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Superior Court of California,  
County of San Diego

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Clerk of the Superior Court  
By Y. Modica , Deputy Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN DIEGO**

BEATRIZ BARRETO, on behalf of others  
similarly situated and the State of California  
under the Private Attorneys General Act,

Plaintiffs,

vs.

CORONADO YACHT CLUB and DOES 1  
through 50, inclusive,

Defendants.

Case No. 26CU019227C

**Judge:** Judy S. Bae

**Department:** C-62

**CLASS ACTION**

**FIRST AMENDED CLASS AND  
REPRESENTATIVE ACTION  
COMPLAINT**

1. Failure to Pay All Wages Owed
2. Failure to Pay All Overtime Wages
3. Meal Period Violations
4. Rest Period Violations
5. Paid Sick Leave Violations
6. Untimely Payment of Wages
7. Wage Statement Violations
8. Waiting Time Penalties
9. Unfair Competition
10. Civil Penalties under the Private Attorneys  
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: April 7, 2026

1 Plaintiff BEATRIZ BARRETO, on behalf of all others similarly situated and the State of  
2 California under the Private Attorneys General Act (“Plaintiff”) brings this FIRST AMENDED  
3 CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants CORONADO  
4 YACHT CLUB and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

6 1. This class action is for wage and hour violations of the California Labor Code.

7 2. Defendants failed to compensate Plaintiff and class members for all hours suffered or  
8 permitted to work in violation of the applicable IWC Wage Order.

9 3. Defendants’ underpayment of wages was facilitated by their company-wide practices  
10 of requiring employees to complete work while off-the-clock. Specifically, during busy periods and  
11 banquet events, Defendants routinely failed to schedule sufficient staff, causing Plaintiff and aggrieved  
12 employees to work through their unpaid meal periods without compensation.

13 4. Defendants also underpaid the class members’ wages by failing to include all forms of  
14 remuneration, specifically non-discretionary service charges listed as “Banquet Tips,” into the regular  
15 rate of pay calculation for overtime, sick pay, and meal and rest period premiums.

16 5. Defendants failed to provide, authorize, and/or permit Plaintiff and the class members  
17 to take all meal and rest periods to which they were entitled. Due to chronic understaffing, Plaintiff  
18 and class members experienced interrupted or missed breaks and Defendants failed to pay the required  
19 meal or rest period premiums at the lawful regular rate of compensation.

20 6. Defendants’ employment policies, practices, and payroll administration systems  
21 enabled and facilitated these violations on a company-wide basis with respect to class members.

22 7. Defendants are further liable for derivative claims for non-compliant wage statements,  
23 untimely payment of wages during employment and upon separation, and the failure to maintain  
24 accurate payroll records.

25 **JURISDICTION & VENUE**

26 8. Jurisdiction of this action is proper in this Court under Article VI, Section 10 of the  
27 California Constitution as the causes of action are premised upon violations of California law.

9. The monetary damages and restitution sought exceed the minimal jurisdiction limits of the Superior Court.

10. This Court has jurisdiction over Defendants because, upon information and belief, Defendants have sufficient minimum contacts in California, or otherwise intentionally avail themselves to the California economy so as to render the exercise of jurisdiction over them by the California courts consistent with traditional notions of fair play and substantial justice.

11. Venue is proper in this Court under Code of Civil Procedure sections 393(a), 395, and/or 395.5 because, upon information and belief, Defendants conducted business and committed some of the alleged violations in this County.

**PARTIES**

### A. Plaintiffs

12. Plaintiff Barreto is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about August 2021 to January 2026. Plaintiff worked as a Waitress.

13. The State of California, via the Labor and Workforce Development Agency (“LWDA”), is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff files suit is always the real party in interest.”])). To the extent permitted by law, including pursuant *Balderas v. Fresh Start Harvesting, Inc.* (2024) 101 Cal. App. 5th 533 and *Rodriguez v. Packers Sanitation Services Ltd., LLC* (2025) 109 Cal.App.5th 69, the PAGA claim is brought exclusively as a representative action and does not include arbitrable claims.

## B. Defendants

14. Defendant Coronado Yacht Club is a California Nonprofit Corporation that maintains operations and conducts business throughout the State of California, including in this county.

15. The true names and capacities, whether individual, corporate, or otherwise, of the parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued by such fictitious names under Code of Civil Procedure section 474. Upon information and belief, each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some

manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their true names and capacities once ascertained.

16. Upon information and belief, Defendants in this action are employers, co-employers, joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised control over the wages, hours, and working conditions of the employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

17. Upon information and belief, at least some of the Defendants have common ownership, common management, interrelationship of operations, and centralized control over labor relations and are therefore part of an integrated enterprise and thus jointly and severally responsible for the acts and omissions alleged herein, including pursuant to Labor Code sections 558, 558.1, and 1197.1.

18. Upon information and belief, Defendants acted in all respects pertinent to this action as an alter-ego, agent, servant, joint employer, joint venturer, co-conspirator, partner, in an integrated enterprise, or in some other capacity on behalf of all other co-defendants, such that the acts and omissions of each defendant may be legally attributable to all others.

