

July 17, 2026

ELECTRONICALLY FILED

Attn: PAGA Administrator
Labor and Workforce Development Agency
1515 Clay Street, Suite 801
Oakland, California 94612
PAGAFilings@dir.ca.gov

Re: Private Attorneys General Act of 2004 Notice

Employee: Kenneth Shields and Aggrieved Employees

Employer: Sprouts Farmers Market, Inc.; Sprouts Farmers Markets Holdings, LLC; and SF Markets, LLC

To Whom It May Concern:

We represent Kenneth Shields, a former employee of Sprouts Farmers Market, Inc.; Sprouts Farmers Markets Holdings, LLC; and SF Markets, LLC (collectively, “Sprouts”). We intend to file a complaint against Sprouts on behalf of our client and all employees who have worked as salaried Store Managers and Assistant Store Managers for Sprouts in California. Pursuant to California Labor Code § 2699.3, we hereby provide notice of our client’s intent to bring Private Attorneys General Act (“PAGA”) claims under California Labor Code § 2699(a) and (f).

Mr. Shields and the alleged aggrieved employees are current and former similarly situated, salaried Store Managers and Assistant Store Managers for Sprouts in California. Mr. Shields intends to file a complaint on behalf of Sprouts’ current and former Perishable Managers and Non-Perishable Managers, who have been misclassified as exempt employees, and therefore have been denied payment of all wages as well as meal periods and rest periods. Accordingly, Mr. Shields intends to pursue civil penalties in response to Sprouts’ violations of the following Labor Code provisions:

- California Labor Codes §§ 200, 204, 1194, and 1198 (failure to pay for all hours worked),
- §§ 1182.11, 1182.12, 1194, and 1197 (failure to pay minimum wages),
- §§ 510 and 1194 (failure to pay overtime wages),
- § § 226.7 and 512 (failure to provide compliant meal and rest periods),
- §§ 226 and 226.3 (failure to provide timely and compliant itemized wage statements),
- §§ 201-203, 225.5 and 256 (failure to timely pay all wages owed during employment and following separation from employment), and
- § 2802 (failure to reimburse for necessary business expenditures).



Mr. Shields intends to state causes of action pursuant to California Labor Code § 2699(a) and (f) for civil penalties for violations of the various California Labor Code provisions enumerated above. Pursuant to Section 2699(a), Mr. Shields will seek civil penalties pursuant to each provision of the Code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, including but not limited to those Labor Code provisions referenced above, as well as Sections 225.5, 226.3, and 256 of the California Labor Code. To the extent a provision of the Labor Code does not provide for a civil penalty, Mr. Shields will seek civil penalties pursuant to California Labor Code Section 2699(f). Sprouts, at all relevant times, was an employer who violated the rights of Mr. Shields and other aggrieved employees by violating various sections of the California Labor Code as outlined in this letter.

Mr. Shields worked for Sprouts, an American supermarket chain that maintains stores in California and nationwide, from approximately March 2022 until March 2026. He worked for Sprouts at its location in Laguna Niguel, California. Mr. Shields worked as a salaried Assistant Store Manager from approximately March 2022 until March 2026. His duties included, but were not limited to, stocking shelves with food products and otherwise transporting product throughout the store, setting up and installing store displays, providing break relief to hourly employees, filling in for hourly non-exempt employees when necessary, assisting with inventories, preparing sandwiches and protein bowls at the deli counter, approving employee timesheets and punches, assisting with meat cutting and packaging at the meat section, preparing and packing bakery items at the bakery section, and ensuring that store was kept clean and hazard-free. Mr. Shields, like all Assistant Store Managers, reported to the Store Manager at the Sprouts locations where he worked. He was paid a fixed amount per paycheck and was eligible for modest bonuses on a quarterly and yearly basis. He was scheduled to work five days per week, and ten hours per day, though he regularly worked far more than this. He did not clock in or clock out for his shifts.

Sprouts misclassified Mr. Shields and the alleged aggrieved employees as salaried executives, when these employees spent the majority of their time performing the tasks of hourly employees. Mr. Shields and the alleged aggrieved employees spent the bulk of their workdays stocking shelves and moving product around the store. As Sprouts sells large volumes of items that are perishable and relatively inexpensive, product is constantly circulating through its stores. Mr. Shields and the alleged aggrieved employees were required to ensure that the product made it to the shelves and produce tables so that it could be purchased by customers. Given the large volume of product, the so-called managerial employees must contribute to moving product and stocking shelves. In addition, Mr. Shields and the alleged aggrieved spent large amounts of time working the cash registers, providing break relief to hourly employees throughout the store, cleaning, handling routine cash management tasks, and performing myriad other tasks that are performed by hourly workers. Therefore, Mr. Shields and the alleged aggrieved employees spent well more than 50 percent of their daily time performing hourly tasks.



