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County of San Diego

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and KIMBERLY GUSOFF
individually, and on behalf of Aggrieved
Employees pursuant to the California
Private Attorneys General Act,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

JESSICA L. CHESTER and KIMBERLY
GUSOFF, individually, and on behalf of
Aggrieved Employees pursuant to the California
Private Attorneys General Act,

Plaintiffs,

vs.

MEXICAN STREET FOOD, LLC D/B/A
PUESTO; and DOES 1 through 25, inclusive,

Defendants.

Case No. 37-2023-00051273-CU-OE-CTL

**COMPLAINT FOR ENFORCEMENT
ACTION UNDER THE PRIVATE
ATTORNEYS GENERAL ACT, CAL.
LABOR CODE §§ 2698 ET SEQ.**

1 Plaintiffs JESSICA L. CHESTER and KIMBERLY GUSOFF (“Plaintiff Chester” and
2 “Plaintiff Gusoff” respectively; collectively, “Plaintiffs”), individually, and on behalf of other
3 Aggrieved Employees pursuant to the California Labor Code Private Attorneys General Act, and
4 allege as follows:

5 **INTRODUCTION**

6 1. This is an enforcement action under the California Labor Code Private Attorneys
7 General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
8 on behalf of Plaintiffs, the State of California, and all individuals who worked for Defendants in the
9 State of California as hourly-paid and/or non-exempt employees at any time during the period from to
10 final judgment (“Aggrieved Employees”).

11 2. Plaintiffs allege that Defendants hired Plaintiffs and Aggrieved Employees but failed
12 to properly pay them all wages owed for all time worked (including minimum wages, regular
13 rate/straight time wages, and overtime wages), failed to provide them with all meal periods and rest
14 periods and associated premium wages to which they were entitled, failed to timely pay them all wages
15 due during their employment, failed to timely pay them all wages due upon termination of their
16 employment, failed to provide them with accurate itemized wage statements, failed to maintain
17 accurate payroll records, and failed to reimburse them for necessary business expenses.

18 3. As a result, Defendants violated California Labor Code sections 201, 202, 203, 204,
19 226(a), 226.7, 350 – 356, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the
20 applicable Industrial Welfare Commission (“IWC”) Wage Order. Through this action, Plaintiffs seek
21 to recover all available remedies under PAGA, including, but not limited to, civil penalties and
22 attorney’s fees and costs.

23 **JURISDICTION AND VENUE**

24 4. This Court has jurisdiction over this action pursuant to the California Constitution,
25 Article VI, section 10. The statutes under which this action is brought do not specify any other basis
26 for jurisdiction.

27 5. This Court has jurisdiction over all Defendants because, upon information and belief,
28 Defendants are either citizens of California, have sufficient minimum contacts in California, or

1 otherwise intentionally availed themselves of the California market to render the exercise of
2 jurisdiction over them by the California courts consistent with traditional notions of fair play and
3 substantial justice. Further, no federal question is at issue because the claims asserted herein are based
4 solely on California law.

5 6. Venue is proper in this Court because, upon information and belief, Defendants
6 maintain offices, have agents, employ individuals, and/or transact business in the State of California,
7 County of San Diego. Moreover, many of the acts, events, and violations alleged herein relating to
8 Plaintiffs occurred in the State of California, County of San Diego.

9 **THE PARTIES**

10 7. At all times herein mentioned, Plaintiff Chester is and was an individual residing in
11 San Diego County in the State of California.

12 8. At all times herein mentioned, Plaintiff Gusoff is and was an individual residing in San
13 Diego County in the State of California.

14 9. At all times herein mentioned, Defendant MEXICAN STREET FOOD, LLC D/B/A
15 PUESTO, was and is, upon information and belief, a company organized under the laws of the state
16 of California, and at all times hereinafter mentioned, an employer whose employees are engaged
17 throughout San Diego County and the State of California.

18 10. Plaintiffs are unaware of the true names or capacities of the Defendants sued herein
19 under the fictitious names DOES 1 through 25 but will seek leave of this Court to amend the complaint
20 and serve such fictitiously named Defendants once their names and capacities become known.

21 11. Plaintiffs are informed and believe, and thereon allege, that each and all of the acts and
22 omissions alleged herein were performed by, or are attributable to MEXICAN STREET FOOD, LLC
23 D/B/A PUESTO and/or DOES 1 through 25 (collectively "Defendants"), each acting as the agent,
24 employee, alter ego, and/or joint venturer of, or working in concert with, each of the other co-
25 Defendants and within the course and scope of such agency, employment, joint venture, or concerted
26 activity with legal authority to act on the others' behalf. The acts of any and all Defendants represent
27 and were in accordance with Defendants' official policy.