### **CLASS ALLEGATIONS**

19. This action is brought individually and on behalf of the following class pursuant to Code of Civil Procedure section 382:

- a. All current and former non-exempt employees who worked for Defendants in California at any time from four years prior to the filing of this action through date of class certification.

20. Plaintiff reserves the right to establish various subclass definitions as appropriate at the class certification stage, according to proof.

21. The class is ascertainable and shares a well-defined community of interest in this litigation:

- a. Numerosity: The class is estimated to exceed 50 individuals, although the precise membership of the entire class is unknown at this time. The class is so numerous that joinder of all class members is impracticable. The identities of

class members are ascertainable by inspection of Defendants' employment and payroll records.

b. Typicality: Plaintiff's claims are typical of the claims of the other class members. They were subject to the same policies and practices of Defendants, which resulted in losses to the class. Proof of common unlawful business practices, which Plaintiff experienced, will establish the right of the class to recover on the causes of action alleged herein.

c. Adequacy: Plaintiff is an adequate class representative; will take all necessary steps to protect the class members' interests adequately and fairly; has no interest antagonistic to other class members; and is represented by attorneys who have substantial experience prosecuting, defending, resolving, and litigating wage and hour class, collective, and representative actions in California state and federal courts.

d. Superiority: A class action is superior to other means for adjudicating this dispute. Individual joinder is impractical. Class treatment will allow for common issues to be resolved in a single forum, simultaneously, and without duplication of effort and expense.

e. Public Policy Considerations: Certification of this lawsuit as a class action advances the State of California's strong public interest in ensuring its approximately millions of employed residents are properly paid the wages they earned for the hours they worked. Class actions provide a mechanism for enforcement of labor laws and allow for vindication of employee rights by unnamed class members.

22. Common questions of law and fact as to the class members predominate over questions affecting only individual members. The common questions of law and fact exist as to whether the employment policies and practices formulated by Defendants and applied to the class members constitute violations of California law.

1 **GENERAL ALLEGATIONS**

2 23. Defendants maintained an unlawful policy and practice of requiring Plaintiff and other  
3 employees to perform work off-the-clock without compensation. For example, during busy periods  
4 and banquet events, Defendants routinely failed to schedule sufficient staff to permit compliant and  
5 duty-free meal periods, causing Plaintiff and the aggrieved employees to complete work during their  
6 unpaid meal periods. As a result of working through a portion or all of their unpaid meal periods,  
7 Plaintiff and covered employees were not compensated for all hours worked.

8 24. Additionally, Defendants failed to pay overtime at the “regular rate of pay.” For  
9 example, Defendants paid Plaintiff and the covered employees’ non-discretionary services charges  
10 (listed as “Banquet Tips”) and other forms of additional, non-excludable remuneration. However,  
11 Defendants failed to include these additional forms of compensation in their calculation of overtime  
12 rates when they were earned during the same pay period they earned overtime.

13 25. Defendants also failed to pay sick leave at the appropriate regular rate of pay.  
14 Specifically, Defendants failed to pay paid sick leave at the regular rate of pay by failing to factor in  
15 Plaintiff’s non-discretionary service charges (listed as “Banquet Tips”) and other forms of  
16 remuneration into the paid sick leave rate. Plaintiff alleges, based on information and belief, that  
17 Defendants’ regular rate of pay miscalculation equally applies to standard and supplemental paid sick  
18 leave with respect to the covered employees, resulting in underpayments.

19 26. As described above, due to Defendant’s failure to provide adequate coverage, Plaintiff  
20 was often unable to be fully relieved of duty for her uninterrupted 30 minute meal periods. Each time  
21 Plaintiff and the covered employees experienced a missed, late, short, or interrupted meal period, they  
22 were owed a meal premium paid at their regular rate of pay. Defendants failed to pay all meal  
23 premiums owed, and to the extent that any were paid, they were paid at the improper rate of pay as  
24 Defendants did not factor in the non-discretionary service charges.

25 27. Plaintiff further alleges that Defendants failed to provide compliant rest periods as  
26 required by California law. Due to chronic understaffing and the demands of banquet service, Plaintiff  
27 was often unable to take any rest breaks, as she was required to continuously attend to her tables and  
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1 perform work-related duties. Despite these missed rest periods, Defendants failed to provide any rest  
2 break premiums.

3 28. Defendants failed to pay all wages and premiums owed to covered employees during  
4 their employment as set forth in this complaint, and also failed to timely pay those amounts to  
5 departing employees upon separation of employment. Defendants did not pay waiting time penalties  
6 for the late payments.

7 29. Defendants failed to provide accurate itemized wage statements to the covered  
8 employees each pay period as a result of the policies and practices set forth in this complaint.  
9 Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages  
10 earned” or “net wages earned,” as the employees earned wages and premiums that were not paid,  
11 resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements.  
12 Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage  
13 statements each pay period the applicable hourly rates in effect and the number of hours worked at  
14 that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated  
15 are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.  
16 Additionally, Defendants violated Labor Code section 226(a)(2) by failing to accurately list  
17 employees’ “total hours worked,” as the wage statements did not accurately include the  
18 uncompensated time plaintiff and other aggrieved employees worked due to Defendants’ policy and  
19 practice of requiring off-the-clock work.

