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

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

Plaintiff,

vs.

SAGE CLIENT 417B LLC, a
Colorado limited liability company;
SAGE CLIENT 417 LLC, a Colorado
limited liability company; SAGE
CLIENT 219, LLC, a Colorado
limited liability company; SAGE
CLIENT 221, LLC, a Colorado
limited liability company; SAGE
CLIENT 244, LLC, a Colorado
limited liability company; SAGE
CLIENT 349, LLC, a Colorado
limited liability company; SAGE
CLIENT 349B LLC, Colorado limited
liability company; SAGE CLIENT
439, LLC, a Colorado limited liability
company; SAGE CLIENT 563, LLC, a
Colorado limited liability company;
SAGE CLIENT 571, LLC, a Colorado
limited liability company; SAGE
CLIENT 572 LLC, a Colorado limited
liability company; SAGE CLIENT
573, LLC, a Colorado limited liability

Case No.: 37-2023-00053524-CU-OE-CTL

**COMPLAINT – PAGA ENFORCEMENT
ACTION**

(1) Claim for Civil Penalties for Violations of
California Labor Code, Pursuant to PAGA,
§§ 2698, *et seq.*

Jury Trial Demanded

company; SAGE CLIENT 577, LLC, a
Colorado limited liability company;
SAGE CLIENT 577 CONCESSIONS,
LLC, a Colorado limited liability
company; SAGE HOSPITALITY
RESOURCES LLC, a Delaware
limited liability company; SAGE
INVESTMENT HOLDINGS, LLC, a
Colorado limited liability company;
SAGE INVESTMENT HOLDINGS
III, L.L.C., a Delaware limited liability
company; and DOES 1 through 10,
inclusive,

Defendants.

1 Plaintiff Jason Gorospe, as an aggrieved employee and on behalf of the State of
2 California and all other non-party Aggrieved Employees, alleges as follows:

3 JURISDICTION AND VENUE

4 1. This is an enforcement action under the Labor Code Private Attorneys General
5 Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
6 and any other available relief on behalf of Plaintiff, the State of California, and other current
7 and former employees who worked for Defendants in California as a non-exempt, hourly paid
8 employee and received at least one wage statement and against whom one or more violations
9 of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating
10 hours and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage
11 Order were committed, as set forth in this complaint, at any time between one year prior to the
12 filing of the pre-filing written notice to the Labor and Workforce Development Agency
13 (“LWDA”) in this case on October 6, 2023, until judgment (“non-party Aggrieved
14 Employees”). Plaintiff’s share of civil penalties sought in this action does not exceed
15 \$75,000.

16 2. This Court has jurisdiction over this action pursuant to the California
17 Constitution, Article VI, section 10. The statute under which this action is brought does not
18 specify any other basis for jurisdiction.

19 3. This Court has jurisdiction over all Defendants because, on information and
20 belief, Defendants are either citizens of California, have sufficient minimum contacts in
21 California, or otherwise intentionally avail themselves of the California market so as to render
22 the exercise of jurisdiction over them by the California courts consistent with traditional
23 notions of fair play and substantial justice. There is no basis for federal diversity jurisdiction
24 in this action given that the State of California, as the real party in interest in this action, is not
25 a “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*,
26 726 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be
27 aggregated to satisfy the amount in controversy requirement for federal diversity jurisdiction
28 in this action, and that diversity jurisdiction cannot be established when Plaintiff’s share of the

1 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

2 4. Venue is proper in this Court because Defendants employ or employed persons
3 within the County of San Diego and have violated the requirements of the California Labor
4 Code and applicable IWC Wage Order in this county which give rise to the penalties sought in
5 this action. Cal. Code Civ. P. § 393. Specifically, Defendants have violated the requirements of
6 the California Labor Code and applicable IWC Wage Order in at least three locations within the
7 County of San Diego, including Defendants' hotels located in Oceanside (110 North Myers
8 Street, Oceanside, California 92054) and San Diego (500 West Broadway, San Diego,
9 California 92101), and Defendants' restaurant located in Oceanside (211 Mission Avenue,
10 Oceanside, California 92054). Pursuant to California Civil Code of Procedure section 393,
11 venue is proper for the recovery of a penalty imposed by statute in the county in which the
12 cause, or some part of the cause, arose. Because Defendants have employees in San
13 Diego County, and Plaintiff could bring an action filed under PAGA in any county in which an
14 aggrieved employee worked and Labor Code violations occurred, venue is proper. *Crestwood*
15 *Behavioral Health, Inc. v. Superior Court of Alameda County*, 60 Cal. App. 5th 1069 (2021).

16 5. California Labor Code sections 2698, *et seq.*, the "Labor Code Private
17 Attorneys General Act of 2004" ("PAGA"), authorize aggrieved employees to sue as private
18 attorneys general their current or former employers for various civil penalties for violations of
19 various provisions in the California Labor Code.

20 **THE PARTIES**

21 6. Plaintiff Jason Gorospe is a resident of Fairfield, in Solano County, California.
22 Defendants employed Plaintiff as an hourly paid, non-exempt employee from approximately
23 August 2021 to March 2023. Plaintiff worked for Defendants as a Front Desk Supervisor at
24 their hotel location in Napa, California. Plaintiff typically worked eight (8) hours or more per
25 day, and five (5) days per week. At the time Plaintiff's employment with Defendants ended,
26 he was compensated approximately \$25.83 per hour. Plaintiff's job duties included, without
27 limitation, managing front desk operations, checking guests in and out, ensuring reservations
28 are properly set up, and communicating with other hotel departments.

1 7. On information and belief, Defendants required some employees, including
2 Plaintiff, to execute arbitration agreements at the time of their hire or during their
3 employment. On further information and belief, Defendants' arbitration agreements were and
4 are both procedurally and substantively unconscionable. Specifically, Defendants presented
5 employees with a "DISPUTE RESOLUTION AGREEMENT" ("Arbitration Agreement")
6 which had to be reviewed and acknowledged immediately. Specifically, the Arbitration
7 Agreement was among several documents presented to employees for signature during the
8 orientation process, including Sage Workers' Compensation Policy; Handbook
9 Acknowledgment of Receipt; Collection of Fingerprint Data Consent; Notice of Collecting
10 COVID-19 Related Information; 6 Hours or Less Meal Period Waiver; Second Meal Period
11 Waiver; and Meal Period and Rest Break Acknowledgment. Also, employees did not have a
12 meaningful opportunity to negotiate the terms of the Arbitration Agreement. Rather, they
13 were provided to Defendants' employees for them to sign on a take-it or leave-it basis, along
14 with other onboarding documents. Further, Defendants did not set forth in the agreements or
15 otherwise provide employees with the rules which will govern the arbitration, instead forcing
16 employees to seek this information out on their own.

17 8. SAGE CLIENT 417B LLC was and is, upon information and belief, a Colorado
18 limited liability company, and at all times hereinafter mentioned, an employer whose
19 employees are engaged throughout this county and the State of California.

20 9. SAGE CLIENT 417 LLC was and is, upon information and belief, a Colorado
21 limited liability company, and at all times hereinafter mentioned, an employer whose
22 employees are engaged throughout this county and the State of California.

23 10. SAGE CLIENT 219, LLC was and is, upon information and belief, a Colorado
24 limited liability company, and at all times hereinafter mentioned, an employer whose
25 employees are engaged throughout this county and the State of California.

26 11. SAGE CLIENT 221, LLC was and is, upon information and belief, a Colorado
27 limited liability company, and at all times hereinafter mentioned, an employer whose
28 employees are engaged throughout this county and the State of California.

1 12. SAGE CLIENT 244, LLC was and is, upon information and belief, a Colorado
2 limited liability company, and at all times hereinafter mentioned, an employer whose
3 employees are engaged throughout this county and the State of California.

4 13. SAGE CLIENT 349, LLC was and is, upon information and belief, a Colorado
5 limited liability company, and at all times hereinafter mentioned, an employer whose
6 employees are engaged throughout this county and the State of California.

7 14. SAGE CLIENT 349B LLC was and is, upon information and belief, a Colorado
8 limited liability company, and at all times hereinafter mentioned, an employer whose
9 employees are engaged throughout this county and the State of California.

10 15. SAGE CLIENT 439, LLC was and is, upon information and belief, a Colorado
11 limited liability company, and at all times hereinafter mentioned, an employer whose
12 employees are engaged throughout this county and the State of California.

13 16. SAGE CLIENT 563, LLC was and is, upon information and belief, a Colorado
14 limited liability company, and at all times hereinafter mentioned, an employer whose
15 employees are engaged throughout this county and the State of California.

16 17. SAGE CLIENT 571, LLC was and is, upon information and belief, a Colorado
17 limited liability company, and at all times hereinafter mentioned, an employer whose
18 employees are engaged throughout this county and the State of California.

19 18. SAGE CLIENT 572 LLC was and is, upon information and belief, a Colorado
20 limited liability company, and at all times hereinafter mentioned, an employer whose
21 employees are engaged throughout this county and the State of California.

22 19. SAGE CLIENT 573, LLC was and is, upon information and belief, a Colorado
23 limited liability company, and at all times hereinafter mentioned, an employer whose
24 employees are engaged throughout this county and the State of California.

25 20. SAGE CLIENT 577, LLC was and is, upon information and belief, a Colorado
26 limited liability company, and at all times hereinafter mentioned, an employer whose
27 employees are engaged throughout this county and the State of California.

28 21. SAGE CLIENT 577 CONCESSIONS, LLC was and is, upon information and

1 belief, a Colorado limited liability company, and at all times hereinafter mentioned, an
2 employer whose employees are engaged throughout this county and the State of California.

3 22. SAGE HOSPITALITY RESOURCES LLC was and is, upon information and
4 belief, a Delaware limited liability company, and at all times hereinafter mentioned, an
5 employer whose employees are engaged throughout this county and the State of California.

6 23. SAGE INVESTMENT HOLDINGS, LLC was and is, upon information and
7 belief, a Colorado limited liability company, and at all times hereinafter mentioned, an
8 employer whose employees are engaged throughout this county and the State of California.

9 24. SAGE INVESTMENT HOLDINGS III, L.L.C. was and is, upon information
10 and belief, a Delaware limited liability company, and at all times hereinafter mentioned, an
11 employer whose employees are engaged throughout this county and the State of California.

12 25. Plaintiff is unaware of the true names or capacities of the Defendants sued
13 herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to
14 amend the complaint and serve such fictitiously named Defendants once their names and
15 capacities become known.

16 26. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
17 were the partners, agents, owners, or managers of SAGE CLIENT 417B LLC; SAGE CLIENT
18 417 LLC; SAGE CLIENT 219, LLC; SAGE CLIENT 221, LLC; SAGE CLIENT 244, LLC;
19 SAGE CLIENT 349, LLC; SAGE CLIENT 349B LLC; SAGE CLIENT 439, LLC; SAGE
20 CLIENT 563, LLC; SAGE CLIENT 571, LLC; SAGE CLIENT 572 LLC; SAGE CLIENT 573,
21 LLC; SAGE CLIENT 577, LLC; SAGE CLIENT 577 CONCESSIONS, LLC; SAGE
22 HOSPITALITY RESOURCES LLC; SAGE INVESTMENT HOLDINGS, LLC; and SAGE
23 INVESTMENT HOLDINGS III, L.L.C. at all relevant times.

24 27. Plaintiff is informed and believes, and thereon alleges, that each and all of the
25 acts and omissions alleged herein was performed by, or is attributable to, SAGE CLIENT
26 417B LLC; SAGE CLIENT 417 LLC; SAGE CLIENT 219, LLC; SAGE CLIENT 221, LLC;
27 SAGE CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE CLIENT 349B LLC; SAGE
28 CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE CLIENT 571, LLC; SAGE CLIENT 572

1 LLC; SAGE CLIENT 573, LLC; SAGE CLIENT 577, LLC; SAGE CLIENT 577
2 CONCESSIONS, LLC; SAGE HOSPITALITY RESOURCES LLC; SAGE INVESTMENT
3 HOLDINGS, LLC; SAGE INVESTMENT HOLDINGS III, L.L.C.; and/or DOES 1 through 10
4 (collectively, “Defendants” or “SAGE”), each acting as the agent, employee, alter ego, and/or
5 joint venturer of, or working in concert with, each of the other co-Defendants and was acting
6 within the course and scope of such agency, employment, joint venture, or concerted activity
7 with legal authority to act on the others’ behalf. The acts of any and all Defendants were in
8 accordance with, and represent, the official policy of Defendants.

9 28. At all relevant times, Defendants, and each of them, ratified each and every act
10 or omission complained of herein. At all relevant times, Defendants, and each of them, aided
11 and abetted the acts and omissions of each and all the other Defendants in proximately causing
12 the damages herein alleged.

13 29. Plaintiff is informed and believes, and thereon alleges, that each of said
14 Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts,
15 omissions, occurrences, and transactions alleged herein.