28 12. At all relevant times, Defendants were the employers of Plaintiffs within the meaning

1 of all applicable state laws and statutes. Defendants directly or indirectly controlled or affected the
2 working conditions, wages, working hours, and conditions of employment of Plaintiffs to make each
3 of said Defendants employers and employers liable under the statutory provisions set forth herein.

4 13. Defendants had the authority to hire and terminate Plaintiffs and the Aggrieved
5 Employees, to set work rules and conditions governing their employment, and to supervise their
6 daily employment activities.

7 14. Defendants exercised sufficient authority over the terms and conditions of Plaintiffs
8 and the Aggrieved Employees' employment for them to be their joint employers.

9 15. Defendants directly hired and paid wages and benefits to Plaintiffs and the Aggrieved
10 Employees.

11 16. Defendants continue to employ hourly paid and/or non-exempt employees within the
12 State of California.

13 17. At all relevant times, Defendants, and each of them, ratified the acts and omissions
14 complained of herein. At all relevant times, Defendants, and each of them, aided and abetted the acts
15 and omissions of each and all the other Defendants in proximately causing the damages herein alleged.

16 18. Plaintiffs are informed and believe, and thereon allege, that each of said Defendants is
17 in some manner intentionally, negligently, or otherwise responsible for the acts, omissions,
18 occurrences, and transactions alleged herein.

19 **GENERAL ALLEGATIONS**

20 19. Plaintiff Chester worked for Defendants from approximately November 2020 through
21 approximately December 2022 as a server. Defendants jointly and severally employed Plaintiff
22 Chester at Defendants' location at 1026 Wall Street, in La Jolla, California. Plaintiff Chester
23 performed various duties for Defendants including, among other things, serving food and other front-
24 of-restaurant tasks.

25 20. Plaintiff Gusoff began working for Defendants in approximately February 2021.
26 Plaintiff Gusoff is currently employed by Defendants as a server. Defendants jointly and severally
27 employed Plaintiff Gusoff at 1026 Wall Street, at their location in La Jolla, California, where she
28 performed various duties for Defendants including, among other things, serving food and front-of-

1 restaurant tasks.

2 21. Defendants hired Plaintiffs and the Aggrieved Employees but failed to properly pay
3 them all minimum wages, regular rate/straight time wages, and overtime wages for all hours worked,
4 failed to provide all meal and rest breaks to which they were entitled, failed to timely pay all wages
5 during employment or upon termination of employment, *e.g.*, gratuities, bonuses, commissions, etc.,
6 failed to provide accurate wage statements, failed to keep accurate employment records, failed to
7 reimburse necessary business-related expenses, and failed to adhere to other related protections
8 afforded by the California Labor Code and applicable Industrial Welfare Commission Wage Order.

9 22. Plaintiffs are informed and believe, and based thereon allege, that Defendants knew or
10 should have known that Plaintiffs and the Aggrieved Employees were entitled to the protections
11 afforded by the Labor Code and the applicable Wage Order, yet as set forth in detail below, engaged
12 in a systematic pattern and practice of violating the California Labor Code and the applicable Wage
13 Order.

14 **PAGA ALLEGATIONS**

15 23. At all times set forth herein, PAGA was applicable to Plaintiffs employment by
16 Defendants.

17 24. PAGA provides that any provision of law under the California Labor Code that
18 provides for a civil penalty, including unpaid wages and premium wages, to be assessed and collected
19 by the California Labor & Workforce Development Agency (“LWDA”) for violations of the California
20 Labor Code may, as an alternative, be recovered through a civil action brought by an aggrieved
21 employee on behalf of himself or herself and other current or former employees pursuant to procedures
22 outlined in California Labor Code section 2699.3.

23 25. Pursuant to PAGA, a civil action may be brought by an “aggrieved employee,” who is
24 any person employed by the alleged violator and against whom one or more of the alleged violations
25 was committed.

26 26. Plaintiffs and the other employees are “Aggrieved Employees” as defined by California
27 Labor Code section 2699(c) because they are current or former employees of Defendants against
28 whom one of more of the alleged violations were committed.

1 27. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved employee,
2 including Plaintiffs, may pursue a civil action arising under PAGA after the following requirements
3 have been met:

4 (a) The Aggrieved Employee shall give written notice by certified mail (hereinafter
5 “Employee’s Notice”) to the LWDA and the employer of the specific provisions of the
6 Labor Code alleged to have been violated, including the facts and theories to support the
7 alleged violations.

