July 27, 2026

<u>VIA ONLINE FILING</u>
Labor and Workforce Development Agency
Attn: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

<u>BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED:</u>
Coffeebar Holdings LLC (Entity No. 201625310137)
c/o Bonnie Beardsley, Agent for Service of Process
10120 Jibboom St #103
Truckee, CA 96161

G Coffeebar Truckee, LLC (Entity No. 201022910252)
c/o Gregory C. Buchheister, Agent for Service of Process
10120 Jibboom St #101
Truckee, CA 96161

Coffeebar Menlo Park, LLC (Entity No. 201702710299)
c/o Gregory Buchheister, Agent for Service of Process
10120 Jibboom St, Suite 101
Truckee, CA 96161

Gregory C. Buchheister, individually
10120 Jibboom St #101
Truckee, CA 96161

Re: Notice of Labor Code Violations Pursuant to California Labor Code § 2699.3(a) and (c)
Kevin Semo v. Coffeebar Holdings LLC, et al.

Dear Labor and Workforce Development Agency and Employer:

The undersigned law firms represent **Kevin Semo** ("Mr. Semo") in connection with the Labor Code violations described below. This notice is directed to **Coffeebar Holdings LLC, G Coffeebar Truckee, LLC, and Coffeebar Menlo Park, LLC** (collectively, the "Coffeebar Entities" d/b/a "Coffeebar"), and to **Gregory C. Buchheister,** individually. The Coffeebar Entities and Mr. Buchheister are referred to collectively herein as the "Employer."

The purpose of this letter is to comply with statutory notice requirements pursuant to California Labor Code section 2699.3(a)(1) and (c)(1). Below, we set forth our facts and theories which give rise to the Labor Code violations in this case.

I. FACTS SUPPORTING EMPLOYER'S VIOLATIONS OF LAW

At least seven coffee shops in California—in Truckee, Olympic Valley, Menlo Park, Redwood City, Northstar, and Sunnyvale—do business as "Coffeebar." Mr. Semo is informed and believes that the Coffeebar Entities operate the "Coffeebar" chain of cafés as a single integrated enterprise under common ownership, management, and control, sharing centralized payroll, human-resources, and gratuity-distribution practices across locations. Indeed, Employer's human-resources representative confirmed to Mr. Semo that credit-card gratuities are pooled and distributed to employees "across the market"—that is, across the separate Coffeebar locations and entities. On information and belief, the various Coffeebar entities jointly employed Mr. Semo and are jointly and severally liable as joint employers and as an integrated enterprise for the violations alleged herein.

Gregory C. Buchheister is the manager and a member of each of the Coffeebar Entities. As a member and managing agent who, on information and belief, established, directed, or ratified the unlawful policies and practices described below, Mr. Buchheister is a person who "violates, or causes to be violated" the Labor Code provisions at issue and may be held personally liable as an employer under Labor Code section 558.1. Again: The Coffeebar Entities and Mr. Buchheister are referred to collectively herein as "Employer."

Mr. Semo worked at Employer's Redwood City, California location from approximately June 20, 2025, until his termination on May 8, 2026. Employer's handbook identifies four non-exempt employee roles: Cashier, Barista, "Kitchen," and "Float." Each of these roles participated in the respective location's chain-of-service. Floats would greet customers as they entered and perform all other roles as needed, Cashiers would take customers' food and drink orders, Kitchens would prepare food orders, Baristas would prepare drink orders, and Cashiers, Baristas, Kitchens, and Floats would ensure customers received their orders. At Employer's Redwood City location, every employee worked as a Float, performing all roles as needed.

Beginning as early as January 2026, Mr. Semo raised concerns directly with management and human resources that Employer was not distributing the entirety of the gratuities earned by and belonging to the employees at Employer's Redwood City location, including but not limited to Mr. Semo. In response to those concerns, Mr. Semo's manager stated that employee tips were used for commissary expenses—for example, shared with bakers who make the pastries sold at Coffeebar locations—and that tips were pooled and distributed among employees across different Coffeebar locations. Employer's human resources representative, [redacted], confirmed in writing that a portion of credit-card tips "is allocated to employees across the market who contribute to the overall guest experience and chain of service, with the remainder distributed to cafe employees based on hours worked."