16 30. Under California law, Defendants are jointly and severally liable as employers
17 for the violations alleged herein because they have each exercised sufficient control over the
18 wages, hours, working conditions, and employment status of Plaintiff and other non-party
19 Aggrieved Employees. Each Defendant had the power to hire and fire Plaintiff and other non-
20 party Aggrieved Employees, supervised and controlled their work schedule and/or conditions
21 of employment, determined their rate of pay, and maintained their employment records.
22 Defendants suffered or permitted Plaintiff and other non-party Aggrieved Employees to work
23 and/or “engaged” Plaintiff and other non-party Aggrieved Employees so as to create a
24 common-law employment relationship. As joint employers of Plaintiff and other non-party
25 Aggrieved Employees, Defendants are jointly and severally liable for the civil penalties
26 available to Plaintiff and other non-party Aggrieved Employees under the law.

27 31. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
28 Defendants, and each of them, have acted as joint employers with respect to Plaintiff and other

1 non-party Aggrieved Employees because Defendants have:

- 2 (a) jointly exercised meaningful control over the work performed by
- 3 Plaintiff and other non-party Aggrieved Employees;
- 4 (b) jointly exercised meaningful control over Plaintiff's and other non-party
- 5 Aggrieved Employees' wages, hours, and working conditions, including
- 6 the quantity, quality standards, speed, scheduling, and operative details
- 7 of the tasks performed by Plaintiff and other non-party Aggrieved
- 8 Employees;
- 9 (c) jointly required that Plaintiff and other non-party Aggrieved Employees
- 10 perform work which is an integral part of Defendants' businesses; and
- 11 (d) jointly exercised control over Plaintiff and other non-party Aggrieved
- 12 Employees as a matter of economic reality in that Plaintiff and other
- 13 non-party Aggrieved Employees were dependent on Defendants, who
- 14 shared the power to set the wages of Plaintiff and other non-party
- 15 Aggrieved Employees and determined their working conditions, and
- 16 who jointly reaped the benefits from the underpayment of their wages
- 17 and noncompliance with other statutory provisions governing their
- 18 employment.

19 32. Plaintiff is informed and believes, and thereon alleges, that at all relevant times
20 there has existed a unity of interest and ownership between Defendants such that any
21 individuality and separateness between the entities has ceased.

22 33. SAGE CLIENT 417B LLC; SAGE CLIENT 417 LLC; SAGE CLIENT 219,
23 LLC; SAGE CLIENT 221, LLC; SAGE CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE
24 CLIENT 349B LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE CLIENT
25 571, LLC; SAGE CLIENT 572 LLC; SAGE CLIENT 573, LLC; SAGE CLIENT 577, LLC;
26 SAGE CLIENT 577 CONCESSIONS, LLC; SAGE HOSPITALITY RESOURCES LLC;
27 SAGE INVESTMENT HOLDINGS, LLC; SAGE INVESTMENT HOLDINGS III, L.L.C.;
28 and/or DOES 1 through 10 are therefore alter egos of each other.

1 34. Adherence to the fiction of the separate existence of Defendants would permit
2 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
3 from liability for the wrongful acts committed by them under the name SAGE.

4 35. Plaintiff further alleges, upon information and belief, that the Defendants
5 SAGE CLIENT 417B LLC; SAGE CLIENT 417 LLC; SAGE CLIENT 219, LLC; SAGE
6 CLIENT 221, LLC; SAGE CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE CLIENT
7 349B LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE CLIENT 571, LLC;
8 SAGE CLIENT 572 LLC; SAGE CLIENT 573, LLC; SAGE CLIENT 577, LLC; SAGE
9 CLIENT 577 CONCESSIONS, LLC; SAGE HOSPITALITY RESOURCES LLC; SAGE
10 INVESTMENT HOLDINGS, LLC; and SAGE INVESTMENT HOLDINGS III, L.L.C. are
11 alter egos of each other for the following reasons:

12 (a) On the California Secretary of State's website
13 (<https://bizfileonline.sos.ca.gov/>), SAGE CLIENT 417B LLC; SAGE
14 CLIENT 417 LLC; SAGE CLIENT 219, LLC; SAGE CLIENT 221,
15 LLC; SAGE CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE
16 CLIENT 349B LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563,
17 LLC; SAGE CLIENT 571, LLC; SAGE CLIENT 572 LLC; SAGE
18 CLIENT 573, LLC; SAGE CLIENT 577, LLC; SAGE CLIENT 577
19 CONCESSIONS, LLC; SAGE HOSPITALITY RESOURCES LLC;
20 SAGE INVESTMENT HOLDINGS, LLC; and SAGE INVESTMENT
21 HOLDINGS III, L.L.C. have the same principal and mailing address,
22 "1575 WELTON STREET SUITE 300 DENVER, CO 80202";

23 (b) According to the California Secretary of State's website, SAGE
24 CLIENT 417B LLC; SAGE CLIENT 417 LLC; SAGE CLIENT 219,
25 LLC; SAGE CLIENT 221, LLC; SAGE CLIENT 244, LLC; SAGE
26 CLIENT 349, LLC; SAGE CLIENT 349B LLC; SAGE CLIENT 439,
27 LLC; SAGE CLIENT 563, LLC; SAGE CLIENT 571, LLC; SAGE
28 CLIENT 572 LLC; SAGE CLIENT 573, LLC; SAGE CLIENT 577,

1 LLC; SAGE CLIENT 577 CONCESSIONS, LLC; SAGE
2 HOSPITALITY RESOURCES LLC; SAGE INVESTMENT
3 HOLDINGS, LLC; and SAGE INVESTMENT HOLDINGS III, L.L.C.
4 share the same agent for service of process, COGENCY GLOBAL
5 INC.;

6 (c) According to their most recent "Statement of Information" forms filed
7 with the California Secretary of State, SAGE CLIENT 417 LLC and
8 SAGE HOSPITALITY RESOURCES LLC share the
9 manager/members, including, but not limited to, SAGE INVESTMENT
10 HOLDINGS, LLC;

11 (d) According to their most recent "Statement of Information" forms filed
12 with the California Secretary of State, SAGE CLIENT 349, LLC and
13 SAGE INVESTMENT HOLDINGS III, L.L.C. share the
14 manager/members, including, but not limited to, SAGE INVESTMENT
15 HOLDINGS III, L.L.C.;

16 (e) According to their most recent "Statement of Information" forms filed
17 with the California Secretary of State, SAGE CLIENT 219, LLC; SAGE
18 CLIENT 221, LLC; SAGE CLIENT 244, LLC; SAGE CLIENT 349B
19 LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE
20 CLIENT 572 LLC; SAGE CLIENT 573, LLC; and SAGE CLIENT 577,
21 LLC; share the manager/members, including, but not limited to, Sage
22 Management Services, Inc.; and

23 (f) On information and belief, SAGE CLIENT 417B LLC; SAGE CLIENT
24 417 LLC; SAGE CLIENT 219, LLC; SAGE CLIENT 221, LLC; SAGE
25 CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE CLIENT 349B
26 LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE
27 CLIENT 571, LLC; SAGE CLIENT 572 LLC; SAGE CLIENT 573,
28 LLC; SAGE CLIENT 577, LLC; SAGE CLIENT 577 CONCESSIONS,

1 LLC; SAGE HOSPITALITY RESOURCES LLC; SAGE
2 INVESTMENT HOLDINGS, LLC; and SAGE INVESTMENT
3 HOLDINGS III, L.L.C. utilize the same standardized employment
4 forms and issue the same employment policies.

5 **PAGA REPRESENTATIVE ALLEGATIONS**

6 36. Defendants are a hospitality management, investment, and development
7 company. Upon information and belief, Defendants maintain a single, centralized Human
8 Resources (HR) department at their corporate headquarters in Denver, Colorado, for all non-
9 exempt, hourly paid employees working for Defendants in California, which is responsible for
10 the recruiting and hiring of new employees, and communicating and implementing
11 Defendants' company-wide policies, including timekeeping policies and meal and rest period
12 policies, to employees throughout California.

13 37. In particular, Plaintiff and other non-party Aggrieved Employees, on
14 information and belief, received the same standardized documents and/or written policies.
15 Upon information and belief, the usage of standardized documents and/or written policies,
16 including new-hire documents, indicate that Defendants dictated policies at the corporate level
17 and implemented them company-wide, regardless of their employees' assigned locations or
18 positions. Upon information and belief, Defendants set forth uniform policies and procedures
19 in several documents provided at an employee's time of hire.

20 38. Upon information and belief, Defendants maintain a centralized Payroll
21 department at their corporate headquarters in Denver, Colorado, which processes payroll for
22 all non-exempt, hourly paid employees working for Defendants at their various locations in
23 California, including Plaintiff and other non-party Aggrieved Employees. Based upon
24 information and belief, Defendants issue the same formatted wage statements to all non-
25 exempt, hourly paid employees in California, irrespective of their work locations. Upon
26 information and belief, Defendants process payroll for departing employees in the same
27 manner throughout the State of California, regardless of the manner in which each employee's
28 employment ends.

1 39. Defendants continue to employ non-exempt or hourly paid employees in
2 California.

3 40. Plaintiff is informed and believes, and thereon alleges, that at all times herein
4 mentioned, Defendants were advised by skilled lawyers and other professionals, employees
5 and advisors knowledgeable about California labor and wage law, employment and personnel
6 practices, and about the requirements of California law.

7 41. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other
8 non-party Aggrieved Employees were not paid for all hours worked because all hours worked
9 were not recorded.

10 42. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
11 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
12 meal periods in accordance with the California Labor Code and applicable IWC Wage Order
13 or payment of one (1) additional hour of pay at their regular rates of pay when they were not
14 provided with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiff and
15 other non-party Aggrieved Employees were not provided with all meal periods or payment of
16 one (1) additional hour of pay at their regular rates of pay when they did not receive a timely,
17 uninterrupted, thirty (30) minute meal period.

18 43. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
19 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
20 rest periods in accordance with the California Labor Code and applicable IWC Wage Order or
21 payment of one (1) additional hour of pay at their regular rates of pay when they were not
22 authorized and permitted to take a compliant rest period and that Plaintiff and other non-party
23 Aggrieved Employees were not authorized and permitted to take compliant rest periods or
24 provided with payment of one (1) additional hour of pay at their regular rates of pay when
25 they were not authorized and permitted to take a compliant rest period.

26 44. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
27 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
28 receive certain wages for overtime compensation and that they were not receiving certain

wages for overtime compensation.

45. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that other non-party Aggrieved Employees were entitled to be paid at a regular rate of pay, and corresponding rates of pay for overtime wages and/or meal and rest period premiums, that included as eligible income all remuneration required by law, including but not limited to, all income derived from incentive pay, nondiscretionary bonuses, and/or other forms of compensation, but failed to include all forms of remuneration in calculating the regular rate of pay for other non-party Aggrieved Employees.

46. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and other non-party Aggrieved Employees were entitled to receive at least minimum wages for compensation and that they were not receiving at least minimum wages for work that was required to be done off-the-clock. In violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at least minimum wages for work done off-the-clock.

47. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and other non-party Aggrieved Employees were entitled to receive complete and accurate wage statements in accordance with California law. In violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees were not provided complete and accurate wage statements.

48. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that they had a duty to maintain accurate and complete payroll records in accordance with the Labor Code and applicable IWC Wage Order, but willfully, knowingly, and intentionally failed to do so.

49. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and other non-party Aggrieved Employees were entitled to timely payment of wages during their employment. In violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages, including, but not limited to, overtime wages, minimum wages, meal and rest period

1 premiums, and/or sick leave pay, within permissible time periods.

2 50. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
3 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
4 timely payment of all wages earned upon termination of employment. In violation of the
5 California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive
6 payment of all wages due, including, but not limited to, overtime wages, minimum wages,
7 meal and rest period premiums, and/or sick leave pay, within permissible time periods.

8 51. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
9 should have known that other non-party Aggrieved Employees were entitled to receive sick
10 leave benefits to be paid at a regular rate of pay, that included, as eligible income, all income
11 derived from incentive pay, nondiscretionary bonuses, and/or other forms of compensation. In
12 violation of the California Labor Code, Defendants failed to include all forms of remuneration
13 in calculating the regular rate of pay for sick leave pay.

14 52. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
15 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
16 suitable seating and/or were entitled to sit when it did not interfere with the performance of
17 their duties and also have seats nearby to use during a lull in tasks that do require moving
18 about or standing. In violation of the California Labor Code and applicable IWC Wage Order,
19 Defendants failed to provide Plaintiff and other non-party Aggrieved Employees with suitable
20 seating.

21 53. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
22 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
23 receive reimbursement for all business-related expenses and costs they incurred during the
24 course and scope of their employment and that they did not receive reimbursement of
25 applicable business-related expenses and costs incurred.

26 54. Plaintiff is informed and believes, and thereon alleges, that at all times herein
27 mentioned, Defendants knew or should have known that they had a duty to compensate
28 Plaintiff and other non-party Aggrieved Employees for all hours worked, and that Defendants

1 had the financial ability to pay such compensation, but willfully, knowingly, and intentionally
2 failed to do so, and falsely represented to Plaintiff and other non-party Aggrieved Employees
3 that they were properly denied wages, all in order to increase Defendants' profits.