8 (b) The LWDA shall provide notice (hereinafter “LWDA Response”) to the employer and the
9 aggrieved employee by certified mail that it does not intend to investigate the alleged
10 violation within sixty (60) calendar days of the postmark date of the Employee’s Notice.
11 Upon receipt of the LWDA Response, or if the LWDA Response is not provided within
12 sixty-five (65) calendar days of the postmark date of the Employee’s Notice, the aggrieved
13 employee may commence a civil action pursuant to California Labor Code section 2699
14 to recover civil penalties in addition to any other penalties to which the employee may be
15 entitled.

16 28. On August 29, 2023, Plaintiffs provided notice by electronic submission to the LWDA
17 and by certified mail to Defendants regarding the specific provisions of the Labor Code alleged to
18 have been violated, including the facts and theories to support the alleged violations, pursuant to Labor
19 Code section 2699.3. **A true and correct copy of the Employees’ Notice is attached hereto as**
20 **Exhibit A.**

21 29. Plaintiffs did not receive a LWDA Response within sixty-five calendar days of
22 providing the Employees’ Notice.

23 30. Therefore, the administrative prerequisites under California Labor Code section
24 2699.3(a) to recover civil penalties against Defendants, in addition to other remedies for violations of
25 California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 350 – 356, 510, 512(a), 1174(d),
26 1194, 1197, 1197.1, 1198, 2800 and 2802 have been satisfied.

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1 **FIRST CAUSE OF ACTION**

2 **VIOLATION OF CALIFORNIA LABOR CODE §§ 2699, *ET SEQ.***

3 **(Against All Defendants and DOES 1-25)**

4 31. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
5 allegations in all preceding paragraphs.

6 32. Plaintiffs bring this action on an individual basis and on a representative basis on behalf
7 of other Aggrieved Employees and the State of California, in Plaintiffs' capacities as private attorney
8 generals pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*

9 33. PAGA expressly provides for a private right of action to recover civil penalties for
10 violations of the Labor Code as follows: "Notwithstanding any other provision of law, any provision
11 of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce
12 Development Agency or any of its departments, divisions, commissions, boards, agencies, or
13 employees, for a violation of this code, may, as an alternative, be recovered through a civil action
14 brought by an aggrieved employee on behalf of himself or herself and other current or former
15 employees pursuant to the procedures specified in Section 2699.3." Cal. Lab. Code § 2699(a).

16 34. Whenever the LWDA, or any of its departments, divisions, commissions, boards,
17 agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to
18 exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

19 35. Plaintiffs and the other hourly-paid, non-exempt employees are "Aggrieved
20 Employees" as defined by California Labor Code section 2699(c) in that they are all current or former
21 employees of Defendants, and one or more of the alleged violations were committed against them.

22 36. Defendants' conduct, as alleged herein, violates numerous sections of the California
23 Labor Code, including, but not limited to, the following:

- 24 (a) Violation of California Labor Code sections 1194, 1197, and 1197.1 for failure to
25 pay minimum wages, as set forth more fully below;
- 26 (b) Violation of California Labor Code sections 510 and 1198 for failure to pay
27 overtime wages, as set forth more fully below;
- 28 (c) Violation of California Labor Code sections 226.7 and 512(a) for failure to provide

legally required meal periods, as set forth more fully below;

(d) Violation of California Labor Code sections 226.7 and 512(a) for failure to pay required meal period premiums, as set forth more fully below;

(e) Violation of California Labor Code section 226.7 for failure to provide legally required rest periods, as set forth more fully below;

(f) Violation of California Labor Code section 226.7 for failure to pay required rest period premiums, as set forth more fully below;

(g) Violation of California Labor Code sections 351 *et seq.* for failure to provide Plaintiffs and the aggrieved employees with all gratuities they accrued as required by California law;

(h) Violation of California Labor Code section 204 for failure to timely pay wages to Plaintiffs and Aggrieved Employees during employment, as set forth more fully before;

(i) Violation of California Labor Code sections 201, 202, and 203 for failure to pay all wages at time of discharge from employment, as set forth more fully below;

(j) Violation of California Labor Code section 226(a) for failure to provide accurate wage statements to Plaintiffs and Aggrieved Employees, as set forth more fully below;

(k) Violation of California Labor Code section 1174(d) for failure to keep complete and accurate payroll records relating to Plaintiffs and Aggrieved Employees, as set forth more fully below; and

(l) Violation of California Labor Code sections 2800 and 2802 for failure to reimburse Plaintiffs and Aggrieved Employees for necessary business-related expenses, as set forth more fully below.

