JAMES H. CORDES
AND ASSOCIATES, ATTORNEYS AT LAW

June 17, 2026

VIA CERTIFIED MAIL/
RETURN RECEIPT REQUESTED

Naveen P. Kakarla, President and CEO
Hersha Hospitality Management, LP
44 Hersha Drive
Harrisburg, PA 17102
naveen.kakarla@hhmhospitality.com
naveen@hhmhospitality.com

Sashi Poudyal, General Manager
Hilton Los Angeles Culver City
6161 West Centinela Avenue
Culver City, CA 90230
sashi.poudyal@hilton.com

Re: *Manuel D. Rodriguez Gomez, Peter A. Low Jr., Hilda Judith Campos, Eliseo Sanchez, Andrea Medea, Noe Escalante, Salvador Yepez Mejia, Carlos Farias, Severo Villa Magallon, and Amit Ashok Bhandagi*

Dear Messrs. Kakarla and Poudyal:

This letter is sent on behalf of Manuel D. Rodriguez Gomez, Peter A. Low Jr., Hilda Judith Campos, Eliseo Sanchez, Andrea Medea, Noe Escalante, Salvador Yepez Mejia, Carlos Farias, Severo Villa Magallon, and Amit Ashok Bhandagi (collectively the "Claimants") and copied to the California Labor Workforce and Development Agency ("LWDA") Labor Code §2699, subd. (c)(1)(A), to provide notice to the employer and the LWDA of the specific provisions of this code alleged to have been violated, including the facts and theories to support the alleged violation.

I. FACTS

A. The Employer.

The employer is Hersha Hospitality Management, LP (the "Employer" or "Hersha") with a corporate address at 44 Hersha Drive, Harrisburg, PA 17102. The physical worksite where all claimants were employed is the Hilton Los Angeles Culver City, located at 6161 West Centinela Avenue, Culver City, California 90230 ("Hilton LACC"). Hersha is identified as the employer on all paycheck stubs.

B. Management chain.

[redacted] served as Banquet Manager. [redacted] held the title of Director of Operations. Shashi Poudyal was the General Manager. [redacted] held the position of Banquet Captain. [redacted] and [redacted] are identified as Catering Managers on banquet event documents.

C. Claimants.

Ten Claimants have retained this office. Each is a current employee.

1. Manuel D. Rodriguez Gomez, Banquet Captain, employed since April 2024. Pay rate: $28.50/hour.
2. Peter A. Low Jr., Bartender/Server, employed since 2024. Pay rate: $22.00/hour.
3. Hilda Judith Campos, Banquet Server, employed since March 2006. Pay rate: $24.00/hour.
4. Eliseo Sanchez, Banquet Server, employed since March 2023. Pay rate: $22.00/hour.
5. Andrea Medea, Banquet Captain/Server, employed since July 8, 2022. Pay rates: $24.00/hour as server; $29.15/hour as captain.
6. Noe Escalante, Banquet Server, employed since 1996. Pay rate: $25.72/hour.
7. Salvador Yepez Mejia, Banquet Bartender/Server, employed since 2020. Pay rate: $22.50/hour.
8. Carlos Farias, Banquet Server, employed since October 2000. Pay rate: $26.00/hour.
9. Severo Villa Magallon, Banquet Bartender, employed since April 2022. Pay rate: $22.00/hour.
10. Amit Ashok Bhandagi, Banquet Server, employed since August 2025. Pay rate: $22.00/hour.

The Claimants' typical duties include setup of events, serving guests, cleanup, and breakdown.

D. Administrative Fees.

1. The Administrative Fee is charged to clients.

Hersha charges clients a 25% "Administrative Fee" on food and beverage subtotals, audio/visual subtotals, and function room rental subtotals at banquet and catering events. No gratuity is ever charged. Clients receive a "Banquet Event Order" ("BEO") which makes no mention of a "service charge" or gratuity. Clients also receive a "Banquet Check" ("BC") (essentially an invoice) with a line item for "Total Gratuity Charges." That line, however, reads $0.00 on every Banquet Check. The fee is not labeled as a gratuity or service charge.