4 55. At all times herein set forth, PAGA provides that any provision of law under
5 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
6 assessed and collected by the LWDA for violations of the California Labor Code and
7 applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a
8 civil action brought on behalf of themselves and other current or former employees pursuant
9 to procedures outlined in California Labor Code section 2699.3.

10 56. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any
11 person who was employed by the alleged violator and against whom one or more of the
12 alleged violations was committed."

13 57. Plaintiff and other current and former employees of Defendants are "aggrieved
14 employees" as defined by Labor Code section 2699(c) in that they are all Defendants' current
15 or former employees and one or more of the alleged violations were committed against them.

16 58. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved
17 employee, including Plaintiff, may pursue a civil action arising under PAGA after the
18 following requirements have been met:

- 19 (a) The aggrieved employee shall give written notice by online filing
20 (hereinafter "Employee's Notice") to the LWDA and by certified mail
21 to the employer of the specific provisions of the California Labor Code
22 alleged to have been violated, including the facts and theories to support
23 the alleged violations.
- 24 (b) An aggrieved employee's notice filed with the LWDA pursuant to
25 2699.3(a) and any employer response to that notice shall be
26 accompanied by a filing fee of seventy-five dollars (\$75).
- 27 (c) The LWDA shall provide notice (hereinafter "LWDA Notice") to the
28 employer and the aggrieved employee by certified mail that it does not

1 intend to investigate the alleged violation within sixty (60) calendar
2 days of the postmark date of the Employee's Notice. Upon receipt of
3 the LWDA Notice, or if the LWDA Notice is not provided within sixty-
4 five (65) calendar days of the postmark date of the Employee's Notice,
5 the aggrieved employee may commence a civil action pursuant to
6 California Labor Code section 2699 to recover civil penalties in addition
7 to any other penalties to which the employee may be entitled.

8 59. Pursuant to California Labor Code section 2699.3(c), aggrieved employees,
9 through Plaintiff, may pursue a civil action arising under PAGA for violations of any
10 provision other than those listed in Section 2699.5 after the following requirements have been
11 met:

- 12 (a) The aggrieved employee or representative shall give written notice by
13 online filing to the LWDA and by certified mail to the employer of the
14 specific provisions of the California Labor Code alleged to have been
15 violated (other than those listed in Section 2699.5), including the facts
16 and theories to support the alleged violation.
- 17 (b) An aggrieved employee's notice filed with the LWDA pursuant to
18 2699.3(c) and any employer response to that notice shall be
19 accompanied by a filing fee of seventy-five dollars (\$75).
- 20 (c) The employer may cure the alleged violation within thirty-three (33)
21 calendar days of the postmark date of the notice. The employer shall
22 give written notice by certified mail within that period of time to the
23 aggrieved employee or representative and the agency if the alleged
24 violation is cured, including a description of actions taken, and no civil
25 action pursuant to Section 2699 may commence. If the alleged violation
26 is not cured within the 33-day period, the employee may commence a
27 civil action pursuant to Section 2699.

28 60. On October 6, 2023, Plaintiff provided written notice by online filing to the

1 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
2 Code alleged to have been violated, including facts and theories to support the alleged
3 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
4 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
5 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
6 Plaintiff PAGA Case Number LWDA-CM-986208-23. A true and correct copy of Plaintiff's
7 written notice to the LWDA and Defendants dated October 6, 2023, is attached hereto as
8 "Exhibit 1."

9 61. As of the filing date of this complaint, over 65 days have passed since Plaintiff
10 sent the written notice described above, and the LWDA has not responded that it intends to
11 investigate Plaintiff's claims, and Defendants have not cured the violations.

12 62. Thus, Plaintiff has satisfied the administrative prerequisites under California
13 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
14 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 510,
15 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

16 63. Labor Code section 558(a) provides "[a]ny employer or other person acting on
17 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
18 provision regulating hours and days of work in any order of the Industrial Welfare
19 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
20 dollars (\$50) for each underpaid employee for each pay period for which the employee was
21 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
22 underpaid employee for each pay period for which the employee was underpaid" Labor
23 Code section 558(c) provides "[t]he civil penalties provided for in this section are in addition
24 to any other civil or criminal penalty provided by law." Plaintiff, acting in the public interest
25 as a private attorney general, seeks assessment and collection of civil penalties under Labor
26 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
27 California against Defendants for violations of Labor Code sections 510, 512(a), 516, and
28 1198, and the applicable IWC Wage Order. Plaintiff, acting in the public interest as a private

1 attorney general, does not seek the recovery of unpaid wages under Labor Code section 558
2 from Defendants for violations of Labor Code sections 510, 512(a), 516, and 1198, and the
3 applicable IWC Wage Order.

4 64. Defendants, at all times relevant to this complaint, were employers or persons
5 acting on behalf of an employer(s) who violated Plaintiff's and other non-party Aggrieved
6 Employees' rights by violating various sections of the California Labor Code as set forth
7 above.

8 65. As set forth below, Defendants have violated numerous provisions of both the
9 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
10 Order.

11 66. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
12 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public interest as a
13 private attorney general, seeks assessment and collection of civil penalties for himself, all
14 other non-party Aggrieved Employees, and the State of California against Defendants for
15 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 510,
16 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

17 **FIRST CAUSE OF ACTION**

18 **For Civil Penalties, Pursuant to California Labor Code §§ 2698, *et seq.***

19 **(Against all Defendants)**

20 67. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
21 and every allegation set forth above.

22 68. California Labor Code §§ 2698, *et seq.* ("PAGA") permits Plaintiff to recover
23 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
24 section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 226(a), 226.7,
25 510, 512(a), 1174(d), 1194, 1197, 1198, and 2802. Labor Code section 2699.3(c) permits
26 aggrieved employees, including Plaintiff, to recover civil penalties for violations of those
27 Labor Code sections not found in section 2699.5, including sections 246, 248.6, 516, and
28 1182.12.

1 69. Defendants' conduct, as alleged herein, violates numerous sections of the
2 California Labor Code, including, but not limited to, the following:

- 3 (a) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
4 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
5 and other non-party Aggrieved Employees with meal periods, as set
6 forth below;
- 7 (b) Violation of Labor Code sections 226.7, 516, and 1198, and the
8 applicable IWC Wage Order for Defendants' failure to authorize and
9 permit Plaintiff and other non-party Aggrieved Employees to take rest
10 periods, as set forth below;
- 11 (c) Violation of Labor Code sections 510 and 1198, and the applicable IWC
12 Wage Order for Defendants' failure to compensate Plaintiff and other
13 non-party Aggrieved Employees with all required overtime pay, as set
14 forth below;
- 15 (d) Violation of Labor Code sections 226.7, 510, and 1198, and the
16 applicable IWC Wage Order for Defendants' failure to include all forms
17 of remuneration in the regular rate of pay as required by law for
18 purposes of paying overtime wages and/or meal and rest period
19 premiums to other non-party Aggrieved Employees, as set forth below;
- 20 (e) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and
21 the applicable IWC Wage Order for Defendants' failure to compensate
22 Plaintiff and other non-party Aggrieved Employees with at least
23 minimum wages for all hours worked, as set forth below;
- 24 (f) Violation of Labor Code sections 226(a) and 1198, and the applicable
25 IWC Wage Order for failure to provide accurate and complete wage
26 statements to Plaintiff and other non-party Aggrieved Employees, as set
27 forth below;
- 28 (g) Violation of Labor Code sections 1174(d) and 1198, and the applicable

IWC Wage Order for failure to maintain payroll records, as set forth below;

- (h) Violation of Labor Code sections 204 for failure to pay all earned wages during employment, as set forth below;
- (i) Violation of Labor Code section 201 and 202 for failure to pay all earned wages upon termination, as set forth below;
- (j) Violation of Labor Code sections 246 and 248.6 for failure to properly calculate the sick leave paid to other non-party Aggrieved Employees, as set forth below;
- (k) Violation of Labor Code section 1198 for failing to provide suitable seating to Plaintiff and other non-party Aggrieved Employees, as set forth below; and
- (l) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff and other non-party Aggrieved Employees for all business expenses necessarily incurred, as set forth below.

FAILURE TO PROVIDE AND RECORD MEAL PERIODS

VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198

70. At all relevant times herein set forth, the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and non-party Aggrieved Employees' employment by Defendants.

71. At all relevant times herein set forth, California Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012).

72. At all relevant times herein set forth, California Labor Code sections 226.7,

1 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
2 meal period mandated by an applicable order of the IWC.

3 73. At all relevant times herein set forth, Labor Code sections 226.7, 512(a), 1198,
4 and the applicable IWC Wage Order also require employers to provide a second meal period
5 of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay
6 an employee one (1) additional hour of pay at the employee's regular rate, except that if the
7 total hours worked is no more than twelve (12) hours, the second meal period may be waived
8 by mutual consent of the employer and the employee only if the first meal period was not
9 waived.

10 74. On information and belief, during the relevant time period, Defendants had, and
11 continue to have, a company-wide policy and/or practice of strictly staffing their locations
12 based on the labor hours allocated by each location's labor or payroll budget set by corporate.
13 On information and belief, Defendants' uniform use of labor budgeting and understaffing,
14 including adopting a single-staffing model for some of their shifts or positions, resulted in a
15 failure to provide Plaintiff and other non-party Aggrieved Employees with adequate meal
16 period coverage, because there were too few employees on duty to handle the workload and
17 attend to guests. Because Defendants did not employ or staff a sufficient number of
18 employees to meet guest demand, there was no one available to relieve employees needing
19 meal period coverage, and Plaintiff and other non-party Aggrieved Employees were not
20 always afforded uninterrupted 30-minute meal periods during shifts when they were entitled
21 to receive a meal period. For example, Plaintiff was occasionally the only front desk
22 employee scheduled for nighttime shifts and Defendants' management failed to provide
23 adequate coverage for him.

24 75. Defendants also had a practice of failing to adhere to a schedule for meal
25 periods, which further caused Plaintiff and other non-party Aggrieved Employees to not be
26 relieved of their duties for compliant meal periods. As a result, Plaintiff and other non-party
27 Aggrieved Employees had to work through all or part of their meal periods, had their meal
28 periods interrupted, and/or had to wait extended periods of time before taking meal periods.

1 For example, Plaintiff would sometimes have his meal periods interrupted and cut short
2 because other employees called him over the radio and requested his immediate assistance at
3 the front desk.

4 76. Further, Defendants' company-wide timekeeping system prevented Plaintiff
5 and other non-party Aggrieved Employees from recording all hours worked when their meal
6 periods were shortened or interrupted, because the system locked out Plaintiff and other non-
7 party Aggrieved Employees once they clocked out for a meal period, and did not permit them
8 to clock back in from a meal period before 30 minutes elapsed. For example, Plaintiff was
9 unable to record when his meal periods were interrupted or cut short by returning to work to
10 assist at the front desk. Thus, Defendants did not record all hours worked during meal periods,
11 and Plaintiff and other non-party Aggrieved Employees performed work during meal periods
12 for which they were not paid.

13 77. Defendants also did not provide Plaintiff and other non-party Aggrieved
14 Employees with second 30-minute meal periods on days that they worked in excess of ten (10)
15 hours in one day. For example, when Plaintiff would work in excess of ten (10) hours in a shift,
16 he was not provided his second meal period during these shifts. Plaintiff and other non-party
17 Aggrieved Employees did not sign valid meal period waivers on days that they were entitled to
18 meal periods and were not relieved of all duties.

19 78. Moreover, Defendants had a company-wide policy of requiring all newly hired
20 employees to sign blanket meal period waivers at or near their time of hire. Defendants took the
21 position that non-exempt, hourly paid employees had waived their rights to first and/or second
22 meal periods for the entirety of their employment and, on that basis, did not provide them with
23 all meal periods to which they were entitled. Further, Defendants' "6 Hours or Less Meal
24 Period Waiver" and "Second Meal Period Waiver" forms require employees to provide written
25 notice should they wish to revoke the waiver. Defendants' presumption that meal periods would
26 not be provided for shifts in excess of five (5) hours but less than six (6) hours and for shifts in
27 excess of ten (10) hours but less than twelve (12) hours, due to blanket meal period waivers
28 signed at or near the time of hire, and imposition on employees to revoke the waivers in writing,

discouraged and impeded Plaintiff and other non-party Aggrieved Employees from taking all meal periods to which they were entitled.

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

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

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

80. At all times herein mentioned, Defendants knew or should have known that, as a result of these policies, Plaintiff and other non-party Aggrieved Employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. Defendants further knew or should have known that Defendants did not pay Plaintiff and other non-party Aggrieved Employees meal period premiums when meal periods were late, interrupted, shortened, or missed.

81. Moreover, Defendants engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees have not received premium pay for missed, late, and interrupted meal periods. Alternatively, to the extent that Defendants did pay other non-party Aggrieved Employees premium pay for missed, late, and interrupted meal periods, Defendants did not pay other non-party Aggrieved

1 Employees the correct rate of pay for premiums because Defendant systematically failed to
2 include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or
3 other forms of remuneration, in the regular rate of pay. Therefore, during times when other
4 non-party Aggrieved Employees received meal period premiums and these other forms of pay,
5 Defendants failed to pay full meal period premiums by paying a lower rate than required.