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

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

4                                   **FIRST CAUSE OF ACTION**

5                                   **FAILURE TO PAY ALL WAGES OWED**

6                                   **Violation of Labor Code §§ 200, 218, 1194, 1194.2 and 1197**

7                                   **(All Claims Alleged by Plaintiff and Class Members Against All Defendants)**

8           32. All outside paragraphs of this Complaint are incorporated into this section.

9           33. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code  
10 §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours  
11 and Days of Work” and “Minimum Wages” sections of the applicable orders), which require non-  
12 exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of  
13 work, and further provide a private right of action for an employer’s failure to pay all minimum wages  
14 (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that “‘wages’  
15 includes all amounts for labor performed by employees of every description, whether the amount is  
16 fixed or ascertained by the standard of time, task, piece, commission basis, or other method of  
17 calculation.”

18           34. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class  
19 members at least the lawful minimum wage for each hour worked in violation of Labor Code sections  
20 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours and Days of  
21 Work” and “Minimum Wages” sections of the applicable orders), including payment at the lawful  
22 local and county minimum wage ordinances in effect. As a result, Defendants are liable for all  
23 associated damages, including liquidated damages for the minimum wage violations pursuant to Labor  
24 Code § 1194.2.

25           35. Defendants’ unlawful acts and omissions deprived Plaintiff and class members of  
26 minimum, regular and overtime wages in amounts to be determined at trial. Plaintiff and class  
27 members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an  
28 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys’

1 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2,  
2 218.6 and any other applicable statutes.

3 **SECOND CAUSE OF ACTION**

4 **FAILURE TO PAY ALL OVERTIME WAGES**

5 **Violation of Labor Code §§ 510 and 1194**

6 36. All outside paragraphs of this Complaint are incorporated into this section.

7 37. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code  
8 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime  
9 wages all overtime hours worked, and which further provide a private right of action for an employer's  
10 failure to pay all overtime compensation for overtime hours worked.

11 38. Defendants failed in their affirmative obligation to pay Plaintiff and class members no  
12 less than one and one-half times their respective "regular rate of pay" for all hours worked in excess  
13 of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of  
14 work in any one workweek, and no less than twice their respective "regular rate of pay" for all hours  
15 over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for  
16 such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC  
17 Wage Orders (the "Hours and Days of Work" sections of the applicable orders).

18 39. Plaintiff and class members are entitled to recover the full amount of the unpaid  
19 overtime, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the  
20 extent permitted by law.

21 **THIRD CAUSE OF ACTION**

22 **MEAL PERIOD VIOLATIONS**

23 **Violation of Labor Code §§ 226.7 and 512**

24 40. All outside paragraphs of this Complaint are incorporated into this section.

25 41. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code  
26 §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or  
27 meal period premiums in lieu thereof), and which further provide a private right of action for an  
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1 employer's failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful  
2 regular rate of compensation.

3 42. Defendants willfully failed in their affirmative obligation to consistently provide  
4 Plaintiff and class members compliant, duty-free meal periods of not less than 30 minutes beginning  
5 before the fifth hour of hour for each work period of more than five hours per day and a second duty-  
6 free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in  
7 violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the "Meal Periods"  
8 sections of the applicable orders).

9 43. Further, Defendants willfully failed in their affirmative obligation to consistently pay  
10 Plaintiff and class members one additional hour of pay at the respective regular rate of compensation  
11 for each workday that a fully compliant meal period was not provided, in violation of Labor Code  
12 sections 226.7, 512, 558, and 1198 and the IWC Wage Orders (the "Meal Periods" sections of the  
13 applicable orders).

14 44. Plaintiff and class members are entitled to recover the full amount of the meal period  
15 premiums owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to  
16 the extent permitted by law.

#### 17 **FOURTH CAUSE OF ACTION**

#### 18 **REST PERIOD VIOLATIONS**

#### 19 **Violation of Labor Code §§ 226.7 and 516**

20 45. All outside paragraphs of this Complaint are incorporated into this section.

21 46. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code  
22 §§ 226.7 and 516, which require non-exempt employees be authorized to take complaint rest periods  
23 (or rest period premiums in lieu thereof), and which further provide a private right of action for an  
24 employer's failure to lawfully provide all rest periods and/or pay rest period premiums at the lawful  
25 regular rate of compensation.

26 47. Defendants willfully failed in their affirmative obligation to consistently authorize and  
27 permit Plaintiff and class members to receive compliant, duty-free rest periods of not less than ten  
28 (10) minutes for every four hours worked (or major fraction thereof) in violation of Labor Code

1 sections 226.7, 516, 558, and 1198 and the IWC Wage Orders (the “Rest Periods” sections of the  
2 applicable orders).

3 48. Further, Defendants willfully failed in their affirmative obligation to consistently pay  
4 Plaintiff and class members one additional hour of pay at the respective regular rate of compensation  
5 for each workday that a fully compliant rest period was not provided, in violation of Labor Code  
6 sections 226.7, 516, 558, and 1198 and the IWC Wage Orders.

7 **FIFTH CAUSE OF ACTION**

8 **FAILURE TO PAY ALL PAID SICK LEAVE WAGES**

9 **Violation of Labor Code §§ 200, 218, 246 *et seq.***

10 49. All outside paragraphs of this Complaint are incorporated into this section.