On information and belief, certain Coffeebar locations earn more in gratuities than others, and Employer's practice of pooling and redistributing gratuities was intended to offset that difference. The human resources representative's written statement that gratuities are distributed across stores reflects that the practice is a company-wide policy affecting Mr. Semo and other non-exempt employees across all of Employer's California locations. On information and belief, given Employer's practice of pooling, retaining, and redistributing gratuities across locations and for commissary expenses, Employer did not maintain accurate records of the gratuities it received.

On at least one occasion, Mr. Semo worked overtime and observed a store manager manually alter his timekeeping records. Mr. Semo escalated the matter to the area manager. On or about November 26, 2025, in response to Mr. Semo's complaint that his timekeeping records had been altered, Employer's human resources representative acknowledged that California law requires employees to be paid for all hours worked, including overtime. Based upon his own experience, Mr. Semo is informed and believes that Employer altered the timekeeping records of other employees and failed to pay them overtime wages owed.

Employer terminated Mr. Semo on May 8, 2026. At the time of his termination, Employer had not paid Mr. Semo all wages owed to him, including the gratuities that had been withheld. On information and belief, Employer terminated other employees and likewise did not pay them all wages owed at separation, including gratuities that had been withheld.

On or about March 29, 2026, Mr. Semo served a request for his employment records on Employer. In response, on or about April 24, 2026, Employer produced only an employee handbook, which did not satisfy the request.

II. THEORIES SUPPORTING EMPLOYER'S VIOLATIONS OF THE LAW

Mr. Semo alleges that he and all other non-exempt individuals who performed the Cashier, Barista, Kitchen, and Float roles for Employer in the State of California ("Aggrieved Employees") during the period running from one year prior to the date of this notice to the present (the "PAGA Period") were not paid all gratuities and overtime wages owed to them, and that Employer failed to keep accurate records of all gratuities received, pay all wages owed at the time of each Aggrieved Employee's termination, and provide Aggrieved Employees with accurate wage statements.

A. Unlawful Retention and Diversion of Gratuities (Labor Code § 351)

Labor Code section 351 provides that every gratuity is the sole property of the employee or employees to whom it was paid, given, or left for, and prohibits an employer or its agents from collecting, taking, or receiving any gratuity, or any part thereof, paid, given to, or left for an employee by a patron. A gratuity left by a patron belongs to the employees of the establishment where it was left, and, in particular, to the specific employees who participated in the chain of service that generated that gratuity.

Beginning as early as January 2026, Mr. Semo raised concerns directly with management and human resources that Employer was not distributing the entirety of gratuities earned by and belonging to the employees at Employer's Redwood City location, including but not limited to Mr. Semo. Employer's response to Mr. Semo's complaint revealed that Employer retains or diverts portions of employee gratuities across locations rather than distribute them entirely and solely to employees who earned them.

On these facts, Employer did not administer a lawful tip pool among eligible employees at a single establishment; rather, it withheld portions of gratuities for operational expenses and redistributed gratuities across stores, to employees who had not directly earned those gratuities. On information and belief, certain Coffeebar locations earn more in gratuities and this practice by Employer was intended to compensate for this difference. Because gratuities left at a particular location are the property of the employees of that location, Employer's retention and cross-location redistribution of gratuities violates section 351. Employer's human-resources admission that gratuities are distributed across stores indicates the policy is company-wide and affects Mr. Semo and Aggrieved Employees at all California locations.

B. Failure to Keep Accurate Records of Gratuities (Labor Code § 353)

Labor Code section 353 requires every employer to keep accurate records of all gratuities it receives, whether the gratuity is directly received by the employee or indirectly by means of deductions from the wages of the employee or otherwise. Given Employer's stated practice of pooling, retaining, and redistributing gratuities across locations and for commissary expenses, Mr. Semo is informed and believes that Employer failed to keep accurate records of gratuities as required by section 353.

