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February 27, 2026

VIA WEBSITE UPLOAD

State of California
Labor and Workforce Development Agency

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

California Local LLC dba California Surf Club
PO BOX 809
HERMOSA BEACH, CA 90254

Re: *Salazar v. California Local LLC dba California Surf Club*

Dear California Local LLC dba California Surf Club:

This office represents Richard Salazar. We are informing you of our representation and ask that all further communication regarding this matter be directed to our attention at the address located on this letterhead, and that no contact be made directly with our client. This letter is sent pursuant to the provisions of California Labor Code, §§2699, *et seq.*

I. FACTS & NATURE OF THE DISPUTE

This is a Class Action lawsuit Plaintiff is bringing, seeking relief for Defendant's violations of the California Business & Professions Code §§ 17200 *et seq.*, including full restitution and disgorgement of all compensation retained by Defendant as a result of its unlawful and unfair business practices, as well as injunctive relief.

This action is on behalf of Plaintiff and others similarly situated to recover wages from Defendant due to Defendant's systematic failure to pay overtime wages, minimum wages, provide meal and rest breaks (or pay the statutory compensation due), issue accurate wage statements, pay wages on termination, reimburse business expenses, provide uniform maintenance allowances, pay reporting time pay, provide paid sick leave, allow inspection of employment records, and unfair competition.

Plaintiff seeks compensatory, statutory, declaratory, and injunctive relief for himself and all members of the Class, to compensate these workers for the unpaid wages and to protect current and

future workers of Defendant from being subjected to similar wage theft and otherwise unlawful working conditions.

II. § 2699, ET SEQ., LABOR CODE VIOLATIONS

Our client has numerous legal claims against California Local LLC dba California Surf Club. Further investigation and formal discovery will likely uncover other claims and additional facts supporting liability herein.

The details of our client's Labor Code, §2699, claims include, but are not limited to:

A. OFF THE CLOCK WORK

(Labor Code §§ 203, 226, 510, 558, 1197, 1197.1, and 2699(f)(2); IWC Wage Order No. 5)

Defendant was required to pay their employees for all time worked, even if employees were not clocked in or after they were clocked out. Defendant failed to pay Plaintiff and the Class for any off the clock work they performed.

Defendant required Plaintiff and the Class to regularly perform compensable tasks pre-shift and post-shift off-the-clock for which they did not receive any compensation. Specifically, at all times relevant, Plaintiff and Class members consistently worked hours for which they were not paid because Plaintiff and the Class members were required to arrive early but were unable to clock in. Plaintiff typically had to perform work such as taking out trash for approximately 15 minutes prior to clocking in about 3-4 times per week. Plaintiff would arrive approximately 30 minutes early to his shift but was unable to clock in. Additionally, Defendant's management was aware and requested such work.

Further, Defendant required Plaintiff and Class members to continue working after clocking out. Specifically, Plaintiff and Class members were required to complete tasks and could not leave until certain tasks were completed, even after clocking out. This off-the-clock post-shift work was required by management.

Additionally, Plaintiff and Class members' meal breaks were interrupted approximately 2 times per week. Nonetheless, Plaintiff's time records show meal breaks that are exactly 30-minutes long since meal breaks were adjusted by management. Defendant's management would change time punches or enter Plaintiff's and Class members' meal breaks to reflect exactly 30-minute meal breaks even when employees worked during their meal breaks or their meal breaks were interrupted.

As a result, and because they improperly treated such pre- and post-shift activities as non-compensable, Defendant failed to compensate Plaintiff and the Class for such time.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not paid for their off the clock work.

B. FAILURE TO PAY PREMIUM OVERTIME WAGES DUE

(Cal. Labor Code §§ 510, 558, 1194, 1198; IWC Wage Order No. 5)

Under California law, non-exempt employees as defined by Wage Order No. 5, are entitled to premium wages for overtime worked. Plaintiff and Class members engaged in off the clock work. Plaintiff and Class members were not paid overtime for their off the clock work.

Moreover, Defendant failed to aggregate hours worked by Plaintiff and Class members across multiple work locations for overtime calculation purposes. Specifically, Plaintiff and Class members were sometimes sent to work at a different restaurant location owned by the same company and/or owners (Beachlife Grotto Redondo), but Defendant failed to aggregate hours worked at both locations for purposes of calculating when overtime was due. As a result, Plaintiff and Class members who worked over 40 hours in one week across the multiple restaurants were not paid any overtime.

As a result, during this period, it was the practice and policy of Defendant to not pay employees at appropriate overtime rates. Monies for unpaid overtime remain due and owing.