Both the Banquet Event Orders and the Banquet Checks each state: "All costs are applicable of Administrative Fee (currently 25%), CA Tourism Surcharge (currently 0.1%) and Sales Tax (currently 10.25%) (subject to change without notice)."

Banquet Checks range up to over $32,750 with corresponding Administrative Fees up to over $8,150. Workers receive no part of gratuities[1] of any kind, including but not limited to the Administrative Fee

2. Hersha simply changed the name of "Service Charges" to "Administrative Fees."

Hilton hotels throughout the United States other than Hilton LACC routinely charge a "Service Charge" of up to 25%. Had Hilton LACC labeled its "Administrative Fee" as a "Service Charge," the amounts would clearly have belonged to the workers.

E. Hersha failed to provide meal periods.

All ten Claimants report missing meal periods. Several note that they miss meal periods up to 95% of their shifts. They observed that management took no steps to ensure breaks were taken. Claimants report that management tells workers to punch out but that workers do not actually sit down and take the break. Furthermore, even when workers get a chance to eat during their shifts, they work through their meal periods over three-quarters of the time. Management provides little or no reminders regarding rest breaks, and management frequently discusses work matters with staff who are attempting to take a meal break. Claimants have raised this issue with human resources, including providing supporting text messages, but the problem persists.

Multiple Claimants attribute missed breaks to understaffing. Banquet staff at Hilton LACC are required to pull equipment, polish it, and set the room without the assistance of stewards, who perform these functions at other hotels. This requirement leaves insufficient time to take rest breaks before events. Once events are underway, they are often severely understaffed, resulting in many employees missing both their ten-minute rest breaks and working during their thirty-minute meal breaks, and later taking the break while still on the clock.

F. Hersha failed to authorize or permit rest periods.

All ten Claimants report missing rest periods.

Several Claimants essentially never received all the uninterrupted ten minute breaks to which they were entitled. The only supervisor who Claimants report authorized or permitted rest breaks with any regularity was Claimant Rodriguez Gomez.

---

[1] Bartenders can leave cups on their bars for customers to leave cash tips, but that is the extent of any gratuity paid to any of the Claimants.

The same understaffing situation that led to the meal period violations also affected the ability to take rest periods, including particularly the inadequate setup time provided by Hilton LACC.

II. RELEVANT LAW

A. Hersha unlawfully retained the mandatory 25% "Administrative Fee" in violation of Labor Code §351.

The 25% mandatory charge that Hersha imposes on every banquet and catering bill is a gratuity that belongs to service employees by law. Labor Code §350, subd. (e) defines a "gratuity" as any money paid by a patron "over and above the actual amount due the business for services rendered." Labor Code §351 declares every such gratuity to be the sole property of the employee to whom it was paid, given, or left, and prohibits any employer from collecting, taking, or receiving any gratuity or part thereof. Hersha charges a 25% "Administrative Fee" on food, beverage, audio/visual, and room rental subtotals at banquet events.

In O'Grady v. Merchant Exchange Productions, Inc. (2019) 41 Cal.App.5th 771, 773, the court held that there is "no categorical prohibition why what is called a service charge cannot also meet the statutory definition of a gratuity." The test is whether an objectively reasonable customer would understand the charge to be a gratuity intended for service employees. That determination turns on three factors: (1) the written contract language, (2) the reasonable customer's understanding, and (3) industry custom and practice. All three factors compel the conclusion that Hersha's 25% "Administrative Fee" is a gratuity that it has unlawfully appropriated.

1. The Banquet Event Order language does not clearly disclaim that the Administrative Charge is anything but a gratuity.

The first O'Grady factor focuses on the written contract. In Gonzalez v. San Francisco Hilton, Case No. 4:14-cv-01523-JSW (N.D. Cal. August 8, 2023), where a similar disclaimer existed, the court held, "the adequacy of the disclaimer must be viewed in the context of the totality of the circumstances to determine whether any disclaimer was effective to the objectively reasonable customer." Here, Hersha's BEO contains no disclaimer at all; it contains no mention of gratuities, tips, or service-related charges whatsoever.