11 50. Defendants knowingly and intentionally failed in their affirmative obligation to pay  
12 sick leave wages to Plaintiff and a paid sick leave subclass in violation of Labor Code section 246  
13 *et seq.* Paid sick leave earnings constitute wages for purposes of California wage and hour law.  
14 (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 [“Courts have recognized  
15 that ‘wages’ also include those benefits to which an employee is entitled as a part of his or her  
16 compensation, including money, room, board, clothing, vacation pay, and sick pay”].)

17 51. Labor Code section 246(l), in conjunction with Labor Code section 248 *et seq.*, 248.1,  
18 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class  
19 members, govern how Defendants were required to calculate paid sick leave.

20 52. Defendants failed to pay Plaintiff and class members their paid sick leave wages at one  
21 of the lawful rates set forth in the statute or ordinance because Defendants failed to include in their  
22 sick leave calculation the additional remuneration received by Plaintiff and class members (i.e., at the  
23 regular rate of pay and/or calculated based on total wages earned).

24 53. As a result, Defendants violated the Labor Code and are liable to Plaintiff and class  
25 members for underpaid sick leave wages, in addition to interest, attorneys’ fees, and costs.

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60. Defendants knowingly and intentionally failed in their affirmative obligation to provide accurate itemized wage statements to Plaintiff and class members resulting in injury to Plaintiff and class members. Specifically, the wage statements issued to Plaintiff and class members did not accurately state each pay period all of the information required by Labor Code § 226(a)(1)-(9).

61. Defendants' unlawful acts and omissions deprived Plaintiff and class members of accurate itemized wage statements, causing confusion and concealing wage and premium underpayments.

62. As a result, Plaintiff and class members are entitled to recover the statutory penalty of \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code section 226(e).

### EIGHTH CAUSE OF ACTION

## WAITING TIME PENALTIES

### Violation of Labor Code §§ 201 *et seq.*

63. All outside paragraphs of this Complaint are incorporated into this section.

64. This cause of action is brought by a waiting time subclass pursuant to Labor Code §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of employment, and which further provide a private right of action to recover statutory waiting time penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days wages.

65. Defendants willfully failed and continue to fail in their affirmative obligation to pay all wages earned and unpaid to Plaintiff and class members immediately upon termination of employment or within 72 hours thereafter for employees who did not provide at least 72 hours prior notice of his or her intention to quit, and further failed to pay those sums for 30 days thereafter in violation of Labor Code sections 201 through 203 and the IWC Wage Orders.

66. Plaintiff and class members are entitled to recover a waiting time penalty for a period of up to 30 days, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

1 **NINTHCAUSE OF ACTION**

2 **UNFAIR COMPETITION**

3 **Violation of Business and Professions Code §§ 17200 *et seq.***

4 67. All outside paragraphs of this Complaint are incorporated into this section.

5 68. Defendants have engaged and continue to engage in unfair and/or unlawful business  
6 practices in the State of California in violation of California Business and Professions Code § 17200  
7 by committing the foregoing wage and hour violations alleged throughout this Complaint.

8 69. Defendants' dependence on these unfair and/or unlawful business practices deprived  
9 Plaintiff and continue to deprive other class members of compensation to which they are legally  
10 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage to  
11 Defendants over competitors who have been and/or are currently employing workers in compliance  
12 with California's wage and hour laws. These failures constitute unlawful, deceptive, and unfair  
13 business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

14 70. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this  
15 Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full  
16 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,  
17 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

18 71. Plaintiff does not have an adequate remedy at law for past or future violations, to the  
19 extent the statute of limitations on each of the alleged causes of action do not extend to the four year  
20 limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order  
21 violations do not provide a private right of action.

22 72. Plaintiff and class members are entitled to injunctive relief against Defendants,  
23 restitution, and other equitable relief to return all funds over which Plaintiff and class members have  
24 an ownership interest and to prevent future damage and the public interest under Business and  
25 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,  
26 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure  
27 § 1021.5.

1 **TENTH CAUSE OF ACTION**

2 **CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT**

3 **Violation of Labor Code §§ 2698 *et seq.***

4 **(By Plaintiff on Behalf of the State and the Aggrieved Employees Against All Defendants)**

5 73. All outside paragraphs of this Complaint are incorporated into this section.

6 74. Plaintiff brings this cause of action as a proxy for the State of California on behalf of  
7 the following “aggrieved employees” pursuant to the Private Attorneys General Act (“PAGA”),  
8 codified as Labor Code section 2698 *et seq.*:

9 a. All current and former non-exempt employees who worked for Defendants in  
10 California at any time from one year prior to the postmark date of the initial  
11 PAGA notice through date of trial.

12 75. Plaintiff reserves the right to amend, supplement, or add to this description of the  
13 aggrieved employees, according to proof.

14 76. The State of California, via the Labor and Workforce Development Agency  
15 (“LWDA”), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*  
16 *Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff  
17 files suit is always the real party in interest.”])