6 82. Defendants' conduct violates the applicable IWC Wage Order, and California
7 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved
8 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
9 558 and/or 2699(a), (f), and (g).

10 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**

11 **VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198**

12 83. At all relevant times herein set forth, the applicable IWC Wage Order and
13 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiff's and other
14 non-party Aggrieved Employees' employment by Defendants.

15 84. At all relevant times, the applicable IWC Wage Order provides that "[e]very
16 employer shall authorize and permit all employees to take rest periods, which insofar as
17 practicable shall be in the middle of each work period" and that the "rest period time shall be
18 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
19 hours or major fraction thereof" unless the total daily work time is less than three and one-half
20 (3 ½) hours.

21 85. At all relevant times, California Labor Code section 226.7 provides that no
22 employer shall require an employee to work during any rest period mandated by an applicable
23 order of the California IWC. To comply with its obligation to authorize and permit rest
24 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
25 employer must "relinquish any control over how employees spend their break time, and
26 relieve their employees of all duties—including the obligation that an employee remain on
27 call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services,*
28 *Inc.*, 2 Cal. 5th 257, 273 (2016).

1 86. Pursuant to the applicable IWC Wage Order and California Labor Code section
2 226.7(c), Plaintiff and other non-party Aggrieved Employees are entitled to recover from
3 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a
4 required rest period was not authorized and permitted.

5 87. During the relevant time period, Defendants regularly failed to authorize and
6 permit Plaintiff and other non-party Aggrieved Employees to take a ten (10) minute rest
7 period per each four (4) hour period worked or major fraction thereof. As with meal periods,
8 Defendants' company-wide practices and/or policies of understaffing and/or single-staffing
9 and utilizing labor budgets prevented Plaintiff and other non-party Aggrieved Employees from
10 being relieved of all duty to take rest periods. Additionally, Defendants failed to adhere to a
11 schedule for rest periods, which, coupled with Defendants' failure to provide adequate rest
12 period coverage, further led to Plaintiff and other non-party Aggrieved Employees not being
13 authorized and permitted to take rest periods.

14 88. Furthermore, upon information and belief, Defendants maintained and
15 implemented a company-wide on-premises rest period policy, which effectively required that
16 Plaintiff and other non-party Aggrieved Employees remain on the premises during their rest
17 periods. Because Plaintiff and other non-party Aggrieved Employees were restricted from
18 leaving Defendants' premises during rest periods, they were denied the ability to use their rest
19 periods freely for their own purposes, such as running personal errands. Thus, Defendants
20 effectively maintained control over Plaintiff and other non-party Aggrieved Employees during
21 rest periods.

22 89. As a result of Defendants' practices and policies, Plaintiff and other non-party
23 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
24 excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they
25 were entitled. For example, Plaintiff missed some of his rest periods due to lack of coverage
26 and had his rest periods interrupted and/or cut short by other employees calling him on the
27 radio and requesting assistance at the front desk.

28 90. Defendants have also engaged in a systematic, company-wide practice and/or

1 policy of not paying rest period premiums owed when rest periods are not authorized and
2 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
3 Employees have not received premium pay for all missed rest periods. Alternatively, to the
4 extent that Defendants did pay other non-party Aggrieved Employees one (1) additional hour
5 of premium pay for missed rest periods, Defendants did not pay other non-party Aggrieved
6 Employees at the correct rate of pay for premiums because Defendants failed to include all
7 forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms
8 of remuneration, in the regular rate of pay. Accordingly, Defendants failed to authorize and
9 permit all compliant rest periods and failed to pay the full rest period premiums due.

10 91. Defendants' conduct violates the applicable IWC Wage Order and California
11 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved
12 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
13 558 and/or 2699(a), (f), and (g).

14 **FAILURE TO PAY OVERTIME**

15 **VIOLATION OF LABOR CODE SECTIONS 510 AND 1198**

16 92. Labor Code section 1198 makes it illegal to employ an employee under
17 conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor
18 Code section 1198 requires that "... the standard conditions of labor fixed by the commission
19 shall be the ... standard conditions of labor for employees. The employment of any employee
20 ... under conditions of labor prohibited by the order is unlawful."

21 93. California Labor Code section 1198 and the applicable IWC Wage Order
22 provide that it is unlawful to employ persons without compensating them at a rate of pay
23 either time-and-one-half or two-times that person's regular rate of pay, depending on the
24 number of hours worked by the person on a daily or weekly basis.

25 94. Specifically, the applicable IWC Wage Order provides that Defendants are and
26 were required to pay Plaintiff and other non-party Aggrieved Employees working more than
27 eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and
28 one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty

1 (40) hours in a workweek.

2 95. The applicable IWC Wage Order further provides that Defendants are and were
3 required to pay Plaintiff and other non-party Aggrieved Employees working more than twelve
4 (12) hours in a day, overtime compensation at a rate of two (2) times their regular rate of pay.
5 An employee's regular rate of pay includes all remuneration for employment paid to, or on
6 behalf of, the employee, including nondiscretionary bonuses and incentive pay.

7 96. California Labor Code section 510 codifies the right to overtime compensation
8 at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8)
9 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
10 seventh (7th) day of work, and to overtime compensation at twice the employee's regular rate
11 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
12 in a day on the seventh (7th) day of work.

13 97. During the relevant time period, Defendants willfully failed to pay all overtime
14 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time
15 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums
16 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)
17 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were
18 not recorded.

19 98. During the relevant period, as stated, Defendants had, and continue to have, a
20 company-wide policy and/or practice of understaffing and/or single-staffing while utilizing
21 labor budgets, which has resulted in a lack of meal period coverage and prevented Plaintiff
22 and other non-party Aggrieved Employees from taking all timely, uninterrupted meal periods
23 to which they were entitled. Further, Defendants had a practice of failing to adhere to a
24 schedule for meal periods, which further caused Plaintiff and other non-party Aggrieved
25 Employees to not be relieved of their duties for compliant meal periods. For example,
26 Plaintiff had his meal periods interrupted by other employees calling him on the radio because
27 they needed assistance at the front desk. Consequently, Plaintiff and other non-party
28 Aggrieved Employees were required to work through and/or had their unpaid meal periods

1 interrupted to complete their assigned duties and handle guest demand, time for which they
2 were not paid.

3 99. Further, as stated, Defendants' company-wide timekeeping system prevented
4 Plaintiff and other non-party Aggrieved Employees from recording all hours worked when
5 their meal periods were shortened or interrupted, because the system locked out Plaintiff and
6 other non-party Aggrieved Employees once they clocked out for a meal period, and did not
7 permit them to clock back in from a meal period before 30 minutes elapsed. Thus, Defendants
8 did not record all hours worked during meal periods, and Plaintiff and other non-party
9 Aggrieved Employees performed work during meal periods for which they were not paid.

10 100. Additionally, during the relevant time period, Defendants had, and continue to
11 have, a company-wide policy and/or practice of discouraging and impeding other non-party
12 Aggrieved Employees from recording hours worked that were outside of their scheduled shifts
13 in order to limit the amount of overtime employees could accrue. Defendants maintained a
14 written policy which stated, "All overtime worked must be pre-authorized by a
15 supervisor/manager." This policy of limiting overtime, in conjunction with Defendants' use of
16 labor budgeting, led other non-party Aggrieved Employees to work off-the-clock before and
17 after their scheduled shift times in order to complete their assigned tasks, time for which they
18 were not paid.

19 101. Defendants knew or should have known that, as a result of these company-wide
20 practices and/or policies, Plaintiff and other non-party Aggrieved Employees were performing
21 their assigned duties during meal periods and/or before or after their shifts, and were suffered or
22 permitted to perform work for which they were not paid. Because Plaintiff and other non-party
23 Aggrieved Employees worked shifts of eight (8) hours or more a day or forty (40) hours a week
24 or more, some of this off-the-clock work qualified for overtime premium pay. Therefore,
25 Plaintiff and other non-party Aggrieved Employees were not paid overtime wages for all of the
26 overtime hours they actually worked.

27 102. Furthermore, Defendants did not pay other non-party Aggrieved Employees the
28 correct overtime rate for the recorded overtime hours that they generated. In addition to an

1 hourly wage, Defendants paid other non-party Aggrieved Employees incentive pay,
2 nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the
3 California Labor Code, on information and belief, Defendants failed to incorporate all
4 compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of
5 remuneration, into the calculation of the regular rate of pay for purposes of calculating the
6 overtime wage rates. Therefore, during times when other non-party Aggrieved Employees
7 worked overtime and received these other forms of pay, Defendants failed to pay all overtime
8 wages by paying a lower overtime rate than required.

9 103. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
10 the balance of overtime compensation as required by California law, violates the provisions of
11 California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved
12 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
13 558 and/or 2699(a), (f), and (g).

14 **FAILURE TO PAY MINIMUM WAGES**

15 **VIOLATION OF LABOR CODE SECTIONS 1182.12, 1194, 1197, AND 1198**

16 104. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
17 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage
18 to be paid to employees, and the payment of a wage less than the minimum so fixed is
19 unlawful. Compensable work time is defined in IWC Wage Order No. 5-2001 as "the time
20 during which an employee is subject to the control of an employer, and includes all the time
21 the employee is suffered or permitted to work, whether or not required to do so." Cal. Code
22 Regs. tit. 8, § 11050(2)(K) (defining "Hours Worked").

23 105. As stated above, due to Defendants' policies and/or practices of utilizing labor
24 budgets, understaffing, and/or single-staffing, failure to adhere to a schedule for meal periods,
25 and subsequent lack of meal period coverage, Plaintiff and other non-party Aggrieved
26 Employees were impeded from taking all uninterrupted meal periods to which they were
27 entitled and were required to work off-the-clock during meal periods, time for which they
28 were not paid. Additionally, as stated above, as a result of Defendants' written policy of

1 limiting the amount of overtime employees could accrue, other non-party Aggrieved
2 Employees were required to work off-the-clock before and after their scheduled shifts to
3 complete their work-related tasks.

4 106. In addition, as stated, Defendants' company-wide timekeeping system
5 prevented Plaintiff and other non-party Aggrieved Employees from entering time worked
6 during meal periods because the system locked out Plaintiff and other non-party Aggrieved
7 Employees for a full 30 minutes. Thus, Defendants systematically failed to pay Plaintiff and
8 other non-party Aggrieved Employees for actual hours worked during unpaid meal periods
9 because these hours were not always correctly recorded.

10 107. Thus, Defendants did not pay minimum wages for all hours worked by Plaintiff
11 and other non-party Aggrieved Employees. To the extent that these off-the-clock hours did
12 not qualify for overtime premium payment, Defendants did not pay at least minimum wages
13 for those hours worked off-the-clock in violation of California Labor Code sections 1182.12,
14 1194, 1197, and 1198.

15 108. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
16 minimum wages violates California Labor Code sections 1182.12, 1194, 1197, and 1198.
17 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
18 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

19 **FAILURE TO PROVIDE AND MAINTAIN COMPLIANT WAGE STATEMENTS**
20 **VIOLATION OF LABOR CODE SECTIONS 226(a), 1174(d), AND 1198**

21 109. At all relevant times herein, California Labor Code section 226(a) provides that
22 every employer shall furnish each of his or her employees an accurate and complete itemized
23 wage statement in writing, including, but not limited to, the name and address of the legal
24 entity that is the employer, the inclusive dates of the pay period, total hours worked, and all
25 applicable rates of pay.

26 110. During the relevant time period, Defendants have knowingly and intentionally
27 provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and
28 inaccurate wage statements. For example, Defendants issued uniform wage statements to

1 Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages
2 earned; total hours worked; net wages earned; and all applicable hourly rates in effect during
3 the pay period, including rates of pay for overtime wages, meal and rest period premiums,
4 and/or paid sick leave, and the corresponding number of hours worked at each hourly rate.
5 Specifically, Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

6 111. Because Defendants did not record the time Plaintiff and other non-party
7 Aggrieved Employees spent working off-the-clock and deducted time from their records for
8 meal periods that were interrupted and/or missed (and therefore time for which they should have
9 been paid), Defendants did not list the correct amount of gross wages and net wages earned by
10 Plaintiff and other non-party Aggrieved Employees in compliance with section 226(a)(1) and
11 section 226(a)(5), respectively. For the same reason, Defendants failed to accurately list the
12 total number of hours worked by Plaintiff and other non-party Aggrieved Employees, in
13 violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect
14 during the pay period and the corresponding accurate number of hours worked at each hourly
15 rate, in violation of section 226(a)(9).

16 112. Additionally, because Defendants did not calculate other non-party Aggrieved
17 Employees' regular rate of pay correctly for purposes of paying overtime wages, meal and rest
18 period premiums, and/or paid sick leave, Defendants did not list the correct amount of gross
19 wages in compliance with section 226(a)(1) and did not list the correct amount of net wages in
20 violation of section 226(a)(5). Defendants also failed to correctly list all applicable hourly rates
21 in effect during the pay period, namely, correct rates of pay for overtime wages, meal and rest
22 period premiums, and/or paid sick leave, in violation of section 226(a)(9).