Every BEO used by the Hilton LACC contains the following language: "All costs are applicable of Administrative Fee (currently 25%), CA Tourism Surcharge (currently 0.1%) and Sales Tax (currently 10.25%) (subject to change without notice)." Three charges are disclosed. None is described as a gratuity. None is explained by reference to service employee compensation. The BEO does not inform the customer that: (a) banquet service customarily

involves a gratuity for front-line service employees; (b) service employees rely on gratuities for a significant portion of their compensation; (c) the customer may wish to add a separate gratuity; or (d) any portion of the 25% fee is or is not distributed to service staff.

Some Administrative Charges exceed $8,000. Any reasonable customer would assume that a charge of 25% on food and beverage, which is at the upper end of the 18-22% industry standard for banquet gratuities, is a gratuity payment intended to be paid to employees. The BEO's do not explain what those charges were for, or indicate that no portion would reach the service staff.

Claimant Peter Low, who has worked banquet service at multiple hotel properties including the Ritz-Carlton, the Beverly Hills Hotel, and the JW Marriott, noted that the hotel has labeled the charge as "Administrative Fee" instead of the customary "Service Charge" used in other resort hotels, including other Hilton resorts.

The absence of any gratuity-related language in the BEO is not an oversight; it is the scheme. Because the BEO mentions only the Administrative Fee, the Tourism Surcharge, and Sales Tax, and omits any reference to gratuities, customers do not know that a gratuity question is even presented. They pay the 25%, believe they have provided for the service staff, and tip nothing separately.

2. Any objectively reasonable customers would understand the 25% administrative fee to be payment for the service of Hersha's banquet employees.

The second O'Grady factor asks what an objectively reasonable customer would understand. In Gonzalez v. San Francisco Hilton, supra, the court observed that "the record indicates that customers rarely voluntarily tipped on top of the mandatory service charge," and held that this evidence "suggests that customers believed the service charge constituted a gratuity." In this case, it was not the case that customers rarely tipped, it is that customers never tip banquet staff. The "Total Gratuity Charges" line on every Banquet Check states "$0.00."

Zero voluntary tipping is powerful proof of customer understanding. When a customer at an ordinary restaurant receives no mandatory service charge, some portion of customers tip and some do not, but the tipping decision is considered. When customers at Hersha's banquet events are presented with a 25% charge (with no indication that it does not go to their servers) they uniformly conclude that the 25% is their payment for service, that the staff has been provided for, and that no further tip is necessary or expected. This is the reasonable conclusion: a 25% charge in a hospitality service context is a gratuity, and customers understand it that way.

The BEO's silence about gratuities reinforces rather than displaces this understanding. If the BEO had disclosed that the 25% covers only administrative overhead and that service

employees would appreciate a separate tip, at least some customers would add one. The complete absence of such guidance, combined with the 25% charge, causes every customer to reach the same conclusion: service has been paid for.

3. Industry custom and practice treat mandatory charges at the 25% level on banquet bills as gratuities for service employees.

O'Grady, supra, 41 Cal.App.5th at 789. held that courts may consider "evidence of custom and practice in the hospitality industry to determine whether to treat sums designated as service charges as gratuities for employees, analogous to custom-and-practice evidence in negligence cases. (Internal quotations omitted.) In the banquet and hospitality industry, mandatory charges of 18-22% on banquet bills are customarily understood as gratuities for service employees. Hersha's 25% charge is at the upper end of that range.

Hilton's own conduct at its other properties confirms this industry understanding. At other Hilton properties nationwide, a charge of 20% to 25% is called a "Service Charge." The term "Service Charge," unlike "Administrative Fee," directly reflects industry custom that this type of charge is compensation for service employees. It is only at the Hilton LACC, located in Culver City just outside the jurisdiction of the Los Angeles Municipal Code § 184.02 (which requires mandatory service charges at covered hotel properties to be distributed to service employees), that Hersha uses the term "Administrative Fee" for the identical charge.