37. Pursuant to PAGA, and in particular Labor Code sections 2699(a), 2699.3, and 2699.5, Plaintiffs, acting in the public interest as a private attorney general, seek assessment and collection of civil penalties for Plaintiffs, all Aggrieved Employees, and the State of California against Defendants for violations of Labor Code sections set forth herein, including penalties under California Labor Code

1 sections 2699, 558, 210, 1197.1, 226, 226.3, 1174.5, and 1197.1, penalties under the applicable IWC
2 Wage Order, and any and all additional penalties and remedies as provided by the California Labor
3 Code and/or other statutes.

4 38. Pursuant to California Labor Code section 2699(i), civil penalties recovered by
5 Aggrieved Employees shall be distributed as follows: seventy-five percent (75%) to the LWDA for
6 the enforcement of labor laws and education of employers and employees about their rights and
7 responsibilities and twenty-five (25%) to the Aggrieved Employees.

8 39. Plaintiffs retained counsel to file this court action, and to assess and collect the civil
9 penalties owed by Defendants. Plaintiffs therefore seek an award of reasonable attorney's fees and
10 costs pursuant to Labor Code §§ 210, 218.5, 2699(g)(1), and any other applicable statute.

11 **Failure to Pay Minimum Wages**

12 40. California Labor Code sections 1194, 1197 and 1197.1 provide that the minimum wage
13 for employees fixed by the IWC is the minimum wage to be paid to employees, and the payment of a
14 wage less than the minimum so fixed is unlawful.

15 41. The IWC set the minimum wage for Plaintiffs and the Aggrieved Employees in the
16 applicable IWC Wage Order.

17 42. Defendants failed to pay minimum wage to Plaintiffs and the Aggrieved Employees for
18 a wide range of off-the-clock work performed, including, *inter alia*:

- 19 i. suffering or permitting Plaintiffs and the Aggrieved Employees to perform work for
20 the benefit of Defendants prior to clocking-in for their shift(s) including attending
21 meetings with managers and/or superiors or otherwise performing regular job duties such
22 as attending to the needs of Defendants' customers;
- 23 ii. suffering or permitting Plaintiffs and the Aggrieved Employees to perform work for
24 the benefit of Defendants after clocking-out from their shift(s) including attending
25 meetings with managers and/or superiors or otherwise performing regular job duties such
26 as attending to the needs of Defendants' customers;
- 27 iii. suffering or permitting Plaintiffs and the Aggrieved Employees to perform work for
28 the benefit of Defendants while "off-the-clock" during meal periods, including

performing regular job duties, inclusive of attending to the needs of Defendants' customers;
iv. suffering or permitting Plaintiffs and the Aggrieved Employees to perform work for the benefit of Defendants between shifts, including being required to respond to work-related communications from superiors.

43. Accordingly, Defendants regularly failed to pay at least minimum wages to Plaintiffs and the Aggrieved Employees for all hours they worked in violation of California Labor Code sections 1194, 1197, and 1197.1.

Failure to Pay Proper Overtime Wages

44. Labor Code section 510 and the applicable IWC Wage Order require Defendants to pay Plaintiffs and Aggrieved Employees who worked more than eight (8) hours in a day; more than forty (40) hours in a workweek, and/or seven (7) consecutive days, at the rate of one-and-a-half times their regular rate for all such hours worked.

45. Labor Code section 510 and the applicable IWC Wage Order further requires Defendants to pay Plaintiffs and Aggrieved Employees who worked more than twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day, overtime compensation at a rate of two (2) times their regular rate of pay for all such hours worked.

46. During the relevant time period, Plaintiffs and Aggrieved Employees regularly worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, in excess of forty (40) hours in a workweek and/or for seven (7) or more consecutive days, but Defendants routinely failed to properly account for all such overtime hours and further failed to compensate Plaintiffs and Aggrieved Employees at the correct overtime rates.

47. Defendants' failure to pay correct overtime wages included, *inter alia*: (a) when the combined total of the off-the-clock work discussed *supra* and the on-the-clock work exceed the number of hours that trigger the payment of overtime wages under Labor Code sections 510 and/or the applicable Wage Order; (b) when Defendants intentionally, willfully and/or negligently mischaracterized overtime as regular rate/straight time or minimum wage, or double time as time-and-a-half, regular rate/straight time, or minimum wage; (c) when Defendants assigned more work than could reasonably be completed in a workday or workweek to Plaintiffs and Aggrieved Employees, but

1 refused to authorize the overtime necessary for them to complete the assigned work; and (d) when
2 Defendants failed to include all required wages and remuneration when calculating the overtime rate.