Throughout Plaintiff's employment, Defendant failed and refused to pay compensation to Plaintiff and Class Members as required by law. The foregoing overtime compensation is owed and unpaid. As a direct and proximate result of Defendant's failure and refusal to pay overtime, Plaintiff and Class Members suffered damages in an amount to be proven at trial.

C. FAILURE TO PAY MINIMUM WAGES

(Cal. Labor Code §§ 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order No. 5)

Defendant failed to satisfy minimum wage requirements. As a result of not being afforded compliant meal breaks/rest breaks, Plaintiff and members of the Class were paid less than minimum wage. Additionally, Defendant's failure to pay for off-the-clock work resulted in effective wages below the minimum wage. Defendant's management changed Plaintiff and Class members' time punches and/or entered them to reflect exactly 30-minute meal breaks even when such breaks were not taken, were interrupted, or were shortened. This resulted in Defendant's failure to compensate Plaintiff properly for "all hours worked" and consequently underpaid Plaintiff and Class members for the actual hours Plaintiff and Class members worked in violation of Labor Code §§ 1197, 1198 and Wage Order No. 5.

D. FAILURE TO PROVIDE MEAL PERIODS

(Cal. Labor Code §§ 226.7, 512; IWC Wage Order No. 5)

Defendant failed to provide compliant meal periods to Plaintiff and Class members in violation of Labor Code §§ 226.7, 512 and Wage Order No. 5. Plaintiff and Class members' meal breaks were routinely interrupted and/or not afforded. Plaintiff worked during his meal breaks approximately 2 times per week. Defendant's management manipulated time records to show exactly 30-minute meal breaks even when breaks were not taken, interrupted, or shortened. Available time clock records show no meal break recorded on shifts of 5-6 hours worked, despite the fact that Plaintiff worked 5-6 hour shifts approximately 1 time per month and did not sign required meal break waivers. Available pay summaries show ambiguous "Missed Break Premium Pay" line items, and it is unclear whether this constitutes actual payment of meal break premiums required by law.

By virtue of Defendant's unlawful failure to provide legally compliant meal periods to Plaintiff and the Class, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and the Class, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial. Plaintiff and Class members are entitled to one hour of pay at the regular rate of compensation for each workday that meal periods were not provided as required.

E. FAILURE TO PROVIDE REST PERIODS
(Cal. Labor Code § 226.7; IWC Wage Order No. 5)

Defendant failed to provide compliant rest periods as required by Labor Code § 226.7 and Wage Order No. 5. Plaintiff rarely received rest breaks, and when he did receive rest breaks they were interrupted approximately 80% of the time. Plaintiff worked during his rest breaks approximately 3 times per week. Defendant's management was aware of and even caused the interruptions or required the work during rest breaks.

By virtue of Defendant's unlawful failure to provide compliant rest periods to Plaintiff and the Class, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and the Class, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial. Plaintiff and Class members are entitled to one hour of pay at the regular rate of compensation for each workday that rest periods were not provided as required.

F. FAILURE TO MAINTAIN RECORDS AND PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS
(Cal. Labor Code §226; IWC Wage Order No. 5)

Defendant intentionally and knowingly provided Plaintiff and other members of the Class with itemized wage statements containing inaccurate information regarding the wages earned by Plaintiff and members of the Class in that the payments owed to Plaintiff and the members of the Class for overtime compensation, minimum wages and premium pay for meal/rest periods not afforded, were not included in gross wages earned by Plaintiff and members of the Class.

Additionally, Defendant did not issue paystubs to Plaintiff and Class members. Plaintiff has requested paystubs from Defendant in the past, but Defendant did not provide Plaintiff with paystubs.

Plaintiff and members of the Class were damaged by these failures because, among other things, the failures led them to believe that they were not entitled to overtime compensation, minimum wages and premium pay for meal/rest periods not provided, even though they were so entitled and these failures hindered them from determining the amounts of wages owed to them.

G. FAILURE TO ALLOW INSPECTION OF EMPLOYMENT RECORDS
(Cal. Labor Code §1198.5; IWC Wage Order No. 5)

On or about February 26, 2026, Plaintiff's counsel issued a written request to you for copies of his personnel records and payroll records. You have failed and refused to permit Plaintiff to have access to copies of his records.

As a result of your failure and refusal to permit Plaintiff to have full access to his records, Plaintiff has been hindered from determining the amounts of wages owed to him and has suffered ongoing harm. Plaintiff seeks injunctive relief compelling Defendant to provide Plaintiff and Class members with access to and copies of their personnel and payroll records, as well as recovery of the statutory penalty of \$750 per violation pursuant to Labor Code section 1198.5(k).