It is telling that Hersha made this terminology change at the one location situated at the edge of the city that explicitly requires service charges to be distributed to employees. Hersha does not call the charge an "Administrative Fee" because it is genuinely administrative in nature. Hersha calls it an "Administrative Fee" at this one property because Hersha understands that a "Service Charge" at a hotel property is a gratuity that must be distributed to service employees under the Los Angeles ordinance.

4. Hersha's deliberate use of the "Administrative Fee" label and the "$0.00 Gratuity Charges" line demonstrates consciousness of liability and confirms the statutory violation.

In O'Grady, supra, 41 Cal.App.5th at 787, the court rejected the proposition that "an employer should have the unfettered freedom of definition if it might result in depriving employees of sums that otherwise might qualify as gratuities." Yet this is precisely what Hersha does. Hersha changed the label from "Service Charge" to "Administrative Fee" at the boundary of the Los Angeles ordinance's jurisdiction, collected the 25% charge, showed "$0.00 Gratuity Charges" on every billing statement, and distributed nothing to service employees. This is not an ambiguous situation calling for a neutral reading of Hersha's terminology. This is a deliberate naming strategy calibrated to legal jurisdiction.

The "$0.00 Gratuity Charges" line on the banquet checks is further evidence of Hersha's awareness of the gratuity issue. Hersha created two separate invoice items: a 25% Administrative Fee and a gratuity item which is always $0.00. Clearly, Hersha understands the distinction between its 25% charge and a gratuity, and designed its billing precisely to exploit that distinction. California law, however, as expressed in Labor Code §351, peers behind the label to determine whether the charge is a gratuity in substance, not whether the employer's accounting system labels it one. (See O'Grady, supra, 41 Cal.App.5th at 787.) And here, the substance is that Hersha collects a 25% charge that every customer understood to be payment for service, distributed none of it to service employees, and showed "$0.00 Gratuity Charges" to create the appearance of compliance.

Labor Code §351 contemplates such evasion. That section was enacted to "prevent employers from using any gratuity-related practice which reduces an employee's wages, or appropriates monies belonging to employees, practices which are condemned as a 'fraud upon the public.'" (O'Grady, supra, 41 Cal.App.5th at 778.) Hersha's practice is textbook evasion: it appropriates money customers intend for service employees, uses a terminology strategy to disguise the gratuity-equivalent nature of the charge, and prevents customers from making independent tipping decisions by omitting all gratuity information from the BEO.

B. Claimants are entitled to missed meal break premiums.

Hersha did not provide Claimants with a legally required 30-minute uninterrupted meal period, and on the days they worked more than ten hours, Claimants were never provided with a second meal period. Claimants are entitled to an uninterrupted 30-minute meal period for each day they worked at least five hours, and two such meal periods for each day they worked more than ten hours.

The crucial hallmark of a lawful meal period is not so much whether the employees have an opportunity to eat, as whether employees are completely free from all duties for an uninterrupted 30-minute period. Claimants' work schedule and practices were such that they rarely enjoyed such uninterrupted periods.

Section 11 of Wage Order 5 provides:

> "(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked....

> "(B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided."

In Brinker Restaurant Corp v. Superior Court (2012) 53 Cal.4th 1004, the California Supreme Court defined the protections of California hourly wage workers to receive meal and rest breaks:

> "An employer's duty with respect to meal breaks under both section 512, subdivision (a) and Wage Order No. 5 is an obligation to provide a meal period to its employees. The employer satisfies [its meal period compliance] obligation if it ***relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted 30-minute break, and does not impede or discourage them*** from doing so. What will suffice may vary from industry to industry, and we cannot in the context of this class certification proceeding delineate the full range of approaches that in each instance might be sufficient to satisfy the law."

(Brinker Restaurant Corp v. Superior Court, supra, 53 Cal.4th at 1040, emphasis added.)

For each workday that the employer fails to provide the required meal period, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation.

C. Claimants are entitled to missed rest break premiums.

Section 12 of Wage Order 5 provides:

> "(A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at th e rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.
>
> "(B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the

employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided."