To the extent that Mr. Shields and the alleged aggrieved employees made managerial decisions, their discretion and independent judgment were limited at every turn. Mr. Shields and the alleged aggrieved employees performed some low-level managerial tasks, such as interviewing job candidates, reviewing schedules for departments, and issuing write-ups to employees. However, their managerial discretion and independent judgment were inherently limited, as major decisions, including hiring, firing, and promotion decisions, had to be approved by the Store Manager. Additionally, Sprouts provided detailed policies and procedures that Mr. Shields and the alleged aggrieved employees were expected to follow without deviation. These policies and procedures dictated how Mr. Shields and the alleged aggrieved employees were to perform the managerial tasks. For example, Sprouts provided a Display Planner that dictates where product is to be positioned in the store, based on a sales forecast generated by Sprouts' corporate. Likewise, employee write-ups were mandated by Sprouts policy for issues including tardiness and excessive absence. Given the Store Manager's control and the extent to which Sprout's policies and procedures dictate management decisions, Mr. Shields and the alleged aggrieved employees exercised little to no discretion and independent judgment.

As a result of these policies and practices, Sprouts misclassified Mr. Shields and the alleged aggrieved employees as exempt executives, when they were actually hourly employees under the law. These workers experienced a host of resultant wage and hour violations. First, Mr. Shields and the alleged aggrieved employees were not paid for all hours worked, as Sprouts did not track their time and they worked far more than their scheduled hours, including at night and on weekends. Mr. Shields and the alleged aggrieved employees also experienced overtime violations as they were not paid any overtime pay at all, even though they worked well in excess of eight hours per day and 40 hours per week.

Mr. Shields and the alleged aggrieved employees also endured meal and rest period violations. Even though Sprouts told these workers that they are entitled to a lunch break for each shift, Sprouts failed to provide them with the opportunity to actually take meal breaks. Sprouts assigned an unrelenting workload that did not allow these workers to take such breaks and did not provide the necessary break relief in order to allow them to be relieved from duty. Moreover, Sprouts required a manager, such as the Store Manager, Assistant Store Manager, Perishable Manager, or Non-Perishable Manager, to be in the store at all times. Therefore, Mr. Shields and the alleged aggrieved employees were often unable to leave the store for large amounts of time, further limiting their ability to take off-duty meal and rest periods. To the extent that these workers were able to take some form of break, they had to remain on call and be able to return to duty at a moment's notice. As a result of these issues, Mr. Shields and the alleged aggrieved employees were unable to take full, timely, legally compliant meal and rest breaks. Sprouts did not pay them the required premium pay for missed meal and rest periods.

Sprouts also denied Mr. Shields and aggrieved employees proper reimbursement for business expenditures. Mr. Shields and aggrieved employees are constantly required to use their personal cell phones in the performance of their work duties and purchase



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Page 4 of 5

supplies for cleaning and repairing stores. However, Sprouts did not reimburse Mr. Shields and Aggrieved Employees for such expenses, even though it should be fully reimbursed under California law. Sprouts' failure to properly reimburse Mr. Shields and Aggrieved Employees' necessarily incurred business expenses gives rise to violations of Labor Code § 2802.

Mr. Shields and the alleged aggrieved employees experienced a number of derivative issues from these wage and hour practices, including, but not limited to, receiving incorrect wage statements and not receiving all pay owed to them at the end of their employment. Compensation for off-the-clock work, overtime, premium pay for missed breaks, and business expenses remains outstanding after termination of the employment relationship.

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Plaintiff is represented by Schneider Wallace Cottrell Kim LLP ("SWCK"), a law firm based in Emeryville, California. SWCK has extensive experience in the successful litigation and resolution of employment and representative actions nationwide. A description of the work, mission, and credentials of the firm can be found at www.schneiderwallace.com. Plaintiff and SWCK are committed to zealously pursuing redress on behalf of the State of California and all other Aggrieved Employees for the violations set forth above.

Very Truly Yours,

**SCHNEIDER WALLACE
COTTRELL KIM LLP**



Carolyn H. Cottrell
Attorney at Law

cc via U.S.P.S. Certified Mail with Return Receipt Requested

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Page 5 of 5

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