3 48. Defendants' failure to pay Plaintiffs and Aggrieved Employees proper overtime
4 compensation, as required by California law, violates the provisions of California Labor Code section
5 510, and is therefore unlawful.

6 **Failure to Provide Meal Periods**

7 49. California Labor Code section 226.7 provides that no employer shall require an
8 employee to work during any meal period mandated by an applicable IWC Order.

9 50. California Labor Code section 512(a) provides that an employer may not require, cause,
10 or permit an employee to work for a period of more than five (5) hours per day without providing the
11 employee with a meal period of not less than thirty (30) minutes, except that if the total work period
12 per day of the employee is not more than six (6) hours, the meal period may be waived by mutual
13 consent of both the employer and the employee.

14 51. California Labor Code section 512(a) further provides that an employer may not
15 employ an employee for a work period of more than 10 hours per day without providing the employee
16 with a second meal period of not less than 30 minutes, except that if the total hours worked is no more
17 than 12 hours, the second meal period may be waived by mutual consent of the employer and the
18 employee only if the first meal period was not waived.

19 52. The applicable IWC Wage Order sets forth the same requirements for meal breaks.

20 53. Plaintiffs and Aggrieved Employees who were scheduled to work for no longer than
21 six (6) hours, and who did not waive their legally mandated meal periods by mutual consent, were
22 required to work for periods longer than five (5) hours without a meal period of not less than thirty
23 (30) minutes.

24 54. Plaintiffs and the Aggrieved Employees who were scheduled to work for more than six
25 (6) hours were required to work for periods longer than five (5) hours without an uninterrupted meal
26 period of not less than thirty (30) minutes.

27 55. Plaintiffs and the Aggrieved Employees, who were scheduled to work for more than
28 ten (10) hours but no longer than twelve (12) hours, and who did not waive their legally mandated meal

1 periods by mutual consent, were required to work in excess of ten (10) hours without receiving a
2 second uninterrupted meal period of not less than thirty (30) minutes.

3 56. Plaintiffs and the Aggrieved Employees, who were scheduled to work for a period of
4 time in excess of twelve (12) hours, were required to work for periods longer than ten (10) hours
5 without a second uninterrupted meal period of not less than thirty (30) minutes.

6 57. Moreover, when meal breaks were provided, they were often interrupted, cut short,
7 and/or Plaintiffs and the Aggrieved Employees were not relieved of all duties as required by law.

8 58. Such conduct violates California Labor Code sections 226.7 and 512(a) and the
9 applicable IWC Wage Order.

10 **Failure to Pay Compliant Meal Break Premiums**

11 59. California Labor Code section 226.7 provides: “[i]f an employer fails to provide an
12 employee a [meal] period in accordance with a state law, including, but not limited to, an applicable
13 statute or applicable regulation, standard, or order of the Industrial Welfare Commission... the
14 employer shall pay the employee one additional hour of pay at the employee's regular rate of
15 compensation for each workday that the [meal] period is not provided.

16 60. The applicable IWC Wage Order provides: “[i]f an employer fails to provide an
17 employee a meal period in accordance with the applicable provisions of this Order, the employer shall
18 pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each work
19 day that the meal period is not provided.”

20 61. Defendants failed to pay Plaintiffs and Aggrieved Employees meal period premiums
21 due in violation of California Labor Code sections 226.7 and 512 on each day when a complete, timely,
22 and uninterrupted meal period of at least thirty (30) minutes was not provided.

23 62. Moreover, if and when meal break premiums were provided, Defendants failed to
24 incorporate all nondiscretionary payments for work performed by Plaintiffs and the Aggrieved
25 Employees in the regular rate of compensation for purposes of such premiums.

26 63. Defendants’ conduct violates the applicable IWC Wage Orders and California Labor
27 Code section 226.7.

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1 **Failure to Provide Rest Periods**

2 64. California Labor Code section 226.7 provides that no employer shall require an
3 employee to work during any rest period mandated by an applicable order of the California IWC.

4 65. The applicable IWC Wage Order provides that “[e]very employer shall authorize and
5 permit all employees to take rest periods, which insofar as practicable shall be in the middle of each
6 work period” and that the “rest period time shall be based on the total hours worked daily at the rate
7 of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily
8 work time is less than three and one-half (3½) hours.

9 66. Defendants required Plaintiffs and the Aggrieved Employees to work four (4) or more
10 hours without authorizing or permitting a timely ten (10) minute uninterrupted rest period during
11 which time they were relieved of their duties per each four (4) hour period, or major fraction thereof
12 worked.