In Augustus v. ABM Security Services, Inc. (2016) 2 Cal.5th 257, the California Supreme Court concluded that state law prohibits on-duty and on-call rest periods. The Supreme Court held that, during required rest breaks, "employers must relieve their employees of all duties and relinquish any control over how employees spend their break time." The Court interpreted the California Labor Code and IWC Wage Orders and its decision in Brinker Restaurant Corp. v. Superior Court and determined that meal breaks and rest breaks should receive parallel treatment by employers.

The Supreme Court held that "on-call" rest breaks are not permitted. An employer must ensure rest breaks are provided and no work is required during that time, in the same way that meal breaks are required under Brinker Restaurant Corp. v. Superior Court.

As also noted above, Claimants were rarely provided with two uninterrupted rest periods, and on the days they worked more than ten hours, they were never provided with a third rest period. Claimants are entitled to one 10-minute rest break for every four hours worked, which means they are entitled to two such breaks before the end of an eight-hour day, and three such breaks before the end of their 12-hour workdays.

D. Personnel file inspection.

On or about May 15, 2026 I sent correspondence requesting the personnel file and payroll records for each of the Claimant under Labor Code §§ 226, 432, and 1198.5. A copy of that correspondence is attached as Exhibit A.

As of this writing, there has been no response, and in particular no production of any records for any Claimant.

E. Identification of Labor Code provisions that have been violated.

The above-described facts amount to violations of Labor Code §§ 200, 204, 206, 221, 226, 226.7, 350, 351, 353, 432, 512, 1198, and 1198.5.

III. SETTLEMENT PROPOSAL

I invite you or your legal representatives to contact my office to discuss resolution of these claims.

Should you require any additional information in the way of facts and theories to support the alleged violations, please do not hesitate to contact me.

James H. Cordes and Associates
[ELECTRONICALLY SIGNED]
/s/ James H. Cordes
James H. Cordes
Attorney at Law

cc: Clients
Labor Workforce and Development Agency (via online submission)

EXHIBIT A

JAMES H. CORDES
AND ASSOCIATES, ATTORNEYS AT LAW

May 15, 2026

VIA ELECTRONIC MAIL ONLY/
READ RECEIPT REQUESTED

Naveen P. Kakarla, President and CEO
Hersha Hospitality Management, LP
44 Hersha Drive
Harrisburg, PA 17102
naveen.kakarla@hhmhospitality.com
naveen@hhmhospitality.com

Sashi Poudyal, General Manager
Hilton Los Angeles Culver City
6161 West Centinela Avenue
Culver City, CA 90230
sashi.poudyal@hilton.com

Re: *Manuel D. Rodriguez Gomez, Peter A. Low Jr., Hilda Judith Campos, Eliseo Sanchez, Andrea Medea, Noe Escalante, Salvador Yepez Mejia, Carlos Farias, Severo Villa Magallon, and Amit Ashok Bhandagi*
Request for personnel and payroll files

Dear Messrs. Kakarla and Poudyal:

I represent Manuel D. Rodriguez Gomez, Peter A. Low Jr., Hilda Judith Campos, Eliseo Sanchez, Andrea Medea, Noe Escalante, Salvador Yepez Mejia, Carlos Farias, Severo Villa Magallon, and Amit Ashok Bhandagi in connection with manner in which they were paid their wages, including but not limited to gratuities.

Please consider this letter as notice and a demand to preserve evidence under Cedars-Sinai Medical Center v. Superior Court (1998) 18 Cal.4th 1, 12. In particular, please maintain all information in my clients' paper and electronic files. My clients also request an opportunity to inspect his or her personnel and payroll files, including particularly all his or her paycheck deduction statements and all documents signed by him or her, under Labor Code §§226, 432 and 1198.5. That inspection may be accomplished by providing my office with a photocopy together with an invoice with photocopying charges, or by an in person inspection by my clients at the location where their personnel files are maintained. Please contact me as soon as practicable, but no later than 21 calendar days from the date of this request, to arrange for such inspection.

As I am sure you are aware, retaliation against my clients for making this request and/or asserting their rights to be properly compensated is strictly unlawful and will be met with a full and appropriate response.

James H. Cordes and Associates
[ELECTRONICALLY SIGNED]
/s/ James H. Cordes
James H. Cordes

cc: Clients