23 113. The wage statement deficiencies also include, among other things, failing to list
24 the number of piece-rate units earned and any applicable piece rate if the employee is paid on
25 a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period
26 for which aggrieved employees were paid; failing to list the name of the employee and only
27 the last four digits of his or her social security number or an employee identification number
28 other than a social security number; failing to list the name and address of the legal entity that

1 is the employer; and/or failing to state all hours worked as a result of not recording or stating
2 the hours worked off-the-clock.

3 114. California Labor Code section 1174(d) provides that “[e]very person employing
4 labor in this state shall . . . [k]eep a record showing the names and addresses of all employees
5 employed and the ages of all minors” and “[k]eep, at a central location in the state or at the
6 plants or establishments at which employees are employed, payroll records showing the hours
7 worked daily by and the wages paid to, and the number of piece-rate units earned by and any
8 applicable piece rate paid to, employees employed at the respective plants or
9 establishments” Labor Code section 1174.5 provides that employers are subject to a
10 \$500 civil penalty if they fail to maintain accurate and complete records as required by section
11 1174(d). At all relevant times, and in violation of Labor Code section 1174(d), Defendants
12 willfully failed to maintain accurate payroll records for Plaintiff and other non-party Aggrieved
13 Employees showing the daily hours they worked and the wages paid thereto as a result of failing
14 to record the off-the-clock hours that they worked.

15 115. California Labor Code section 1198 provides that the maximum hours of work
16 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
17 set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he
18 employment of any employees for longer hours than those fixed by the order or under
19 conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC
20 Wage Order, employers are required to keep accurate time records showing when the
21 employee begins and ends each work period and meal period. During the relevant time
22 period, Defendants engaged in company-wide practices and/or policies of failing to record
23 actual hours worked, and thereby failed, on a company-wide basis, to keep accurate records of
24 work period and meal period start and stop times for Plaintiff and other non-party Aggrieved
25 Employees, in violation of section 1198. Furthermore, in light of Defendants’ failure to
26 provide Plaintiff and other non-party Aggrieved Employees with second 30-minute meal
27 periods to which they were entitled, Defendants kept no records of meal start and end times
28 for second meal periods.

116. Defendants' conduct violates California Labor Code 226(a), 1174(d), and 1198. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (g).

FAILURE TO PAY WAGES DURING EMPLOYMENT
VIOLATION OF LABOR CODE SECTION 204

117. At all relevant times herein set forth, 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. Labor Code section 204 further provides 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.

118. At all relevant times herein, California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, at all relevant times herein, Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

119. During the relevant time period, Defendants willfully failed to pay Plaintiff and other non-party Aggrieved Employees all wages due to them within any time period specified by California Labor Code section 204 including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay.

120. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 210 and/or 2699(a), (f), and (g).

FAILURE TO PAY WAGES UPON TERMINATION
VIOLATION OF LABOR CODE SECTIONS 201 AND 202

121. At all times relevant herein set forth, Labor Code sections 201 and 202 provide

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

7 122. On information and belief, Defendants have a company-wide practice or policy
8 of paying departing employees their final wages late, instead of adhering to the time
9 requirements set forth in Labor Code sections 201 and 202. For example, Plaintiff provided
10 Defendants with a two-week notice of his intent to resign from his employment. However,
11 Defendants failed to pay Plaintiff his final wages on his last day of work and did not pay him
12 until the following day. Upon information and belief, Defendants informed Plaintiff that his
13 check was not ready on his last day and required him to return the next day to pick it up.
14 Thus, Defendants failed to pay Plaintiff his final wages within the requisite time limit, in
15 violation of California Labor Code section 202.

16 123. Additionally, Defendants willfully failed to pay Plaintiff and other non-party
17 Aggrieved Employees who are no longer employed by Defendants the earned and unpaid
18 wages set forth above, including but not limited to, overtime wages, minimum wages, meal
19 and rest period premiums, and/or sick leave pay, either at the time of discharge, or within
20 seventy-two (72) hours of their leaving Defendants' employ.

21 124. Defendants' failure to pay Plaintiff and those non-party Aggrieved Employees
22 who are no longer employed by Defendants their wages earned and unpaid at the time of
23 discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates
24 Labor Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are
25 therefore entitled to recover civil penalties pursuant to Labor Code sections 256 and/or
26 2699(a), (f), and (g).

27 //

28 //

FAILURE TO PROPERLY CALCULATE SICK LEAVE RATES OF PAY
VIOLATION OF LABOR CODE SECTION 246 AND 248.6

125. At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Further, Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) “[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]” or 2) “[p]aid sick time for nonexempt employees shall be calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.”

126. At all relevant times herein, California Labor Code section 248.6 provides covered employees with COVID-19 supplemental paid sick leave. Labor Code section 248.6(b)(3)(A) provides that each hour of COVID-19 supplemental paid sick leave shall be compensated at a rate equal to the following: 1) “[c]alculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]” or 2) “[c]alculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total nonovertime hours worked in the full pay periods occurring within the prior 90 days of employment; provided that, for nonexempt employees paid by piece rate, commission or other method that uses all hours to determine the regular rate of pay, total wages, not including overtime premium pay, shall be divided by all hours, to determine the correct amount of COVID-19 supplemental paid sick leave under this subdivision.”

127. During the relevant time period, Defendants did not pay other non-party Aggrieved Employees the correct sick leave rates of pay. As stated, in addition to an hourly wage, Defendants paid other non-party Aggrieved Employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor

Code, Defendants failed to incorporate all remunerations, including incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave rate. Therefore, during times when other non-party Aggrieved Employees took sick leave and received these other forms of pay, Defendants failed to pay all sick leave benefits by paying a lower sick leave rate than required. Specifically, Defendants paid other non-party Aggrieved Employees sick leave based on their hourly rate of pay instead of their regular rate of pay.

128. Defendants' failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to other non-party Aggrieved Employees on a company-wide basis in violation of California Labor Code sections 246(l) and 248.6(b)(3)(A).

129. Other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 248.5 and/or 2699(a), (f), and (g).

FAILURE TO PROVIDE SUITABLE SEATING
VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF
REGULATIONS, TITLE 8, SECTION 11050(14)(A)

130. At all relevant times herein, California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful."

131. California Code of Regulations, Title 8, section 11050(14)(A) provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats."

132. Defendants' California hotels and restaurants are generally similar in their layout and design and there was, and continues to be, space behind front desks and host stands to allow for the presence and use of a seat or stool by Plaintiff and other non-party Aggrieved

1 Employees (with reasonable or no modification to these work areas) during the performance
2 of their work duties. Defendants could provide Plaintiff and other non-party Aggrieved
3 Employees with a seat or stool at their front desks and host stands, but instead deny
4 employees seating and force Plaintiff and other non-party Aggrieved Employees to stand
5 throughout the day.

6 133. Plaintiff and other non-party Aggrieved Employees spent a substantial portion
7 of their day behind or at these front desks and host stands. The nature of the work of an
8 employee performing front desk duties at front desks or host duties at host stands can
9 reasonably be accomplished from a seated position. However, as set forth herein, Defendants
10 systematically, and on a company-wide basis, do not provide seats or stools at or near the
11 front desks and host stands, forcing Plaintiff and other non-party Aggrieved Employees to
12 stand throughout their work shifts.

13 134. Defendants violated California Labor Code section 1198 and California Code
14 of Regulations, Title 8, section 11050(14)(A) because Plaintiff and other non-party Aggrieved
15 Employees were not allowed to sit, even when the nature of their work would reasonably
16 permit the use of seats, nor were they provided with suitable seats. Defendants' management
17 did not inform Plaintiff and other non-party Aggrieved Employees that they were allowed to
18 sit down, provide any means for them to sit down, or mention any policy regarding sitting.

19 135. As a result of Defendants' company-wide policy and/or practice of prohibiting
20 employees from sitting during their shifts and company-wide failure to provide suitable
21 seating, Plaintiff and other non-party Aggrieved Employees were forced to stand during shifts
22 and denied seats. Defendants' failure to provide suitable seating to Plaintiff and other non-
23 party Aggrieved Employees violated and continues to violate California Labor Code section
24 1198 and IWC Wage Order No. 5-2001, subdivision 14(A).

25 136. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
26 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

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28 //

FAILURE TO PROVIDE SUITABLE SEATING
VIOLATION OF LABOR CODE SECTION 1198 AND CALIFORNIA CODE OF
REGULATIONS, TITLE 8, SECTION 11050(14)(B)

137. At all relevant times herein, California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

138. California Code of Regulations, Title 8, section 11050(14)(B) provides that “[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

139. During the relevant time period, Defendants violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(14)(B), because Plaintiff and other non-party Aggrieved Employees were not allowed to sit, even during lulls in their work duties, nor were they provided with suitable seats in reasonable proximity to their work areas.

140. Defendants’ California hotels and restaurants are generally similar in their layout and design and there was, and continues to be, space near Plaintiff’s and other non-party Aggrieved Employees’ work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Plaintiff and other non-party Aggrieved Employees during lulls in operation. Defendants could have provided Plaintiff and other non-party Aggrieved Employees with a seat or stool in their work areas, but instead denied, and continue to deny, employees seating, forcing them to stand throughout the day.

141. Defendants did not provide Plaintiff and other non-party Aggrieved Employees with seats or stools in reasonable proximity to their work areas to allow them to use seats

1 when it would not interfere with the performance of their duties for times when they were not
2 engaged in active duties that require standing. In other words, to the extent Plaintiff and other
3 non-party Aggrieved Employees engaged in duties in which the nature of the work required
4 standing, Defendants denied them the use of seats nearby during lulls in their work duties.
5 Moreover, Defendants did not inform Plaintiff and other non-party Aggrieved Employees of
6 their rights to a seat or stool under California law.

7 142. As a result of Defendants' company-wide policy and/or practice of prohibiting
8 employees from sitting at any time, even when they were not engaged in active duties
9 requiring standing, and company-wide failure to provide seats in reasonable proximity to their
10 work areas, Plaintiff and other non-party Aggrieved Employees were forced to stand during
11 shifts and denied seats. Defendants' failure to provide suitable seating to Plaintiff and other
12 non-party Aggrieved Employees violates California Labor Code section 1198 and IWC Wage
13 Order No. 5-2001, subdivision 14(B).

14 143. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
15 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

16 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

17 **VIOLATION OF LABOR CODE SECTION 2802**

18 144. At all times herein set forth, California Labor Code section 2802 provides that
19 an employer must reimburse employees for all necessary expenditures and losses incurred by
20 the employee in the performance of his or her job. The purpose of Labor Code section 2802 is
21 to prevent employers from passing off their cost of doing business and operating expenses on
22 to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144
23 (2014). The applicable wage order, IWC Wage Order No. 5-2001 provides that: "[w]hen tools
24 or equipment are required by the employer or are necessary to the performance of a job, such
25 tools and equipment shall be provided and maintained by the employer, except that an
26 employee whose wages are at least two (2) times the minimum wage provided herein may be
27 required to provide and maintain hand tools and equipment customarily required by the trade
28 or craft." IWC Wage Order No. 5-2001 further provides that: "[w]hen uniforms are required by

1 the employer to be worn by the employee as a condition of employment, such uniforms shall be
2 provided and maintained by the employer.”

3 145. First, during the relevant time period, Plaintiff and other non-party Aggrieved
4 Employees were required to use their personal mobile devices, including, but not limited to,
5 cellular phones, and/or mobile data to carry out their job duties, but Defendants failed to
6 reimburse them for the costs of their work-related mobile device expenses. For example,
7 Plaintiff was required to use his personal cellular phone to communicate with Defendants’
8 management and coworkers about work-related matters. Further, Plaintiff was required to use
9 his personal cellular phone to receive text messages as part of the two-step authentication
10 process in order to access Defendants’ computer applications and systems. Although
11 Defendants required Plaintiff and other non-party Aggrieved Employees to utilize their
12 personal mobile devices and/or mobile data to carry out their work-related responsibilities,
13 Defendants failed to reimburse them for these costs.

14 146. Second, during the relevant time period, Defendants, on a company-wide basis,
15 required Plaintiff and other non-party Aggrieved Employees to report to work in clean and
16 presentable uniforms, including a uniform shirt and a vest. Defendants’ written policy states
17 that employees are “responsible for keeping [their] uniform[s] in clean and good condition.”
18 However, Defendants did not provide their employees with sufficient uniforms to wear for their
19 shifts throughout the week. For example, Defendants only provided Plaintiff with two (2)
20 uniform shirts and two (2) uniform vests at the time of hire. Because Defendants failed to
21 provide other non-party Aggrieved Employees with an adequate number of uniform items in
22 relation to their scheduled shifts, other non-party Aggrieved Employees had to wash their
23 uniforms more frequently than they otherwise do laundry, and incur expenses in doing so.
24 Thus, Defendants failed to maintain uniforms they required other non-party Aggrieved
25 Employees to wear during their shifts and forced them to incur the cost of maintaining
26 employee uniforms.