18 77. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,  
19 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor  
20 and Workforce Development Agency or any of its departments, divisions, commissions, boards,  
21 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil  
22 action brought by an aggrieved employee on behalf of the employee and other current or former  
23 employees against whom a violation of the same provision was committed pursuant to the procedures  
24 specified in Section 2699.3. “

25 78. Any allegations regarding violations of the IWC Wage Orders are enforceable as  
26 violations of Labor Code section 1198, which states: “[t]he employment of any employee for longer  
27 hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”  
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79. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil penalties under the PAGA.

80. On or about **March 31, 2026**, Plaintiff paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants' alleged Labor Code violations, including the facts and theories to support the alleged violations.

81. A true and correct copy of Plaintiff's written PAGA notice, entitled "Notice of Labor Code Violations" is attached hereto as Exhibit 1 and incorporated by reference as though fully set forth herein (the "PAGA notice").

82. To date, neither Plaintiff nor Plaintiff's counsel has received a response to Plaintiff's written PAGA notice from the LWDA.

83. Within 33 calendar days of the postmark date of the notice sent by Plaintiff, neither Plaintiff nor Plaintiff's counsel has received written notice by certified mail from any defendant providing a description of any actions taken to cure the alleged violations.

84. Now that at least 65 days have passed from Plaintiff notifying Defendants of these violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

85. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this Complaint, Defendants committed the following violations and are liable for all corresponding civil penalties:

- a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.
- b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- d. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.

- e. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- i. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

86. Plaintiff seeks to collect all recoverable civil penalties for the Labor Code violations alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the extent permitted by law, including under Labor Code section 2699(k).

#### **PRAYER**

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;
- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;

- 1 k. For this action to be maintained as a representative action under the PAGA;  
2 l. For Plaintiff and counsel of record to be provided with all enforcement capability as if  
3 the action were brought by the State of California or the California Division of Labor  
4 Enforcement;  
5 m. For recovery of all civil penalties and other recoverable amounts under the PAGA;  
6 n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent  
7 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,  
8 and Code of Civil Procedure section 1021.5 and any other applicable sections; and  
9 o. For such other relief the Court deems just and proper.

10  
11 Dated: June 5, 2026

***Ferraro Vega Employment Lawyers, Inc.***

12 *Ricardo De Leon*

13 Rick Waltman

14 Ricardo De Leon

15 *Attorneys for Plaintiff Beatriz Barreto*  
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**EXHIBIT 1**

**Notice of Labor Code Violations**

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# FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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March 31, 2026

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

### VIA CERTIFIED U.S. MAIL

- *Electronic Return Receipt* -

**Coronado Yacht Club**  
1631 Strand Way  
Coronado, CA 92118-2959

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

Dear LWDA Officer and Company Representatives:

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

### **CORONADO YACHT CLUB**

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

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

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

### **- BACKGROUND -**

Defendants employed Plaintiff during the PAGA Period in the position of Waitress from about August 2021 to January 2026. During their employment Plaintiff and the other covered (i.e., aggrieved) employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

All current and former non-exempt employees, including those misclassified as non-exempt who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the "covered employees" and the "PAGA Period"). As defined, these covered current and former employees are "aggrieved employees" under PAGA.

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

### **- PAGA CLAIMS -**

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

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

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.” Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The “Minimum Wages” sections of the applicable IWC Wage Order provide that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.” The foregoing California wage laws require payment of “not less than the applicable minimum wage *for all hours worked* in the payroll period” and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and similarly situated employees the applicable minimum wage for all hours worked, resulting in unpaid wages. Specifically, Defendants maintained an unlawful policy and practice of requiring Plaintiff and other employees to perform work off-the-clock without compensation. For example, during busy periods and banquet events, Defendants routinely failed to schedule sufficient staff to permit compliant and duty-free meal periods, causing Plaintiff and the aggrieved employees to complete work during their unpaid meal periods. As a result of working through a portion or all of their unpaid meal periods, Plaintiff and covered employees were not compensated for all hours worked. Accordingly, Plaintiff and similarly situated employees are owed compensation for all unpaid hours worked.

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

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

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

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

pay for an employee;" and "any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." Labor Code section 1194 renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the "Hours and Days of Work" sections.

Defendants failed to pay Plaintiff and the covered employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. First, as outlined in the unpaid hours worked section, Defendants failed to account for all hours worked, particularly work done during unpaid meal periods. To the extent that these unaccounted for hours resulted in Plaintiff and the aggrieved employees working more than eight hours a day or forty hours in a week, Plaintiff is owed unpaid overtime as a result.

Additionally, Defendants failed to pay overtime at the "regular rate of pay." For example, Defendants paid Plaintiff and the covered employees' non-discretionary services charges (listed as "Banquet Tips") and other forms of additional, non-excludable remuneration. However, Defendants failed to include these additional forms of compensation in their calculation of overtime rates when they were earned during the same pay period they earned overtime.