H. FAILURE TO REIMBURSE BUSINESS EXPENSES
(Cal. Labor Code §2802)

Defendant was aware that Plaintiff and Class members were using their personal cell phones for work-related activities, such as looking at recipes and taking pictures for approximately 2 hours per day. Defendant was also aware that Plaintiff and Class members were required to bring some of their own tools and equipment to perform their jobs, including knives, oven mitts, markers, and cutting gloves. However, Defendant failed to indemnify Plaintiff and Class members for all their business-related expenses, in accordance with Labor Code §2802. Plaintiff is informed and believes and thereon alleges that at all relevant times, Defendant maintained a practice of not reimbursing Plaintiff and Class members for their work-related expenses that they incurred in using their cell phones and purchasing tools and equipment for work-related purposes.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not reimbursed for all of their business-related expenses incurred in the discharge of their duties. An employer may never impose a financial burden on employees, with respect to business-related expenses, which would reduce the employees' wage rate below the minimum wage.

I. FAILURE TO PAY FOR UNIFORM MAINTENANCE ALLOWANCE
(Cal. Labor Code §2802 and Wage Order No. 5)

Defendant required Plaintiff and Class members to wear uniforms, such as a T-shirt with the company logo, khakis, black shoes, and a black hat. However, Defendant does not maintain the uniforms. Plaintiff and members of the Class pay for maintenance and cleaning of their uniforms themselves.

Defendant failed to reimburse Plaintiff and Class members for maintaining the uniforms, nor pay Plaintiff and members of the Class a weekly maintenance allowance.

Plaintiff and Class Members suffered damages in an amount, subject to proof, to the extent they were not provided a weekly maintenance allowance. An employer may never impose a financial burden on employees, with respect to maintaining uniforms, which would reduce the employees' wage rate below the minimum wage.

J. FAILURE TO PROVIDE PAID SICK LEAVE
(Cal. Labor Code §§245-249)

Defendant did not separately provide paid sick days to Plaintiff and Class members but instead just cancelled shifts. Available pay records and pay summaries do not show any sick pay or balance for Plaintiff and Class members. Defendant failed to provide paid sick leave as required by Labor Code sections 245-249.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not provided paid sick leave benefits as required by law.

K. REPORTING TIME PAY VIOLATIONS
(Cal. Labor Code §226.7 and Wage Order No. 5)

Defendant had a policy and practice of sending Plaintiff and Class members home within the first 2 hours of work approximately 2 times throughout their employment without any reason provided. However, Defendant does not pay reporting time pay to Plaintiff and Class members when they are sent home early.

Plaintiff and Class members suffered damages in an amount, subject to proof, to the extent they were not paid reporting time pay.

L. UNFAIR COMPETITION
(Cal. Bus. & Prof. Code §§17200 et seq.)

Defendant, through the unfair and unlawful business practices as described herein, has obtained valuable property, money and services from the Plaintiff and the Class and has deprived them of valuable rights and benefits guaranteed by law all to the detriment of Plaintiff and the Class. All the acts described are violations of, among other things, the Labor Code and applicable Industrial Welfare Commission Wage Orders, are unlawful and in violation of public policy; and in addition are immoral, unethical, oppressive, and unscrupulous, and thereby constitute unfair and unlawful business practices in violation of Business & Professions Code §§ 17200 *et seq.*

Plaintiff and the Class are entitled to, and are, seeking such relief as may be necessary to restore to them the money and property which Defendant has acquired, or of which Plaintiff and the Class have been deprived by means of the above-described unfair and unlawful business practices.

Moreover, Plaintiff, and all other similarly aggrieved California employees, intend to seek all penalties for the violations described above. Moreover, Plaintiff also intends to recover the actual wages owed to employees under the Labor Code sections that authorize such recovery, including but not limited to Labor Code §558.

III. CONCLUSION

Please take notice this letter is intended to exhaust the pre-litigation requirements set forth under California Labor Code, §§2699, *et seq.* By law, an employee alleging a violation of one of the above-referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of §2699, *et seq.*, by seeking redress in court. (Labor Code § 2699.3(a)(1).) The LWDA must then notify the employer and the employee within 33 calendar days regarding whether it intends to investigate the alleged violation. (Labor Code, §2699.3(a)(2)(B).) If the LWDA advises that it will not investigate, or if no notice is provided within 33 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code, §2699. (Labor Code, §2699.3(a)(2)(A).) It is the intention of this office to file a civil complaint and to bring the appropriate claims under Labor Code, §2699, should your office not address these matters within the proscribed time.

We write this letter subject to and without waiver of our client's rights and remedies, all of which we expressly reserve. This letter is not an express statement of all facts and circumstances concerning this matter.

Sincerely,

LIPELES LAW GROUP, APC

A handwritten signature in blue ink, appearing to read 'K. Lipeles', is positioned above the printed name.

Kevin A. Lipeles, Esq.