13 67. Defendants’ conduct therefore violates the applicable IWC Wage Orders and California
14 Labor Code section 226.7.

15 **Failure to Pay Rest Break Premiums**

16 68. California Labor Code section 226.7 provides: “[i]f an employer fails to provide an
17 employee a meal or rest or recovery period in accordance with a state law, including, but not limited
18 to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare
19 Commission,... the employer shall pay the employee one additional hour of pay at the employee's
20 regular rate of compensation for each workday that the [rest] period is not provided.

21 69. The applicable IWC Wage Order provides: “[i]f an employer fails to provide an
22 employee a rest period in accordance with the applicable provisions of this Order, the employer shall
23 pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each work
24 day that the rest period is not provided.

25 70. Defendants failed to pay Plaintiffs and Aggrieved Employees required rest break
26 premiums due when compliant rest periods were not provided.

27 71. Such conduct is in direct violation of California Labor Code section 226.7.

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1 **Failure to Timely Pay Wages During Employment**

2 72. California Labor Code section 204 provides that all wages earned by any person in any
3 employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages
4 due upon termination of an employee, are due and payable between the 16th and the 26th day of the
5 month during which the labor was performed. It further provides all wages earned by any person in
6 any employment between the 16th and the last day, inclusive, of any calendar month, other than those
7 wages due upon termination of an employee, are due and payable between the 1st and the 10th day of
8 the following month.

9 73. California Labor Code section 204 provides that all wages earned for labor in excess
10 of the normal work period shall be paid no later than the payday for the next regular payroll period.

11 74. During the relevant time period, Defendants intentionally and willfully failed to pay
12 Plaintiffs and the Aggrieved Employees all wages due to them, within any time period permissible
13 under California Labor Code section 204, including wages for minimum wage compensation or
14 regular rate/straight time compensation, meal period premiums, rest period premiums, and any other
15 wages, remuneration, pay, or monies as they became due (*e.g.*, accrued gratuities, bonuses,
16 commissions, etc.).

17 75. Such conduct violates Labor Code section 204.

18 **Failure to Provide All Gratuities Accrued**

19 76. California Labor Codes §§ 350 *et seq.* state in part “Every gratuity is hereby declared
20 to be the sole property of the employee or employees to whom it was paid, given, or left for.”

21 77. Various courts and the California Labor Commissioner have considered the issue of
22 distribution of tips in a tipping pool, and while they have found that a tipping pool must be “fair and
23 reasonable” (*see generally, e.g., Leighton v. Old Heidelberg, Ltd.* (1990) 219 Cal. App. 3d 1062), no
24 court has interpreted Cal. Lab. Code § 351 to allow for a tipping pool with distribution above 15% of
25 the direct recipient’s gratuities into a tip pool. (*See, e.g., Avidor v. Sutters Place, Inc.*, (2013) 212 Cal.
26 App. 4th 1439, 1454).

27 78. Further case law has identified over time which employees are or are not entitled to tips
28 when a tip pool is lawfully used, as in the restaurant industry, inclusive of Defendants business (*see,*

1 *e.g., Budrow v. Dave & Buster's of California, Inc.* (2009) 171 Cal. App. 4th 875 and its progeny).

2 79. Pursuant to the above, Plaintiffs and the Aggrieved Employees are entitled to a portion
3 of the gratuities left by patrons of Defendants, and specifically left to Plaintiff and the Aggrieved
4 Employees.

5 80. Defendants wrongfully exercised dominion over gratuities through their practices of
6 withholding gratuities and putting an improperly large portion of them in tipping pools, around or in
7 excess of 49% of the tips of the aggrieved employees, as also described in the General Allegations
8 section, *supra*.

9 81. On information and belief, Defendants have also reallocated from the tipping pool in a
10 manner proscribed by law, including as described in California Labor Codes sections 350 – 356.

11 82. As a result of the practices described herein, Defendants have converted gratuities
12 belonging to aggrieved employees.

13 **Failure to Timely Pay Wages Upon Termination**

14 83. Pursuant to California Labor Code sections 201, 202, and 203, Defendants are required
15 to timely pay all earned and unpaid wages to an employee who is discharged.

16 84. California Labor Code section 201 mandates that if an employer discharges an
17 employee, the employee's wages accrued and unpaid at the time of discharge are due and payable
18 immediately.

19 85. California Labor Code section 202 mandates that if an employee quits, his or her wages
20 shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee
21 has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee
22 is entitled to his or her wages at the time of quitting.