Defendants unlawfully paid overtime to Plaintiff and the aggrieved employees at 1.5x their base hourly rate. For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendants should have paid overtime "*at a rate no less than one and one-half times the regular rate of pay for an employee*" as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

An illustrative example of Defendants' regular rate of pay violation, as it pertains to overtime, is shown below:

| PERSONAL AND CHECK INFORMATION                                                   |  |  |  | EARNINGS             |  |                   |              |              |               |          |        |
|----------------------------------------------------------------------------------|--|--|--|----------------------|--|-------------------|--------------|--------------|---------------|----------|--------|
| Beatriz Barreto<br>3240 Pasternack Pl<br>San Diego, CA 92123<br>Employee ID: 270 |  |  |  | BASIS OF DESCRIPTION |  | HRS/UNITS         | RATE         | CURRENT (\$) | YTD HRS/UNITS | YTD (\$) |        |
| Home Department: 304 Food Service                                                |  |  |  | PAY                  |  |                   |              |              |               |          |        |
| Pay Period: 05/13/25 to 05/26/25                                                 |  |  |  | Hourly               |  | 53.8000           | 190000       | 1022.20      | 561.1400      | 10764.41 |        |
| Check Date: 05/29/25    Check #: 2164                                            |  |  |  | Hourly               |  | Missed Meal Break | 2.0000       | 190000       | 38.00         | 12.0000  | 228.00 |
| NET PAY ALLOCATIONS                                                              |  |  |  | Overtime             |  | 0.3300            | 285000       | 9.41         | 5.3500        | 152.49   |        |
|                                                                                  |  |  |  | Banquet Tips         |  |                   |              | 75.00        |               | 856.70   |        |
|                                                                                  |  |  |  | Charged Tips         |  |                   |              | 1365.35      |               | 14818.38 |        |
|                                                                                  |  |  |  | Holiday              |  |                   |              |              | 12.0000       | 228.00   |        |
|                                                                                  |  |  |  | Sick                 |  |                   |              |              | 24.0000       | 456.00   |        |
|                                                                                  |  |  |  | Total Hours          |  | 56.1300           |              |              | 614.4900      |          |        |
|                                                                                  |  |  |  | Total Hrs Worked     |  | 56.1300           |              |              |               |          |        |
|                                                                                  |  |  |  | Gross Earnings       |  |                   |              | 2509.96      |               | 27503.98 |        |
| OTHER ITEMS                                                                      |  |  |  | DESCRIPTION          |  | HRS/UNITS         | RATE         | CURRENT (\$) | YTD HOURS     | YTD (\$) |        |
| Do not increase Net Pay                                                          |  |  |  |                      |  |                   |              |              |               |          |        |
|                                                                                  |  |  |  | Pd Chg Tip-Tax O     |  |                   |              |              |               | 863.00   |        |
|                                                                                  |  |  |  | PX401 ERCUM          |  |                   |              |              |               |          |        |
|                                                                                  |  |  |  | PX401 ERMTC          |  |                   |              | 75.30        |               | 851.02   |        |
| WITHHOLDIN GS                                                                    |  |  |  | DESCRIPTION          |  | FILING STATUS     | CURRENT (\$) |              |               | YTD (\$) |        |
|                                                                                  |  |  |  | Social Security      |  |                   | 155.62       |              |               | 1758.68  |        |
|                                                                                  |  |  |  | Medicare             |  |                   | 36.39        |              |               | 411.30   |        |

Extract from Plaintiff's Wage Statement from 05/13/2025 - 05/26/2025

During the pay period from May 13, 2025 to May 26, 2025, Plaintiff earned “Banquet Tips” totaling \$75.00 and worked 0.33 hours of overtime. However, Defendant failed to factor in this additional remuneration into the overtime rate. Instead, Defendant unlawfully paid Plaintiff’s overtime at a rate 1.5x her base rate, rather than the increased 1.5x the regular rate of pay, which would have factored in the “Banquet Tips” and any other forms of additional remuneration. On information and belief, Defendant’s failure to pay overtime at the regular rate of pay was common to the aggrieved employees. To the extent other aggrieved employees earned “Banquet Tips” or other forms of remuneration, each must be factored into the regular rate of pay during the statutory period. Defendants violated the Labor Code accordingly.

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

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

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

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

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

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

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

Defendants failed to comply with California's paid sick leave laws with respect to the covered employees. Specifically, as outlined in the Unpaid Hours Worked section, Defendants failed to compensate and record all of Plaintiff's and covered employee's hours worked. As a result, Defendant failed to account for these hours when calculating sick accrual.

Additionally, Defendants failed to pay sick leave in accordance with one of the permissible methods in Labor Code §246(l)(1)-(3). Specifically, Defendants failed to pay paid sick leave at the regular rate of pay by failing to factor in Plaintiff's non-discretionary service charges (listed as “Banquet Tips”) and other forms of remuneration into the paid sick leave rate. Plaintiff alleges, based on information and belief, that Defendants' regular rate of pay miscalculation equally applies to standard and supplemental paid sick leave with respect to the covered employees, resulting in underpayments.

