorporate all remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave rate. Therefore, during times when other aggrieved employees took sick leave and received these other forms of pay, MENDOCINO FARMS failed to pay all sick leave benefits by paying a lower sick leave rate than required. Specifically, MENDOCINO FARMS paid other aggrieved employees sick leave based on their hourly rate of pay instead of their regular rate of pay. MENDOCINO FARMS's failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to other aggrieved employees on a company-wide basis, in violation of Labor Code section 246(l) and 248.6(b)(3)(A).

Moreover, during the relevant time period, MENDOCINO FARMS failed, on a company-wide basis, to provide Mr. Tapia and other aggrieved employees with written notice on all wage statements that listed the amount of COVID-19 supplemental paid sick leave used by them. MENDOCINO FARMS's systematic failure to provide written notice of COVID-19 supplemental paid sick leave benefits to Mr. Tapia and other aggrieved employees is in violation of Labor Code section 248.6(d).

Mr. Tapia and/or other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 248.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 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, MENDOCINO FARMS, on a company-wide basis, required Mr. Tapia and other aggrieved employees to use their own 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 expenses. Mr. Tapia and other aggrieved employees were required to use their personal mobile devices for work-related tasks, including looking up recipes for MENDOCINO FARMS’s menu items. Although MENDOCINO FARMS required Mr. Tapia and other aggrieved employees to utilize their personal mobile devices and/or mobile data to carry out their work-related responsibilities, MENDOCINO FARMS failed to reimburse them for these costs.

Further, during the relevant time period, MENDOCINO FARMS required other aggrieved employees to wear uniforms bearing MENDOCINO FARMS’s company logo, including a shirt and hat. However, MENDOCINO FARMS did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. Because MENDOCINO FARMS failed to provide other aggrieved employees with an adequate number of uniform items in relation to their scheduled shifts and for the tasks they were required to perform, other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of food service and restaurant work, other aggrieved employees’ uniform shirts would become sweaty, soiled, and/or acquire an unpleasant odor such that they would be required to wash their uniform shirts more frequently than their regular clothing, thus incurring additional laundry expenses for the upkeep of their uniforms. Thus, MENDOCINO FARMS failed to maintain uniforms they required other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

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

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

Violation of California Labor Code § 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.

At all relevant times, MENDOCINO FARMS failed, on a company-wide basis, to provide written notice to Mr. Tapia and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). MENDOCINO FARMS's failure to provide Mr. Tapia and other aggrieved employees with written notice of basic information regarding their employment with MENDOCINO FARMS is in violation of Labor Code section 2810.5.

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

California Labor Code § 558(a)

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

Accordingly, Mr. Tapia 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 2699(a), 2699.3(a), 2699.3(c), 2699.5, and 558, Mr. Tapia, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for himself, all other aggrieved employees, and the State of California against MENDOCINO FARMS for violations of California Labor Code sections 201, 202, 203, 204, 208, 210, 221-223, 226(a), 226.2, 226.7, 227, 245-248.6, 351, 353, 432, 432.5, 432.6, 432.7, 510, 512(a), 516, 558, 558.1, 1024.5, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2802, and 2810.5.

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

Pre-Litigation Demand

This notice shall further serve as Mr. Tapia's reasonable attempt to settle his dispute with MENDOCINO FARMS prior to litigation. Pursuant to *Graham v. Daimler Chrysler Corp.*, 34 Cal.

4th 553 (2004), this notice serves to inform MENDOCINO FARMS of Mr. Tapia's aforementioned grievances and the proposed remedies as detailed below, while affording MENDOCINO FARMS a reasonable opportunity to satisfy Mr. Tapia's demands.

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

1. MENDOCINO FARMS shall pay Mr. Tapia and all other aggrieved employees employed by MENDOCINO FARMS at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. MENDOCINO FARMS shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked and provided lawful meal and rest periods.
3. MENDOCINO FARMS shall conduct a survey or interview all current and former aggrieved employees in California who worked for MENDOCINO FARMS in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for mobile device usage, laundering services, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. MENDOCINO FARMS shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512(a), 516, and 1198. MENDOCINO FARMS also shall pay Mr. Tapia and each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. MENDOCINO FARMS shall reimburse Mr. Tapia and all aggrieved employees who were required to pay for any business expenses incurred for MENDOCINO FARMS's benefit, including, but not limited to, costs of mobile device usage and/or laundering expenses, as required by Labor Code section 2802.
6. MENDOCINO FARMS shall provide Mr. Tapia and all aggrieved employees employed by MENDOCINO FARMS at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
7. MENDOCINO FARMS shall properly calculate aggrieved employees' rates of pay for overtime, meal and rest period premiums, and/or paid sick leave based on all remuneration paid, pursuant to Labor Code sections 226.7, 510, 246(1), and 248.6(b)(3)(A). Additionally, MENDOCINO FARMS shall provide aggrieved employees with written notice on wage statements and/or other separate written statements that list the amount of COVID-19 supplemental paid sick leave used by them, as required by Labor Code section 248.6(d).
8. MENDOCINO FARMS shall pay accrued legal interest to Mr. Tapia and all aggrieved employees at the rate of 10% per annum for said unpaid wages.

9. MENDOCINO FARMS shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
10. MENDOCINO FARMS shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 248.5, 256, 558, 1174.5, 1197.1, and 2699, and IWC Wage Order No. 5-2001, section 20.

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

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

Best Regards,



Jonathan Lee

Copy: MENDOCINO FARMS, LLC (via U.S. Certified Mail); MENDOCINO FARMS, INC. (via U.S. Certified Mail)