C. Unpaid Overtime and Time-Record Manipulation (Labor Code §§ 510, 1194, 1198)

Labor Code section 510 requires overtime compensation at one and one-half times the regular rate for hours worked over eight in a workday or 40 in a workweek, and double time for hours over 12 in a workday; section 1194 entitles employees to recover unpaid overtime; and section 1198 makes unlawful the employment of any employee under conditions prohibited by the applicable IWC wage order.

On at least one occasion, Mr. Semo worked overtime and observed a store manager manually alter his timekeeping records, a cause for dispute that Mr. Semo escalated to the area manager. Employer's human-resources representative also acknowledged in writing (on or about November 26, 2025) that California law requires employees to be paid for all hours worked, including overtime, in response to Mr. Semo's complaint his timekeeping records had been altered. To the extent Employer edited or shaved recorded time and failed to pay for all hours worked, including overtime, Employer violated sections 510, 1194, and 1198.

D. Failure to Timely Pay Wages and Waiting-Time Penalties (Labor Code §§ 201–204)

Labor Code sections 201 and 202 require that all wages earned and unpaid be paid immediately upon termination or within 72 hours of notice of resignation. Section 203 imposes waiting-time penalties for willful failure to pay such wages, and section 204 requires timely payment of wages on regular paydays. Because Employer unlawfully retained gratuities and overtime wages (manually removed from time records by Employer) that were the property of Mr. Semo and Aggrieved Employees, Employer failed to pay all wages due during employment and at separation. Employer terminated Mr. Semo on May 8, 2026, and has not paid Mr. Semo all wages owed, including unlawfully withheld gratuities, at the time of his termination. On information and belief, Employer has terminated other employees and likewise failed to pay them all wages owed.

E. Inaccurate Itemized Wage Statements (Labor Code § 226)

Labor Code section 226(a) requires employers to furnish accurate itemized wage statements showing, among other things, gross and net wages earned, total hours worked, and all applicable hourly rates. To the extent Employer failed to pay overtime or to accurately record hours worked as described above, and to the extent gratuities were misallocated, Employer's wage statements did not accurately reflect the wages earned and hours worked by Mr. Semo and the Aggrieved Employees. Mr. Semo additionally served a request for records under Labor Code sections 226 and 1198.5 on or about March 29, 2026; in response, on or about April 24, 2026, Employer produced only an employee handbook, which did not satisfy the request. On information and belief, other employees have similarly requested their employment records but have not received them.

III. EMPLOYER'S LABOR CODE VIOLATIONS

Mr. Semo seeks civil penalties under PAGA for the following violations of the California Labor Code:

1. Violations of Labor Code section 351 for unlawfully retaining gratuities from the Aggrieved Employees who earned them by participating in the chain of service, redistributing them across all markets, and the collection and cross-location redistribution of employee gratuities;

2. Violations of Labor Code section 353 for failing to keep accurate records of gratuities received;
3. Violations of Labor Code §§ 201–203 for failing to pay all wages due at separation and resulting waiting-time penalties;
4. Labor Code § 204 for failing to pay all wages due on regular paydays, including gratuities and overtime wages;
5. Labor Code §§ 510, 1194, and 1198 for failing to pay overtime wages owed and willfully altering time records that showed overtime; and
6. Labor Code § 226(a) for knowingly and intentionally failing to provide accurate wage statements reflecting the wages earned and hours worked by Aggrieved Employees.

IV. RESERVATION OF RIGHTS

The facts and theories set forth herein are based on information available at the time of the issuance of this notice. Should additional facts or theories of liability become known through investigation, discovery, or expert review, Mr. Semo expressly reserves the right to amend or supplement this notice, add applicable claims to any complaint, and/or relate back additional claims to the date of this notice.

Thank you for your attention to this matter. Please direct all communications regarding this notice to the undersigned counsel for Mr. Semo.

Sincerely,

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