27 147. Defendants could have provided Plaintiff and other non-party Aggrieved
28 Employees with the actual equipment for use on the job, such as company mobile devices, and

1 an adequate number of uniforms or access to laundering services; or, Defendants could have
2 reimbursed employees for the costs of their mobile device usage and laundering expenses or
3 provided a uniform maintenance allowance. Instead, Defendants passed these operating costs
4 off onto Plaintiff and other non-party Aggrieved Employees. At all relevant times, Plaintiff
5 did not earn at least two (2) times the minimum wage.

6 148. Defendants' company-wide policy and/or practice of not reimbursing
7 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
8 and other non-party Aggrieved Employees violates California Labor Code section 2802.
9 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
10 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

11 **REQUEST FOR JURY TRIAL**

12 Plaintiff requests a trial by jury.

13 **PRAYER FOR RELIEF**

14 Plaintiff, on behalf of all other non-party Aggrieved Employees, prays for relief and
15 judgment against Defendants, jointly and severally, as follows:

16 1. For civil penalties and attorneys' fees in excess of twenty-five thousand dollars
17 (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a different
18 amount.

19 **As to the First Cause of Action**

20 2. That the Court declare, adjudge and decree that Defendants violated the
21 following California Labor Code provisions as to Plaintiff and/or other non-party Aggrieved
22 Employees: 226.7, 512(a), 516, and 1198 (by failing to provide all meal periods); 226.7, 516,
23 and 1198 (by failing to authorize and permit all rest periods); 510 and 1198 (by failing to pay
24 all overtime compensation); 226.7, 510, and 1198 (by failing to include all forms of
25 remuneration in the regular rate of pay for purposes of paying overtime wages and/or meal
26 and rest period premiums); 1182.12, 1194, 1197, and 1198 (by failing to pay at least minimum
27 wages for all hours worked); 226(a), 1174(d), and 1198 (by failing to provide accurate wage
28 statements and maintain accurate payroll records); 204 (by failing to timely pay all earned

wages during employment); 201 and 202 (by failing to timely pay all earned wages upon termination); 246 and 248.6 (by failing to properly calculate sick leave pay); 1198 and the applicable IWC Wage Order (by failing to provide suitable seating); and 2802 (by failing to reimburse business expenses);

3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 248.5, 256, 558, 1174.5, 2699(a), (f), and (g), for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802;

4. For attorneys' fees and costs pursuant to California Labor Code section 2699(g)(1), and any and all other relevant statutes, for Defendants' violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802;

5. For pre-judgment and post-judgment interest as provided by law; and

6. For such other and further relief as the Court may deem equitable and appropriate.

Dated: December 11, 2023

Respectfully submitted,

Capstone Law APC

By:



Orlando Villalba

Helga Hakimi

Joseph D. Parsons

Attorneys for Plaintiff Jason Gorospe

EXHIBIT “1”

NINEL KOCHARYAN
310.712.8142 Direct
Ninel.Kocharyan@capstonelawyers.com

October 6, 2023

VIA ONLINE SUBMISSION

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

Subject: *Jason Gorospe v. Sage Client 417B LLC, et al.*

Dear PAGA Administrator:

This office represents Jason Gorospe in connection with his claims under the California Labor Code. Mr. Gorospe was an employee of SAGE CLIENT 417B LLC; SAGE CLIENT 417 LLC; SAGE CLIENT 219, LLC; SAGE CLIENT 221, LLC; SAGE CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE CLIENT 349B LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE CLIENT 571, LLC; SAGE CLIENT 572 LLC; SAGE CLIENT 573, LLC; SAGE CLIENT 577, LLC; SAGE CLIENT 577 CONCESSIONS, LLC; SAGE HOSPITALITY RESOURCES LLC; SAGE INVESTMENT HOLDINGS, LLC; SAGE INVESTMENT HOLDINGS III, L.L.C.; and/or SAGEBRUSH MANAGEMENT SERVICES, LLC. For the purpose of this letter, Mr. Gorospe collectively refers to these entities as "SAGE."

The employers may be contacted directly at the addresses below:

SAGE CLIENT 417B LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 417 LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 219, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 221, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 244, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 349, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 349B LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 439, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 563, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 571, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 572 LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 573, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 577, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 577 CONCESSIONS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE HOSPITALITY RESOURCES LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE INVESTMENT HOLDINGS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE INVESTMENT HOLDINGS III, L.L.C.
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGEBRUSH MANAGEMENT SERVICES, LLC
437 MADISON AVENUE, SUITE 22A
NEW YORK, NY 10022

Mr. Gorospe intends to seek civil penalties, attorney's fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Mr. Gorospe seeks relief on behalf of himself, the State of California, and other persons who are or were employed by SAGE as a non-exempt, hourly paid employee in California and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

SAGE employed Mr. Gorospe as an hourly paid, non-exempt employee from approximately August 2021 to March 2023. Mr. Gorospe worked for SAGE as a Front Desk Supervisor at one of its hotel locations in Napa, California. During his employment, Mr. Gorospe typically worked eight (8) or more hours per day and five (5) days per week. By the end of his employment, Mr. Gorospe was compensated approximately \$25.83 per hour. His job duties included, without limitation, managing front desk operations, checking guests in and out, ensuring reservations are properly set up, and communicating with other hotel departments.

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

¹ These facts, theories, and claims are based on Mr. Gorospe's experience and counsel's review of those records currently available relating to Mr. Gorospe's employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law's requirements, the employer misinformed its employee of the law's requirements, or because the employer effectively hid the violations). Thus, Mr. Gorospe reserves the right to supplement this letter with additional facts, theories, and claims if he becomes aware of them subsequent to the submission of this letter.

SAGE's Company-Wide and Uniform Payroll and HR Practices

SAGE CLIENT 417B LLC; SAGE CLIENT 417 LLC; SAGE CLIENT 219, LLC; SAGE CLIENT 221, LLC; SAGE CLIENT 244, LLC; SAGE CLIENT 349, LLC; SAGE CLIENT 349B LLC; SAGE CLIENT 439, LLC; SAGE CLIENT 563, LLC; SAGE CLIENT 571, LLC; SAGE CLIENT 572 LLC; SAGE CLIENT 573, LLC; SAGE CLIENT 577, LLC; SAGE CLIENT 577 CONCESSIONS, LLC; and SAGE INVESTMENT HOLDINGS, LLC are Colorado limited liability companies. SAGE HOSPITALITY RESOURCES LLC; SAGE INVESTMENT HOLDINGS III, L.L.C.; and SAGEBRUSH MANAGEMENT SERVICES, LLC are Delaware limited liability companies. Together, they are a hospitality management, investment, and development company with approximately 14 hotel and restaurant locations in California. Upon information and belief, SAGE maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Denver, Colorado, or New York, New York, for all non-exempt, hourly paid employees working for SAGE in California, including Mr. Gorospe and other aggrieved employees. At all relevant times, SAGE issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Gorospe and other aggrieved employees, regardless of their location or position.

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

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

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

SAGE willfully failed to pay all overtime wages owed to Mr. Gorospe and other aggrieved employees. During the relevant time period, Mr. Gorospe and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of ten (10) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

During the relevant period, on information and belief, SAGE had, and continues to have, a company-wide policy and/or practice of strictly staffing its locations based on the labor hours allocated by each location's labor or payroll budget set by corporate. On information and belief, SAGE's uniform use of labor budgeting and understaffing, including adopting a single-staffing model for some of its shifts

or positions, resulted in a failure to provide Mr. Gorospe and other aggrieved employees with adequate meal period coverage, because there were too few employees on duty to handle the workload and attend to guests. Because SAGE did not employ or staff a sufficient number of employees to meet guest demand, there was no one available to relieve employees needing meal period coverage, and Mr. Gorospe and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. SAGE also had a practice of failing to adhere to a schedule for meal periods, which further caused Mr. Gorospe and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Mr. Gorospe had his meal periods interrupted by other employees calling him on the radio because they needed assistance at the front desk. Consequently, Mr. Gorospe and other aggrieved employees were required to work through and/or had their unpaid meal periods interrupted to complete their assigned duties and handle guest demand, time for which they were not paid.

Further, SAGE's company-wide timekeeping system prevented Mr. Gorospe and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Gorospe and other aggrieved employees once they clocked out for a meal period, and did not permit them to clock back in from a meal period before 30 minutes elapsed. Thus, SAGE did not record all hours worked during meal periods, and Mr. Gorospe and other aggrieved employees performed work during meal periods for which they were not paid.

Additionally, during the relevant time period, SAGE had, and continues to have, a company-wide policy and/or practice of discouraging and impeding other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit the amount of overtime employees could accrue. SAGE maintained a written policy which stated, "All overtime worked must be pre-authorized by a supervisor/manager." This policy of limiting overtime, in conjunction with SAGE's use of labor budgeting, led other aggrieved employees to work off-the-clock before and after their scheduled shift times in order to complete their assigned tasks, time for which they were not paid.

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

Furthermore, SAGE did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, SAGE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, on information and belief, SAGE failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rates. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, SAGE failed to pay all overtime wages by paying a lower overtime rate than required.

SAGE's failure to pay Mr. Gorospe and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code

sections 510 and 1198. Mr. Gorospe and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 5-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. Tit. 8, § 11050(2)(K) (defining "Hours Worked").

As stated above, due to SAGE's policies and/or practices of utilizing labor budgets, understaffing, and/or single-staffing, failure to adhere to a schedule for meal periods, and subsequent lack of meal period coverage, Mr. Gorospe and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock during meal periods, time for which they were not paid. Additionally, as stated above, as a result of SAGE's written policy of limiting the amount of overtime employees could accrue, other aggrieved employees were required to work off-the-clock before and after their scheduled shifts to complete their work-related tasks.

In addition, as stated, SAGE's company-wide timekeeping system prevented Mr. Gorospe and other aggrieved employees from entering time worked during meal periods because the system locked out Mr. Gorospe and other aggrieved employees for a full 30 minutes. Thus, SAGE systematically failed to pay Mr. Gorospe and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

Thus, SAGE did not pay at least minimum wages for all hours worked by Mr. Gorospe and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, SAGE did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, SAGE regularly failed to pay at least minimum wages to Mr. Gorospe and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Mr. Gorospe and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

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

California Labor Code sections 226.7, 512(a), 516, and 1198, and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without

providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

First, during the relevant time period, as stated, SAGE had, and continues to have, a company-wide policy and/or practice of understaffing and/or single-staffing while utilizing labor budgets, which has resulted in a lack of meal period coverage and prevented Mr. Gorospe and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. For example, Mr. Gorospe was occasionally the only front desk employee scheduled for nighttime shifts and SAGE's management failed to provide adequate coverage for him. Further, as stated, SAGE had a practice of failing to adhere to a schedule for meal periods, which further caused Mr. Gorospe and other aggrieved employees to not be relieved of their duties for compliant meal periods. As a result, Mr. Gorospe and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods. For example, Mr. Gorospe would sometimes have his meal periods interrupted and cut short because other employees called him over the radio and requested his immediate assistance at the front desk.

Further, as stated, SAGE's company-wide timekeeping system prevented Mr. Gorospe and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Gorospe and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period before 30 minutes had elapsed. For example, Mr. Gorospe was unable to record when his meal periods were interrupted or cut short by returning to work to assist at the front desk.

SAGE also did not provide Mr. Gorospe and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of ten (10) hours in one day. For example, when Mr. Gorospe would work in excess of ten (10) hours in a shift, he was not provided his second meal period during these shifts. Mr. Gorospe and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

Moreover, SAGE had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. SAGE took the position that non-exempt, hourly paid employees had waived their rights to first and/or second meal periods for the entirety of their employment and, on that basis, did not provide them with all meal periods to which they were entitled. Further, SAGE's "6 Hours or Less Meal Period Waiver" and "Second Meal Period Waiver" require employees to provide written notice should they wish to revoke the waiver. SAGE's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours and for shifts in excess of ten (10) hours but less than twelve (12) hours, due to blanket meal period waivers signed at or near the time of hire, and imposition on employees to revoke the waivers in writing, discouraged and impeded Mr. Gorospe and other aggrieved employees from taking all meal periods to which they were entitled.

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

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

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

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

Moreover, SAGE engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Gorospe and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods. Alternatively, to the extent that SAGE did pay other aggrieved employees for missed, late, and interrupted meal periods, SAGE did not pay other aggrieved employees at the correct rate of pay for premiums because SAGE systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

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

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)

hours or major fraction thereof” unless the total daily work time is less than three and one-half (3 ½) hours.

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

During the relevant time period, SAGE regularly failed to authorize and permit Mr. Gorospe and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, SAGE’s company-wide practices and/or policies of understaffing and/or single-staffing and utilizing labor budgets prevented Mr. Gorospe and other aggrieved employees from being relieved of all duty to take rest periods. Additionally, SAGE failed to adhere to a schedule for rest periods, which, coupled with SAGE’s failure to provide adequate rest period coverage, further led to Mr. Gorospe and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, upon information and belief, SAGE maintained and implemented a company-wide on-premises rest period policy, which effectively required that Mr. Gorospe and other aggrieved employees remain on the premises during their rest periods. Because Mr. Gorospe and other aggrieved employees were restricted from leaving SAGE’s premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, SAGE effectively maintained control over Mr. Gorospe and other aggrieved employees during rest periods.