23 86. California Labor Code section 203 provides that if an employer willfully fails to pay,
24 in accordance with California Labor Code sections 201 and 202, any wages of an employee who is
25 discharged or who quits, the wages of the employee shall continue as a penalty from the due date
26 thereof at the same rate until paid or until an action therefore is commenced; but the wages shall not
27 continue for more than thirty (30) days.

28 87. At the time that Plaintiffs and Aggrieved Employees' employment with Defendants

1 ended, Defendants knowingly and willfully failed to pay Plaintiffs and the Aggrieved Employees all
2 wages owed to them pursuant to California Labor Code sections 201 and 202, including, without
3 limitation, minimum wages or regular rate/straight time wages, overtime wages, meal and rest period
4 premium wages, or any other wages, remuneration, pay, or monies due, *e.g.*, accrued gratuities,
5 bonuses, commissions, etc.

6 88. Such conduct violates Labor Code sections 201, 202 and 203.

7 **Failure to Provide Compliant Wage Statements**

8 89. California Labor Code section 226(a) provides that every employer shall furnish each
9 of its employees an accurate itemized statement in writing showing (1) gross wages earned, (2) total
10 hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate
11 if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on
12 written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6)
13 the inclusive dates of the period for which the employee is paid, (7) the name of the employee and his
14 or her social security number, (8) the name and address of the legal entity that is the employer, and (9)
15 all applicable hourly rates in effect during the pay period and the corresponding number of hours
16 worked at each hourly rate by the employee.

17 90. Defendants intentionally and willfully failed to provide employees with complete and
18 accurate wage statements. The deficiencies include, among other things, the failure to state all correct
19 rates of pay, all hours worked, all meal period premium wages earned, and all rest period premium
20 wages earned.

21 91. Such conduct violates Labor Code section 226.

22 **Failure to Keep Requisite Payroll Records**

23 92. California Labor Code section 1174(d) requires an employer to keep, at a central
24 location in the state or at the plants or establishments at which employees are employed, payroll
25 records showing the hours worked daily by and the wages paid to, and the number of piece-rate units
26 earned by and any applicable piece rate paid to, employees employed at the respective plants or
27 establishments. These records shall be kept in accordance with rules established for this purpose by
28 the commission, but in any case shall be kept on file for not less than three years.

93. Defendants intentionally and willfully failed to keep accurate and complete payroll records showing the hours worked daily and the wages paid to Plaintiffs and the Aggrieved Employees.

94. As a result of Defendants' violation of California Labor Code section 1174(d), Plaintiffs and the Aggrieved Employees have suffered injury and damage to their statutorily protected rights.

95. More specifically, Plaintiffs and the Aggrieved Employees have been injured by Defendants' intentional and willful violation of California Labor Code section 1174(d) because they were denied both their legal right and protected interest, in having available, accurate and complete payroll records pursuant to California Labor Code section 1174(d).

Failure to Reimburse Necessary Business Expenses

96. Pursuant to California Labor Code sections 2800 and 2802, an employer must reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her job duties or in direct consequence of his or her obedience to the directions of the employer.

97. Plaintiffs and the Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Defendants, including but not limited to, the use of personal cell phones and related internet service for work-related purposes, and the purchase of training courses for the Defendants' benefit.

98. Defendants intentionally and willfully failed to reimburse Plaintiffs and the Aggrieved Employees for all necessary business-related expenses and costs.

99. Such conduct violates Labor Code sections 2802.

PRAYER FOR RELIEF

Plaintiffs pray for relief and judgment against Defendants, jointly and severally, as follows:

1. For the imposition of civil penalties pursuant to California Labor Code §§ 2699, 210, 558, 226, 226.3, 1174.5, 1197.1 and all other penalties allowed by the California Labor Code and/or other applicable statutes;

2. For statutory attorneys' fees and costs pursuant to sections 210, 218.5 and 2699(g)(1) of California Labor Code; and

1 3. For such other and further relief as the Court may deem proper.

2
3 DATED: November 27, 2023

BLACKSTONE LAW, APC

4
5 By: 

6 Jonathan M. Genish, Esq.
7 Barbara DuVan-Clarke, Esq.
8 Alexander K. Spellman, Esq.
9 P.J. Van Ert, Esq.

10 Attorneys for Plaintiffs
11 JESSICA L. CHESTER and KIMBERLY
12 GUSOFF, individually, and on behalf of
13 Aggrieved Employees pursuant to the California
14 Private Attorneys General Act,
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EXHIBIT A

August 29, 2023

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Jessica L. Chester and Kimberly Gusoff v. Mexican Street Food, LLC d/b/a Puesto*

Dear Representative:

This office represents Jessica L. Chester and Kimberly Gusoff (“Claimant Chester” and “Claimant Gusoff” respectively; “Claimants” collectively) with respect to their claims under the California Labor Code against Mexican Street Food, LLC d/b/a Puesto, (and additionally, including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimant Chester from approximately November 2020 through December 2022 as a non-exempt, hourly-paid employee. Employers employed Claimant Gusoff from approximately February 2021 to the Present as a non-exempt, hourly-paid employee. During their employment with Employers, Claimants were employed as servers including at Employers’ location 1026 Wall Street, La Jolla, CA 92037. Claimants performed typical duties commensurate with serving food and front-of-restaurant tasks for Employers’ business, which included restaurants.