An illustrative example of Defendants' regular rate of pay violation as it pertains to sick pay is shown below:

|                                                              |  |  |  |  |                         |  |             |               |              |              |           |          |
|--------------------------------------------------------------|--|--|--|--|-------------------------|--|-------------|---------------|--------------|--------------|-----------|----------|
| <b>PERSONAL AND CHECK INFORMATION</b>                        |  |  |  |  | <b>EARNINGS</b>         |  |             |               |              |              |           |          |
| Beatriz Barreto                                              |  |  |  |  | BASIS OF DESCRIPTION    |  | HRS/UNITS   | RATE          | CURRENT (\$) | YTD          | YTD (\$)  |          |
| 3240 Pasternack Pl                                           |  |  |  |  | PAY                     |  |             |               |              | HRS/UNITS    |           |          |
| San Diego, CA 92123                                          |  |  |  |  | Hourly                  |  | 36.7800     | 190000        | 698.82       | 72.1500      | 1370.85   |          |
| Employee ID: 270                                             |  |  |  |  | Banquet Tips            |  |             |               | 145.00       |              | 405.00    |          |
|                                                              |  |  |  |  | Charged Tips            |  |             |               | 1003.76      |              | 2253.01   |          |
|                                                              |  |  |  |  | Sick                    |  | 8.0000      | 190000        | 152.00       | 8.0000       | 152.00    |          |
| Home Department: 304 Food Service                            |  |  |  |  | Total Hours             |  | 44.7800     |               |              | 80.1500      |           |          |
|                                                              |  |  |  |  | Total Hrs Worked        |  | 36.7800     |               |              | 72.1500      |           |          |
| Pay Period: 01/06/26 to 01/19/26                             |  |  |  |  | Gross Earnings          |  |             |               | 1999.58      |              | 4180.86   |          |
| Check Date: 01/22/26    Check #: 2879                        |  |  |  |  | OTHER ITEMS             |  | DESCRIPTION | HRS/UNITS     | RATE         | CURRENT (\$) | YTD HOURS | YTD (\$) |
| <b>NET PAY ALLOCATIONS</b>                                   |  |  |  |  | Do not increase Net Pay |  |             |               |              |              |           |          |
|                                                              |  |  |  |  | PX401 ERM TCH           |  |             |               | 59.99        |              | 125.43    |          |
|                                                              |  |  |  |  | WITHHOLDINGS            |  | DESCRIPTION | FILING STATUS |              | CURRENT (\$) |           | YTD (\$) |
| DESCRIPTION      THIS PERIOD (\$)                            |  |  |  |  |                         |  |             |               |              |              |           |          |
| YTD (\$)                                                     |  |  |  |  |                         |  |             |               |              |              |           |          |
| Check Amount      0.00      0.00                             |  |  |  |  |                         |  |             |               |              |              |           |          |
| Chkg 402      1598.66      3324.50                           |  |  |  |  |                         |  |             |               |              |              |           |          |
| <b>NET PAY      1598.66      3324.50</b>                     |  |  |  |  |                         |  |             |               |              |              |           |          |
| <b>TIME OFF</b> (Based on Policy Year)                       |  |  |  |  |                         |  |             |               |              |              |           |          |
|                                                              |  |  |  |  |                         |  |             |               |              |              |           |          |
| DESCRIPTION    BEG BAL    CURR ACQ    AMT TAKEN    AVAIL BAL |  |  |  |  |                         |  |             |               |              |              |           |          |
| Sick    19.00 hrs    1.00 hrs    8.00 hrs    12.00 hrs       |  |  |  |  |                         |  |             |               |              |              |           |          |
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### Extract from Plaintiff's Wage Statement from 01/06/2026 - 01/19/2026

During the pay periods from January 6, 2026 to January 19, 2026, Plaintiff earned “Banquet Tips” totaling to \$145.00 and used 8.00 hours of sick time. However, Defendant failed to factor in this additional remuneration into the sick pay rate. Instead, Defendant unlawfully paid Plaintiff's sick pay at her base rate, rather than the increased regular rate of pay, which would have factored in the differential pay, incentive bonus, and any other forms of additional remuneration. On information and belief, Defendant's failure to pay sick pay at the regular rate of pay was common to the aggrieved employees. To the extent other aggrieved employees earned “Banquet Tips” or other forms of remuneration, each must be factored into the regular rate of pay during the statutory period. Defendants violated the Labor Code accordingly.

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

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

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

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff alleges that Defendants failed to provide compliant, uninterrupted meal periods as required by California law. Plaintiff and the aggrieved employees frequently experienced interrupted meal periods due to chronic understaffing. Specifically, Defendant failed to provide adequate coverage for Plaintiff and the covered employees, resulting in their inability to take compliant meal periods. For example, Plaintiff was regularly required to attend to her assigned tables and perform other work-related duties during her meal periods because there

were not enough employees available to provide adequate coverage. As a result, Plaintiff was not relieved of all duty for a full, uninterrupted 30-minute meal period. This was a common practice amongst the aggrieved employees. Despite these noncompliant meal periods, Defendants failed to pay Plaintiff any meal period premiums as required by law. This conduct reflects a consistent policy and practice of failing to provide legally compliant meal periods and failing to compensate employees for such violations. Each time Plaintiff and the covered employees experienced a missed, late, short, or interrupted meal period, they were owed a meal premium paid at their regular rate of pay.

Further, Defendants failed to pay meal period premiums at the “regular rate of compensation” because the premium did not factor in non-discretionary service charges, here noted as “Banquet Tips” or other forms of remuneration, into the rate instead electing to pay aggrieved employees at their base hourly rate, in violation of California law.