As a result of SAGE’s practices and policies, Mr. Gorospe and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Mr. Gorospe missed some of his rest periods due to lack of coverage and had his rest periods interrupted and/or cut short by other employees calling him on the radio and requesting assistance at the front desk.

SAGE has also engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. Gorospe and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that SAGE did pay other aggrieved employees one (1) additional hour of premium pay for missed rest periods, SAGE did not pay other aggrieved employees at the correct rate of pay for premiums because SAGE failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

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

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep, and provide true, accurate, and complete employment records. SAGE has not provided Mr. Gorospe and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, SAGE has knowingly and intentionally provided Mr. Gorospe and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, SAGE issued uniform wage statements to Mr. Gorospe and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, SAGE violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because SAGE did not record the time Mr. Gorospe and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), SAGE did not list the correct amount of gross wages and net wages earned by Mr. Gorospe and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, SAGE failed to accurately list the total number of hours worked by Mr. Gorospe and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9)).

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

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. . . .” At all relevant times, and in violation of Labor Code section 1174(d), SAGE willfully failed to maintain accurate payroll records for Mr. Gorospe and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, SAGE engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed, on a company-wide basis, to keep accurate records of work period and meal period start and stop times for Mr. Gorospe and other aggrieved employees, in violation of section 1198. Furthermore, in light of SAGE’s failure to provide Mr. Gorospe and other aggrieved employees with second 30-minute meal periods to which they were entitled, SAGE kept no records of meal start and end times for second meal periods.

Because SAGE failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Gorospe and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Mr. Gorospe and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

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

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

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, SAGE willfully failed to pay Mr. Gorospe and other aggrieved employees all wages due including, but not limited to, overtime wages, meal and rest period premiums, and/or paid sick leave, within the time periods specified by California Labor Code section 204.

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

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

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

For example, Mr. Gorospe provided SAGE with a two-week notice of his intent to resign from his employment. However, SAGE failed to pay Mr. Gorospe his final wages on his last day of work and did not pay him until the following day. Upon information and belief, SAGE informed Mr. Gorospe that his check was not ready on his last day and required him to return the next day to pick it up. Thus, SAGE failed to pay Mr. Gorospe his final wages within the requisite time limit, in violation of California Labor Code section 202.

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

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

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

At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Further, Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

At all relevant times herein, California Labor Code section 248.6 provides covered employees with COVID-19 supplemental paid sick leave. Further, California Labor Code section 248.6(b)(3)(A)

provides that each hour of COVID-19 supplemental paid sick leave shall be compensated at a rate equal to the following: 1) “[c]alculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]” or 2) “[c]alculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total nonovertime hours worked in the full pay periods occurring within the prior 90 days of employment; provided that, for nonexempt employees paid by piece rate, commission or other method that uses all hours to determine the regular rate of pay, total wages, not including overtime premium pay, shall be divided by all hours, to determine the correct amount of COVID-19 supplemental paid sick leave under this subdivision.”

During the relevant time period, SAGE did not pay other aggrieved employees the correct sick leave rates of pay. As stated, in addition to an hourly wage, SAGE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, SAGE failed to incorporate all remunerations, including incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave rate. Therefore, during times when other aggrieved employees took sick leave and received these other forms of pay, SAGE failed to pay all sick leave benefits by paying a lower sick leave rate than required. Specifically, SAGE paid other aggrieved employees sick leave based on their hourly rate of pay instead of their regular rate of pay.

SAGE’s failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to other aggrieved employees on a company-wide basis in violation of Labor Code sections 246(l) and/or 248.6(b)(3)(A). Other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 248.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14(A) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11050(14)(A) provides that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.”

“The ‘nature of the work’ refers to an employee’s tasks performed at a given location for which a right to a suitable seat is claimed, rather than a ‘holistic’ consideration of the entire range of an employee’s duties anywhere on the jobsite during a complete shift. If the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 558 (Cal. 2016). “Whether the nature of the work reasonably permits sitting is a question to be determined objectively based on the totality of the circumstances. An employer’s business judgment and the physical layout of the workplace are relevant but not dispositive factors. The inquiry focuses on the nature of the work, not an individual employee’s characteristics.” *Id.* The burden of proof to show suitable seating is not available is on the employer. *Id.* at 568. In other words, the employer must show that compliance is “infeasible because no suitable seating exists.” *See id.*

SAGE's California hotels and restaurants are generally similar in their layout and design and there was, and continues to be, space behind front desks and host stands to allow for the presence and use of a seat or stool by Mr. Gorospe and other aggrieved employees (with reasonable or no modification to these work areas) during the performance of their work duties. SAGE could provide Mr. Gorospe and other aggrieved employees with a seat or stool at its front desks and host stands, but instead denies employees seating and forces Mr. Gorospe and other aggrieved employees to stand throughout the day.

Mr. Gorospe and other aggrieved employees spent a substantial portion of their day behind or at these front desks and host stands. The nature of the work of an employee performing front desk duties at front desks or host duties at host stands can reasonably be accomplished from a seated position. However, as set forth herein, SAGE systematically, and on a company-wide basis, does not provide seats or stools at or near the front desks and host stands, forcing Mr. Gorospe and other aggrieved employees to stand throughout their work shifts.

SAGE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(14)(A) because Mr. Gorospe and other aggrieved employees were not allowed to sit, even when the nature of their work would reasonably permit the use of seats, nor were they provided with suitable seats. SAGE's management did not inform Mr. Gorospe and other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of SAGE's company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, Mr. Gorospe and other aggrieved employees were forced to stand during shifts and denied seats. SAGE's failure to provide suitable seating to Mr. Gorospe and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 5-2001, subdivision 14(A).

Mr. Gorospe and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring SAGE into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14(B) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11050(14)(B) provides that “[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

The IWC states that subdivision 14(B) applies during “lulls in operation” when an employee, while still on the job, is not then actively engaged in any duties. *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 565 (Cal. 2016), citing IWC, 1976 Wage Orders, Summary of Basic Provisions, Seats. When taken together, an employee is entitled to a seat under subdivision 14(A) if his or her actual tasks at a

discrete location make seated work feasible, while working there. *Id.* However, if other job duties take the employee to a different location where he or she must perform tasks requiring standing, the employee would be entitled to a seat under subdivision 14(B) during “lulls in operation.” *Id.*

SAGE’s California hotels and restaurants are generally similar in their layout and design and there was, and continues to be, space near Mr. Gorospe’s and other aggrieved employees’ work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Mr. Gorospe and other aggrieved employees during lulls in operation. SAGE could have provided Mr. Gorospe and other aggrieved employees with a seat or stool in its work areas, but instead denied, and continues to deny, employees seating, forcing them to stand throughout the day.

SAGE did not provide Mr. Gorospe and other aggrieved employees with seats or stools in reasonable proximity to their work areas to allow them to use seats when it would not interfere with the performance of their duties for times when they were not engaged in active duties that require standing. In other words, to the extent Mr. Gorospe and other aggrieved employees engaged in duties in which the nature of the work required standing, SAGE denied them the use of seats nearby during lulls in their work duties. Moreover, SAGE did not inform Mr. Gorospe and other aggrieved employees of their rights to a seat or stool under California law.

As a result of SAGE’s company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, Mr. Gorospe and other aggrieved employees were forced to stand during shifts and denied seats. SAGE’s failure to provide suitable seating to Mr. Gorospe and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 5-2001, subdivision 14(B).

Mr. Gorospe and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, and seek injunctive relief to bring SAGE into compliance with California’s seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan’s Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 5-2001, provides that: “[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.” IWC Wage Order No. 5-2001 further provides that: “[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.”

First, during the relevant time period, Mr. Gorospe and other aggrieved employees were required to use their personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties, but SAGE failed to reimburse them for the costs of their work-related mobile device expenses. For example, Mr. Gorospe was required to use his personal cellular phone

to communicate with SAGE's management and coworkers about work-related matters. Further, Mr. Gorospe was required to use his personal cellular phone to receive text messages as part of the two-step authentication process in order to access SAGE's computer applications and systems. Although SAGE required Mr. Gorospe and other aggrieved employees to utilize their personal mobile devices and/or mobile data to carry out their work-related responsibilities, SAGE failed to reimburse them for these costs.

Second, during the relevant time period, SAGE, on a company-wide basis, required Mr. Gorospe and other aggrieved employees to report to work in clean and presentable uniforms, including a uniform shirt and a vest. SAGE's written policy states that employees are "responsible for keeping [their] uniform[s] in clean and good condition." However, SAGE did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. For example, SAGE only provided Mr. Gorospe with two (2) uniform shirts and two (2) uniform vests at the time of hire. Because SAGE failed to provide Mr. Gorospe and/or other aggrieved employees with an adequate number of uniform items in relation to their scheduled shifts, Mr. Gorospe and/or other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. Thus, SAGE failed to maintain uniforms it required Mr. Gorospe and/or other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

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

Thus, SAGE had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. Gorospe and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(a), (f)-(g).

California Labor Code § 558(a)

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

Accordingly, Mr. Gorospe seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558,

Mr. Gorospe, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for himself, all other aggrieved employees, and the State of California against SAGE for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 246, 248.6, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

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

Pre-Litigation Demand

This notice shall further serve as Mr. Gorospe's reasonable attempt to settle his dispute with SAGE prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to inform SAGE of Mr. Gorospe's aforementioned grievances and the proposed remedies as detailed below, while affording SAGE a reasonable opportunity to satisfy Mr. Gorospe's demands.

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

1. SAGE shall pay Mr. Gorospe and all other aggrieved employees employed by SAGE at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. SAGE shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked and provided lawful meal and rest periods.
3. SAGE shall conduct a survey or interview all current and former aggrieved employees in California who worked for SAGE in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for mobile device expenses, uniform maintenance expenses, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. SAGE shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512(a), 516, and 1198. SAGE also shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. SAGE shall properly calculate aggrieved employees' rates of pay for overtime, meal and rest period premiums, and/or paid sick leave based on all remuneration paid, pursuant to Labor Code sections 226.7, 510, 246(l), and/or 248.6(b)(3)(A).
6. SAGE shall implement and provide suitable seating to all aggrieved employees.
7. SAGE shall reimburse those aggrieved employees who were required to pay for any business expenses incurred for SAGE's benefit, including, but not limited to, costs of mobile device

expenses, uniform maintenance expenses, or other expenditures, as required by Labor Code section 2802.

8. SAGE shall pay accrued legal interest to all aggrieved employees at the rate of 10% per annum for said unpaid wages.
9. SAGE shall provide all aggrieved employees employed by SAGE at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
10. SAGE shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
11. SAGE shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 256, 558, 1174.5, 1197.1, and 2699, and IWC Wage Order No. 5-2001, section 20.

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

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

Best Regards,



Ninel Kocharyan

Copy: SAGE CLIENT 417B LLC (via U.S. Certified Mail); SAGE CLIENT 417 LLC (via U.S. Certified Mail); SAGE CLIENT 219, LLC (via U.S. Certified Mail); SAGE CLIENT 221, LLC (via U.S. Certified Mail); SAGE CLIENT 244, LLC (via U.S. Certified Mail); SAGE CLIENT 349, LLC (via U.S. Certified Mail); SAGE CLIENT 349B LLC (via U.S. Certified Mail); SAGE CLIENT 439, LLC (via U.S. Certified Mail); SAGE CLIENT 563, LLC (via U.S. Certified Mail); SAGE CLIENT 571, LLC (via U.S. Certified Mail); SAGE CLIENT 572 LLC (via U.S. Certified Mail); SAGE CLIENT 573, LLC (via U.S. Certified Mail); SAGE CLIENT 577, LLC (via U.S. Certified Mail); SAGE CLIENT 577 CONCESSIONS, LLC (via U.S. Certified Mail); SAGE HOSPITALITY RESOURCES LLC (via U.S. Certified Mail); SAGE INVESTMENT HOLDINGS, LLC (via U.S. Certified Mail); SAGE INVESTMENT HOLDINGS III, L.L.C. (via U.S. Certified Mail); SAGEBRUSH MANAGEMENT SERVICES, LLC (via U.S. Certified Mail)

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



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Carson v.