Claimants intend to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimants are seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimants’ notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during

Claimant's employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 350, 351 *et seq.*, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 2800, 2802, and the Industrial Welfare Commission Wage Orders ("IWC Wage Orders"). The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimants and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employers regularly required Claimants and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, *inter alia*, (1) attending meetings with managers and/or superiors or otherwise attending to the needs of Employers' customers before clock-in; (2) being required to attend to customers or work-related requests from superiors while clocked-out during meal periods; (3) attending meetings with managers and/or superiors or otherwise attending to the needs of Employers' customers after clock-out; and (4) responding to work-related communications from superiors between shifts. Employers failed to compensate Claimants and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimants and Aggrieved Employees.

Employers failed to accurately record the actual time worked by Claimants and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimants and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in a week, resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimants and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimants and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages,

straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimants and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimants and other Aggrieved Employees were required by Employers to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimants and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimants and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted, or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimants and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimants and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimants and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimants and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimants and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimants and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over

employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes rest for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimants and other Aggrieved Employees to take legally compliant 10-minute rest periods. Employers required Claimants and other Aggrieved Employees to work through rest periods. Claimants and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimants and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimants and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimants and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimants and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimants and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimants and

other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimants and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimants and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimants and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO PROVIDE ALL GRATUITIES ACCRUED BY CLAIMANT AND THE AGGRIEVED EMPLOYEES

Claimants and the Aggrieved Parties are entitled to a portion of the gratuities left by patrons of Employers. The regulation of provision of said gratuities comes under Cal. Lab. Codes sections 350 *et seq.* Cal. Lab. Code section 351 states in part: "Every gratuity is hereby declared to be the sole property of the employee or employees to whom it was paid, given, or left for." Various courts and the California Labor Commissioner have considered the issue of distribution of tips in a tipping pool, and while they have found that a tipping pool must be "fair and reasonable" (*see generally, e.g., Leighton v. Old Heidelberg, Ltd.* (1990) 219 Cal. App. 3d 1062, no court has interpreted Cal. Lab Code section 351 to allow for a tipping pool with distribution above 15% of the direct recipient's gratuities into a tip pool. (*See, e.g., Avidor v. Sutters Place, Inc.* (2013) 212 Cal.App.4th 1439, 1454-1454).

Employers wrongfully exercised dominion over gratuities through their practices of withholding gratuities and putting an improperly large portion of them in tipping pools, around or in excess of 49% (forty-nine percent) of the tips of Claimants and the Aggrieved Employees. As a result of the practices described herein, Employers have converted gratuities that belonged to Claimants and the Aggrieved Employees.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to the California Labor Code; recovery of the gratuities converted by Employers, as well as any interest thereon and any and all profits, whether direct or indirect, which Employers acquired by unlawful conversion and attorneys' fees and costs.

5. 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. During the relevant time period, Employers have failed to timely pay all wages earned because Claimants and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Additionally, Employers impermissibly withheld a large portion of gratuities left by customers to Claimants and Aggrieved Employees, and improperly divided said gratuities, including in a tipping pool. Accordingly, Employers violated California Labor Code section 204(a).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

6. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimants and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimants and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimants and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

7. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, 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. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimants and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

8. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimants and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to: (1) the purchase of training courses for the Employers' benefit, wherein Employers had Claimants and Aggrieved Employees forward tuition costs/fees and did not reimburse Claimants or Aggrieved Employees; and (2) Employers' use of Claimants and Aggrieved Employees' personal mobile devices and internet services related thereto for Employers' benefit, without reimbursement for such usage.

Accordingly, Employers violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

9. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

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 if an employee quits 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' 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.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages such as unpaid gratuities. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

10. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimant has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Employee, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

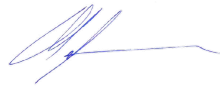
Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. 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 Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab.

Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW



Alexander K. Spellman

cc: By U.S. Certified Mail, Return Receipt Requested

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San Diego, CA 92101