An illustrative example of this regular rate of pay violation, as it pertains to meal premiums, is shown below:

|                                           |  |  |                         |                   |             |               |              |           |          |
|-------------------------------------------|--|--|-------------------------|-------------------|-------------|---------------|--------------|-----------|----------|
| <b>PERSONAL AND CHECK INFORMATION</b>     |  |  | <b>EARNINGS</b>         |                   |             |               |              |           |          |
| Beatriz Barreto                           |  |  | BASIS OF DESCRIPTION    |                   | HRS/UNITS   | RATE          | CURRENT (\$) | YTD       | YTD (\$) |
| 3240 Pasternack Pl                        |  |  | PAY                     |                   |             |               |              | HRS/UNITS |          |
| San Diego, CA 92123                       |  |  | Hourly                  | Hourly            | 53.8000     | 19.0000       | 1022.20      | 561.1400  | 10764.41 |
| Employee ID: 270                          |  |  | Hourly                  | Missed Meal Break | 2.0000      | 19.0000       | 38.00        | 12.0000   | 228.00   |
|                                           |  |  |                         | Overtime          | 0.3300      | 28.5000       | 9.41         | 5.3500    | 152.49   |
|                                           |  |  |                         | Banquet Tips      |             |               | 75.00        |           | 856.70   |
| Home Department: 304 Food Service         |  |  |                         | Charged Tips      |             |               | 1365.35      |           | 14818.38 |
|                                           |  |  |                         | Holiday           |             |               |              | 12.0000   | 228.00   |
|                                           |  |  |                         | Sick              |             |               |              | 24.0000   | 456.00   |
| Pay Period: 05/13/25 to 05/26/25          |  |  |                         | Total Hours       | 56.1300     |               |              | 614.4900  |          |
| Check Date: 05/29/25    Check #: 2164     |  |  |                         | Total Hrs Worked  | 56.1300     |               |              |           |          |
| <b>NET PAY ALLOCATIONS</b>                |  |  |                         | Gross Earnings    |             |               | 2509.96      |           | 27503.98 |
| DESCRIPTION      THIS PERIOD (\$)         |  |  | DESCRIPTION             |                   | HRS/UNITS   | RATE          | CURRENT (\$) | YTD HOURS | YTD (\$) |
| YTD (\$)                                  |  |  | Do not increase Net Pay |                   |             |               |              |           |          |
| Check Amount      0.00      0.00          |  |  | Pd Chg Tip-Tax O        |                   |             |               |              |           | 863.00   |
| Chkg 402      1955.86      20398.84       |  |  | PX401 ERCUM             |                   |             |               |              |           |          |
| <b>NET PAY      1955.86      20398.84</b> |  |  | PX401 ERMTCCH           |                   |             |               | 75.30        |           | 851.02   |
| <b>TIME OFF</b> (Based on Policy Year)    |  |  | <b>WITHHOLDIN</b>       |                   | DESCRIPTION | FILING STATUS | CURRENT (\$) | YTD (\$)  |          |

### Extract from Plaintiff's Wage Statement from 05/13/2025 - 05/26/2025

During the pay period of May 13, 2025 to May 26, 2025, Plaintiff earned \$75.00 in “Banquet Tips” pay and two meal premiums. However, Defendant failed to factor in this additional remuneration into the meal premium rate. Instead, Defendant unlawfully paid Plaintiff’s meal premiums at her base rate of \$19.00, rather than the increased regular rate of pay, which would have factored in the “Banquet Tips” and any other forms of additional remuneration. Plaintiff alleges, based on information and belief, that this was a matter of common policy and practice.

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

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

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

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

Plaintiff further alleges that Defendants failed to provide compliant rest periods as required by California law. Due to chronic understaffing and the demands of banquet service, Plaintiff was often unable to take any rest breaks, as she was required to continuously attend to her tables and perform work-related duties. Despite these missed rest periods, Defendants failed to provide any rest break premiums. This conduct reflects a consistent policy and practice of denying employees lawful rest breaks and failing to compensate them accordingly.

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

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

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

Labor Code section 204(a) requires payment of "all wages" for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid "not more than seven calendar days following the close of the payroll period." Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides "every person who fails to pay the wages of an employee as provided in Section ... 204 ...

shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

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

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

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

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

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

Defendants failed to pay all wages and premiums owed to covered employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

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

**Non-Compliant Wage Statements**  
**Violation of Labor Code §§ 226, 226.3**

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

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

Defendants failed to provide accurate itemized wage statements to the covered employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub. Additionally, Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees’ “total hours worked,” as the wage statements did not accurately include the uncompensated time plaintiff and other aggrieved employees worked due to Defendants’ policy and practice of requiring off-the-clock work.

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

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

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

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

Labor Code section 1174 requires that employers maintain accurate “payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments.” Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

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

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

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

Plaintiff has been compelled to retain the services of counsel to protect the interests of other covered employees and the State of California. Plaintiff continues to incur attorneys’ fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

**- LITIGATION HOLD NOTICE -**

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

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

**- CONCLUSION -**

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

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

Sincerely,



Elyssa Martinez, Esq.

ARD

Cc Plaintiff Beatriz Barreto  
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