SAGE CLIENT

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SAGE CLIENT 349B LLC
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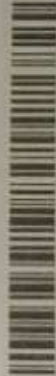
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SAGE CLIENT 349B LLC
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SAGE CLIENT 349B LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202



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A. Signature

X

☐ Agent

☐ Addressee

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Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
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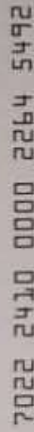
- ☐ Priority Mail Express[®]
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SAGE CLIENT 349, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 349, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

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Service Type

Adult Signature _____

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☐ Certified Mail
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Delivery Restricted Due to

12 **iii Restricted Delivery**

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SAGE CLIENT 244, LLC
1575 WELTON STREET SUITE 300
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SAGE CLIENT 244, LLC
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DENVER, CO 80202

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SAGE CLIENT 244, LLC
1575 WELTON STREET SUITE 300
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- ☒
- Agent
-
- ☐
- Address

B. Received by (Printed Name)

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Service Type

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Los Angeles, CA. 90067



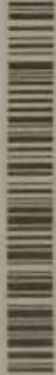
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SAGE CLIENT 221, LLC
1575 WELTON STREET SUITE 300
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SAGE CLIENT 221, LLC
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- B. Received by (Printed Name) C. Date of Delivery

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If YES, enter delivery address below:

- Service Type ☐ Priority Mail Express® ☐ Registered Mail™
- ☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Delivery
- ☒ Certified Mail® ☐ Signature Confirmation™
- ☐ Certified Mail Restricted Delivery ☐ Signature Confirmation Restricted Delivery
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Garza J
SAGE CLIENT

SAGE CLIENT 219, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

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PS Form 3800, April 2012 (with 2011 changes) PSN 7530-02-000-9053

SAGE CLIENT 219, LLC
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SAGE CLIENT 219, LLC
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☒ Addressee
B. Received by (Printed Name) C. Date of Delivery

2. Is delivery address different from item 1? ☐ Yes
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Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
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Los Angeles, CA. 90067



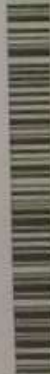
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SAGE CLIENT 417B LLC
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DENVER, CO 80202

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☒ X	☐ Addressee
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Invoice Type	☐ Priority Mail Express®
Adult Signature	☐ Registered Mail™
☒ Certified Mail®	☐ Registered Mail Restricted Delivery
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GAROSPE v.
SAGE CLIENT

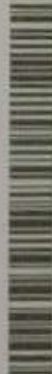
SAGE CLIENT 417 LLC
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DENVER, CO 80202

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A. Signature
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☐ Addressee
B. Received by (Printed Name)
C. Date of Delivery

1. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
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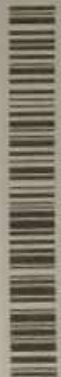
SAGE CLIENT 577
CONCESSIONS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE CLIENT 577
CONCESSIONS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

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COMPLETE THIS SECTION ON DELIVERY

A. Signature

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B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail Restricted Delivery

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



7022 2410 0000 2264 5423

U.S. Postal Service[®]

CERTIFIED MAIL[®] RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Form

PSN 7530-02-000-9053

PSN 7530-02-000-9053

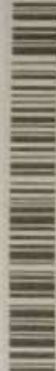
SAGE CLIENT 577, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SAGE CLIENT 577, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 577, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202



9590.9402.7706.2122.1503.39

2. Article Number (Transfer from service label)

7022 2410 0000 2264 5423

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 17? ☐ Yes ☐ No
If YES, enter delivery address below:

- Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☒ Certified Mail
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Registered Mail
 - ☐ Registered Mail Restricted Delivery
 - ☐ Signature Confirmation[™]
 - ☐ Signature Confirmation Restricted Delivery
 - ☐ Priority Mail Express[®]
 - ☐ Registered Mail[™]
 - ☐ Registered Mail Restricted Delivery
 - ☐ Signature Confirmation[™]
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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



7022 2410 0000 2264 5430

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

Certified Mail Fee

PSN Services & Fees (Check box and add fee as appropriate)
☒ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
Postmark

SAGE CLIENT 573, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

7022 2410 0000 2264 5430

SAGE CLIENT 573, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 573, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1503 77

9 Article Number (Transfer from service label)

7022 2410 0000 2264 5430

COMPLETE THIS SECTION ON DELIVERY

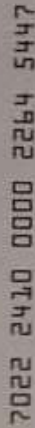
A. Signature ☒ Agent
☐ Addressee
Received by (Printed Name) C. Date of Delivery

Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured[®] Restricted Delivery

☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

GENIFIED MAIL



For delivery information, see our website at www.usps.com®.

OFFICIAL USE

2151572

☐ **Yes** Services & Fees given to, who has an assignment
☐ **No** Services & Fees given to, who has no assignment
☐ **Not sure**

1

SAGE CLIENT 572 LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

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100% Satisfaction Guarantee

SAGE CLIENT 572 LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 572 LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1503 60

7022 2410 0000 2264 5447

OS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature _____

☒ Agent

Reinforced by (Printed Name)

C. Date of Delivery

Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

17 ☐ Yes ☐ No

Survival Time

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Call Restricted Delivery

Domestic Return Receipt

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



7022 2410 0000 2264 5454

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

Certified Mail Fee
Certified Mail & Return Receipt Fee (see instructions)
Return Receipt (hardcopy) ☒ ☐
Return Receipt (electronic) ☐ ☐
Postmark

SAGE CLIENT 571, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

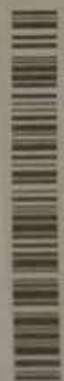
PS Form 3800, April 2015 PSN 7530-02-000-6063 See Reverse for Instructions

SAGE CLIENT 571, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- ☒ Complete Items 1, 2, and 3.
- ☒ Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 571, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1503 53

7022 2410 0000 2264 5454

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

3. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Insured Mail[®] (over \$500)
☐ Registered Mail[®]
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

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

CERTIFIED MAIL



7022 2410 0000 2264 5461

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

Certified Mail Fee

Return Receipt (hardcopy) ☐
Return Receipt (electronic) ☐
Postmark

GROSSPE U.
SAGE CLIENT

SAGE CLIENT 439, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

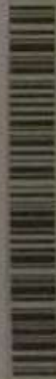
7022 2410 0000 2264 5461

SAGE CLIENT 439, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 439, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1502 47

Article Number (Transfer from service label)

7022 2410 0000 2264 5461

PS Form 3811, July 2020 PSN 7530-02-000-9003

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
X

B. Received by (Printed Name) C. Date of Delivery

Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

Service Type
☐ Adult Signature
☒ Adult Signature Restricted Delivery
☐ Certified Mail
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Restricted Delivery

☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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



7022 2410 0000 2264 5478

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com.

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
Postmark

GAROSPE U.
SAGE CLIENT

SAGE CLIENT 563, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

PS Form 3800, April 2015 PSN 7530-02-000-9063

SAGE CLIENT 563, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 563, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1503 46

2. Article Number (Transfer from service label)

7022 2410 0000 2264 5478

PS Form 3811, July 2020 PSN 7530-02-000-9063

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Received by (Printed Name) ☐ Agent
☐ Addressee

C. Date of Delivery

Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

Mail
Mail Restricted Delivery

☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

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



7022 2410 0000 2264 5379

SAGE HOSPITALITY
RESOURCES LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE HOSPITALITY
RESOURCES LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1503 15
2. Article Number (Transfer from service label)

7022 2410 0000 2264 5379

PS Form 3811, July 2020 PSN 7530-02-000-0053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature
X
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

- Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☒ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Restricted Delivery
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$
Extra Services & Fees (Listed fee, add fee on accompanying Return Receipt (PS Form 3811)) \$
Return Receipt (Included) \$
Postmark

SAGE HOSPITALITY
RESOURCES LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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



7022 2410 0000 2264 5409

U.S. Postal Service[™]
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee

Signature & Date (must not be on return)

Return Receipt (optional)

Return Receipt (mandatory)

Postmark

SAGE INVESTMENT
HOLDINGS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

6045 4922 0000 0162 2202

SAGE INVESTMENT
HOLDINGS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this label to the reverse of the item.

SAGE INVESTMENT
HOLDINGS, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1503 08

2. Article Number (Transfer from services label)

7022 2410 0000 2264 5409

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee
B. Received by (Printed Name) C. Date of Delivery

3. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Restricted Delivery
☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

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



7022 2410 0000 2264 5386

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (attach box and fee as appropriate)

Insurance (limited to \$500) \$

Registered Mail Restricted Delivery \$

Signature Confirmation™ \$

Signature Restricted Delivery \$

Postmark

Capstone v.

SAGE INVESTMENT

HOLDINGS III, L.L.C.

1575 WELTON STREET SUITE 300

DENVER, CO 80202

SAGE INVESTMENT
HOLDINGS III, L.L.C.
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SAGE INVESTMENT
HOLDINGS III, L.L.C.
1575 WELTON STREET SUITE 300
DENVER, CO 80202

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE INVESTMENT
HOLDINGS III, L.L.C.
1575 WELTON STREET SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1504 21

PS Form 3811, July 2020 PSN 7530-02-000-9053

7022 2410 0000 2264 5386

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

- Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☒ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail
 - ☐ Insured Mail Restricted Delivery
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

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

CERTIFIED MAIL®



7022 2410 0000 2264 5393

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Signature Confirmation \$
☐ Restricted Delivery \$

6020506 U.
SAGE CLIENT

SAGEBRUSH MANAGEMENT
SERVICES, LLC
437 MADISON AVENUE, SUITE 22A
NEW YORK, NY 10022

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SAGEBRUSH MANAGEMENT
SERVICES, LLC
437 MADISON AVENUE, SUITE 22A
NEW YORK, NY 10022

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGEBRUSH MANAGEMENT
SERVICES, LLC
437 MADISON AVENUE, SUITE 22A
NEW YORK, NY 10022



9590 9402 7706 2122 1503 84

2. Amount of postage paid (see instructions for details)
7022 2410 0000 2264 5393 (over \$500)

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

- Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☒ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Insured Mail
 - ☐ Registered Mail
 - ☐ Registered Mail Restricted Delivery
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 221, LLC

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1502 92

2. Article Number (Transfer from service label)

7022 2410 0000 2264 5515

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

SAGE HOSPITALITY RESOURCES LLC

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1503 15

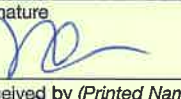
2. Article Number (Transfer from service label)

7022 2410 0000 2264 5379

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece.

SAGE INVESTMENT HOLDINGS, LLC

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1503 08

2. Article Number (Transfer from service label)

7022 2410 0000 2264 5409

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 577, LLC

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1503 39

2. Article Number (Transfer from service label)

7022 2410 0000 2264 5423

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 349B LLC

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1502 78

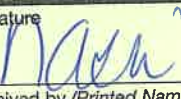
2. Article Number (Transfer from service label)

7022 2410 0000 2264 5485

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 219, LLC

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1502 85

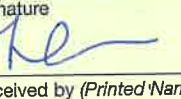
2. Article Number (Transfer from service label)

7022 2410 0000 2264 5522

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.

■ Print your name and address on the reverse so that we can return the card to you.

SAGE INVESTMENT HOLDINGS III, L.L.C.

1575 WELTON STREET SUITE 300

DENVER, CO 80202

9590 9402 7706 2122 1504 21

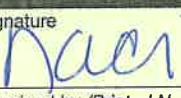
2. Article Number (Transfer from service label)

7022 2410 0000 2264 5386

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X 

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

N. Acen

10/10/23

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

Restricted Delivery

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
1 Complete items 1, 2, and 3. 2 Print your name and address on the reverse so that we can return the card to you.	A. Signature ☐ Agent ☐ Addressee X <i>[Signature]</i>
SAGE CLIENT 563, LLC 1575 WELTON STREET SUITE 300 DENVER, CO 80202	B. Received by (Printed Name) C. Date of Delivery <i>N Acn</i> <i>10/10/23</i> Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
 9590 9402 7706 2122 1503 46 Article Number (Transfer from service label)	Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery Mail Mail Restricted Delivery (over \$500) ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery
7022 2410 0000 2264 5478	S Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

**SAGE CLIENT 439, LLC
1575 WELTON STREET
SUITE 300
DENVER, CO 80202**



9590 9402 7706 2122 1502 47

2 Article Number (Transfer from service label)

7022 2410 0000 2264 5461

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

N. Acari

☐ Agent

☐ Addressee

B. Received by (Printed Name)

N. Acari

C. Date of Delivery

10/10/23

Is delivery address different from item 1? ☐

If YES, enter delivery address below: ☐ No

Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

all Restricted Delivery
)

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece.

**SAGE CLIENT 417 LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202**



9590 9402 7706 2122 1502 23

2. Article Number (Transfer from service label)

7022 2410 0000 2264 5546

COMPLETE THIS SECTION ON DELIVERY

A. Signature

* *N. Acn*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

N. Acn

C. Date of Delivery

10/16/23

1. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Mail

Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted

Delivery

☐ Signature Confirmation™

☐ Signature Confirmation

Restricted Delivery

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.

SAGE CLIENT 349, LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202



9590 9402 7706 2122 1502 61

2 Article Number (Transfer from sender label)

7022 2410 0000 2264 5492

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *N. Act*☐ Agent☐ Addressee

B. Received by (Printed Name)

N. Act

C. Date of Delivery

10/16/23

Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Collect on Delivery Restricted Delivery | |

(over \$500)

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece

**SAGE CLIENT 417B LLC
1575 WELTON STREET SUITE 300
DENVER, CO 80202**



9590 9402 7706 2122 1502 30

7022 2410 0000 2264 5539

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *N. Acn*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

N. Acn

C. Date of Delivery

10/16/23

Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

Mail

Mail Restricted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery