

Roxanna Tabatabaeepour (SBN 260187)
Roxanna.Taba@capstonelawyers.com
Ryan Tish (SBN 274284)
Ryan.Tish@capstonelawyers.com
Alexander Wallin (SBN 320420)
Alexander.Wallin@capstonelawyers.com
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
Telephone: (310) 556-4811
Facsimile: (310) 943-0396

Attorneys for Plaintiff Joshua Gomez

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

JOSHUA GOMEZ, 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.

HOLLISTER SUBS, INC, a California
corporation; DADWAL
MANAGEMENT GROUP, a
California corporation; FIVE RIVERS
HOSPITALITY, INC, a California
corporation; FREEDOM SUBS, INC.,
a California corporation; PANDORI
ELECTRONICS USA, INC., a
California corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No.: CU-24-00215

**COMPLAINT – PAGA ENFORCEMENT
ACTION**

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

Jury Trial Demanded

1 Plaintiff Joshua Gomez, 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 June 27, 2024, until judgment (“non-party Aggrieved Employees”).
14 Plaintiff’s share of civil penalties sought in this action does not exceed \$75,000.

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

18 3. This Court has jurisdiction over all Defendants because, on information and
19 belief, Defendants are either citizens of California, have sufficient minimum contacts in
20 California, or otherwise intentionally avail themselves of the California market so as to render
21 the exercise of jurisdiction over them by the California courts consistent with traditional
22 notions of fair play and substantial justice. There is no basis for federal diversity jurisdiction
23 in this action given that the State of California, as the real party in interest in this action, is not
24 a “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*,
25 726 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be
26 aggregated to satisfy the amount in controversy requirement for federal diversity jurisdiction
27 in this action, and that diversity jurisdiction cannot be established when Plaintiff’s share of the
28 civil penalties attributable to violations personally suffered are less than \$75,000. *Id.* at 1122.

4. Venue is proper in this Court because Defendants employ persons in this county, and employed Plaintiff in this county, and thus a substantial portion of the transactions and occurrences related to this action occurred in this county.

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

THE PARTIES

6. Plaintiff Joshua Gomez is a resident of Hollister, in San Benito County, California. Defendants employed Plaintiff as an hourly paid, non-exempt employee from approximately July 2023 to March 2024. Plaintiff worked for Defendants as a Crew Member at Defendant's restaurant in Hollister, California. Plaintiff typically worked five (8) hours or more per day, and four (4) days or more per week. At the time Plaintiff's employment with Defendants ended, he was compensated approximately \$16.00 per hour. Plaintiff's job duties included, without limitation, taking customer orders, preparing and cooking food, restocking ingredients, and cleaning the restaurant, dining area and kitchen.

7. On information and belief, Defendants required some employees, including Plaintiff, to execute arbitration agreements at the time of their hire or during their employment. On further information and belief, Defendants' arbitration agreements were and are both procedurally and substantively unconscionable. Specifically, Defendants presented employees with an "Arbitration Agreement" during the onboarding process, which had to be reviewed and signed immediately. In fact, upon information and belief, the Arbitration Agreement was one of among several documents presented to employees for signature during the orientation process, including but not limited to, EEO/Discrimination, Harassment & Retaliation Policy; Subway Restaurant Policies; Acknowledgement of Receipt of Required Notices; and Employer Property Return Agreement. Also, employees did not have a meaningful opportunity to negotiate the terms of the Arbitration Agreement. Rather, it was provided to Defendants' employees for them to sign on a take-it or leave-it basis at the time

1 they were hired, along with other onboarding documents. Further, Defendants did not set
2 forth in the Arbitration Agreement or otherwise provide employees with the rules which will
3 govern the arbitration, instead forcing employees to seek this information out on their own.

4 8. HOLLISTER SUBS, INC was and is, upon information and belief, a California
5 corporation, and at all times hereinafter mentioned, an employer whose employees are
6 engaged throughout this county and the State of California.

7 9. DADWAL MANAGEMENT GROUP was and is, upon information and belief,
8 a California corporation, and at all times hereinafter mentioned, an employer whose
9 employees are engaged throughout this county and the State of California.

10 10. FIVE RIVERS HOSPITALITY, INC was and is, upon information and belief, a
11 California corporation, and at all times hereinafter mentioned, an employer whose employees
12 are engaged throughout this county and the State of California.

13 11. FREEDOM SUBS, INC. was and is, upon information and belief, a California
14 corporation, and at all times hereinafter mentioned, an employer whose employees are
15 engaged throughout this county and the State of California.

16 12. PANDORI ELECTRONICS USA, INC. was and is, upon information and
17 belief, a California corporation, and at all times hereinafter mentioned, an employer whose
18 employees are engaged throughout this county and the State of California.

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

23 14. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10
24 were the partners, agents, owners, or managers of HOLLISTER SUBS, INC; DADWAL
25 MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC; FREEDOM SUBS, INC.;
26 and PANDORI ELECTRONICS USA, INC., at all relevant times.

27 15. Plaintiff is informed and believes, and thereon alleges, that each and all of the
28 acts and omissions alleged herein was performed by, or is attributable to, HOLLISTER SUBS,

1 INC; DADWAL MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC; FREEDOM
2 SUBS, INC.; PANDORI ELECTRONICS USA, INC., and/or DOES 1 through 10
3 (collectively, “Defendants” or “SUBWAY”), each acting as the agent, employee, alter ego,
4 and/or joint venturer of, or working in concert with, each of the other co-Defendants and was
5 acting within the course and scope of such agency, employment, joint venture, or concerted
6 activity with legal authority to act on the others’ behalf. The acts of any and all Defendants
7 were in accordance with, and represent, the official policy of Defendants.

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

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

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

26 19. Plaintiff is informed and believes, and thereon alleges, that at all relevant times,
27 Defendants, and each of them, have acted as joint employers with respect to Plaintiff and other
28 non-party Aggrieved Employees because Defendants have:

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

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

21 21. HOLLISTER SUBS, INC; DADWAL MANAGEMENT GROUP; FIVE
22 RIVERS HOSPITALITY, INC; FREEDOM SUBS, INC.; PANDORI ELECTRONICS USA,
23 INC., and/or DOES 1 through 10 are therefore alter egos of each other.

24 22. Adherence to the fiction of the separate existence of Defendants would permit
25 an abuse of the corporate privilege, and would promote injustice by protecting Defendants
26 from liability for the wrongful acts committed by them under the name SUBWAY.

27 23. Plaintiff further alleges, upon information and belief, that the Defendants
28 HOLLISTER SUBS, INC; DADWAL MANAGEMENT GROUP; FIVE RIVERS

1 HOSPITALITY, INC; FREEDOM SUBS, INC.; and PANDORI ELECTRONICS USA, INC.
2 are alter egos of each other for the following reasons:

- 3 (a) On the California Secretary of State’s website
4 (<https://bizfileonline.sos.ca.gov/>), HOLLISTER SUBS, INC; DADWAL
5 MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC;
6 FREEDOM SUBS, INC.; and PANDORI ELECTRONICS USA, INC.
7 have the same principal address, “1534[-D] FREMONT
8 B[OU]L[E]V[AR]D, [SUITE-D], SEASIDE, CA 93955,”;
- 9 (b) On the California Secretary of State’s website, HOLLISTER SUBS,
10 INC; DADWAL MANAGEMENT GROUP; FIVE RIVERS
11 HOSPITALITY, INC; and FREEDOM SUBS, INC. have the same
12 mailing address, “122 VIA DEL MILAGRO, MONTEREY, CA
13 93940,”;
- 14 (c) According to Statement of Information forms filed with the California
15 Secretary of State, HOLLISTER SUBS, INC; DADWAL
16 MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC;
17 FREEDOM SUBS, INC.; and PANDORI ELECTRONICS USA, INC.
18 share the same Chief Executive Officer, Secretary, Chief Financial
19 Officer, and Director, Harbhajan S. Dadwal;
- 20 (d) According to the California Secretary of State’s website, HOLLISTER
21 SUBS, INC; DADWAL MANAGEMENT GROUP; FIVE RIVERS
22 HOSPITALITY, INC; and FREEDOM SUBS, INC. share the same
23 agent for service of process, Harbhajan S. Dadwal; and
- 24 (e) On information and belief, HOLLISTER SUBS, INC; DADWAL
25 MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC;
26 FREEDOM SUBS, INC.; and PANDORI ELECTRONICS USA, INC.
27 utilize the same standardized employment forms and issue the same
28 employment policies.

1 **PAGA REPRESENTATIVE ALLEGATIONS**

2 24. Defendants operate approximately 23 Subway franchise restaurants in
3 California. Upon information and belief, Defendants maintain a single, centralized Human
4 Resources (HR) department at their corporate headquarters in Seaside, California, or
5 Monterey, California, for all non-exempt, hourly paid employees working for Defendants in
6 California, which is responsible for the recruiting and hiring of new employees, and
7 communicating and implementing Defendants' company-wide policies, including timekeeping
8 policies and meal and rest period policies, to employees throughout California.

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

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

25 27. Defendants continue to employ non-exempt or hourly paid employees in
26 California.

27 28. Plaintiff is informed and believes, and thereon alleges, that at all times herein
28 mentioned, Defendants were advised by skilled lawyers and other professionals, employees

1 and advisors knowledgeable about California labor and wage law, employment and personnel
2 practices, and about the requirements of California law.

3 29. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other
4 non-party Aggrieved Employees were not paid for all hours worked because all hours worked
5 were not recorded.

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

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

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

28 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or

1 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
2 receive complete and accurate wage statements in accordance with California law. In
3 violation of the California Labor Code, Plaintiff and other non-party Aggrieved Employees
4 were not provided complete and accurate wage statements.

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

9 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
10 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
11 timely payment of wages during their employment. In violation of the California Labor Code,
12 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,
13 including, but not limited to, minimum wages and/or meal and rest period premiums, within
14 permissible time periods.

15 36. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
16 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to
17 timely payment of all wages earned upon termination of employment. In violation of the
18 California Labor Code, Plaintiff and other non-party Aggrieved Employees did not receive
19 payment of all wages due, including, but not limited to, minimum wages and/or meal and rest
20 period premiums, within permissible time periods.

21 37. 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 suitable seating and/or were entitled to sit when it did not interfere with the performance of
24 their duties and also have seats nearby to use during a lull in tasks that do require moving
25 about or standing.

26 38. 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 reimbursement for all business-related expenses and costs they incurred during the

1 course and scope of their employment and that they did not receive reimbursement of
2 applicable business-related expenses and costs incurred.

3 39. Plaintiff is informed and believes, and thereon alleges, that at all times herein
4 mentioned, Defendants knew or should have known that they had a duty to compensate
5 Plaintiff and other non-party Aggrieved Employees for all hours worked, and that Defendants
6 had the financial ability to pay such compensation, but willfully, knowingly, and intentionally
7 failed to do so, and falsely represented to Plaintiff and other non-party Aggrieved Employees
8 that they were properly denied wages, all in order to increase Defendants' profits.

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

15 41. PAGA defines an "aggrieved employee" in Labor Code section 2699(c)(1) as
16 "any person who was employed by the alleged violator and personally suffered each of the
17 violations alleged."

18 42. Plaintiff and other current and former employees of Defendants are "aggrieved
19 employees" as defined by Labor Code section 2699(c)(1) in that they are all Defendants'
20 current or former employees and each of the alleged violations were committed against them.

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

- 24 (a) The aggrieved employee shall give written notice by online filing
25 (hereinafter "Employee's Notice") to the LWDA and by certified mail
26 to the employer of the specific provisions of the California Labor Code
27 alleged to have been violated, including the facts and theories to support
28 the alleged violations.

- 1 (b) An aggrieved employee's notice filed with the LWDA pursuant to
2 2699.3(a) and any employer response to that notice shall be
3 accompanied by a filing fee of seventy-five dollars (\$75).
- 4 (c) The LWDA shall provide notice (hereinafter "LWDA Notice") to the
5 employer and the aggrieved employee by certified mail that it does not
6 intend to investigate the alleged violation within sixty (60) calendar
7 days of the postmark date of the Employee's Notice. Upon receipt of
8 the LWDA Notice, or if the LWDA Notice is not provided within sixty-
9 five (65) calendar days of the postmark date of the Employee's Notice,
10 the aggrieved employee may commence a civil action pursuant to
11 California Labor Code section 2699 to recover civil penalties in addition
12 to any other penalties to which the employee may be entitled.

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

- 17 (a) The aggrieved employee or representative shall give written notice by
18 online filing to the LWDA and by certified mail to the employer of the
19 specific provisions of the California Labor Code alleged to have been
20 violated (other than those listed in Section 2699.5), including the facts
21 and theories to support the alleged violation.
- 22 (b) An aggrieved employee's notice filed with the LWDA pursuant to
23 2699.3(c) and any employer response to that notice shall be
24 accompanied by a filing fee of seventy-five dollars (\$75).
- 25 (c) The employer may cure the alleged violation within thirty-three (33)
26 calendar days of the postmark date of the notice. The employer shall
27 give written notice by certified mail within that period of time to the
28 aggrieved employee or representative and the agency if the alleged

1 violation is cured, including a description of actions taken, and no civil
2 action pursuant to Section 2699 may commence. If the alleged violation
3 is not cured within the 33-day period, the employee may commence a
4 civil action pursuant to Section 2699.

5 45. On June 27, 2024, Plaintiff provided written notice by online filing to the
6 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
7 Code alleged to have been violated, including facts and theories to support the alleged
8 violations, in accordance with California Labor Code section 2699.3. Plaintiff's written
9 notice was accompanied with the applicable filing fee of seventy-five dollars (\$75). The
10 LWDA PAGA Administrator has confirmed receipt of Plaintiff's written notice and assigned
11 Plaintiff PAGA Case Number LWDA-CM-1036742-24. A true and correct copy of Plaintiff's
12 written notice to the LWDA and Defendants is attached hereto as "Exhibit 1."

13 46. As of the filing date of this complaint, over 65 days have passed since Plaintiff
14 sent the written notices described above, and the LWDA has not responded that it intends to
15 investigate Plaintiff's claims, and Defendants have not cured the violations.

16 47. Thus, Plaintiff has satisfied the administrative prerequisites under California
17 Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
18 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 512(a), 516,
19 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

20 48. Labor Code section 558(a) provides "[a]ny employer or other person acting on
21 behalf of an employer who violates, or causes to be violated, a section of this chapter or any
22 provision regulating hours and days of work in any order of the Industrial Welfare
23 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
24 dollars (\$50) for each underpaid employee for each pay period for which the employee was
25 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
26 underpaid employee for each pay period for which the employee was underpaid" Labor
27 Code section 558(c) provides "[t]he civil penalties provided for in this section are in addition
28 to any other civil or criminal penalty provided by law." Plaintiff, acting in the public interest

1 as a private attorney general, seeks assessment and collection of civil penalties under Labor
2 Code section 558 for himself, all other non-party Aggrieved Employees, and the State of
3 California against Defendants for violations of Labor Code sections 512(a), 516, 1198, and the
4 applicable IWC Wage Order. Plaintiff, acting in the public interest as a private attorney
5 general, does not seek the recovery of unpaid wages under Labor Code section 558 from
6 Defendants for violations of Labor Code sections 512(a), 516, 1198, and the applicable IWC
7 Wage Order.

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

12 50. As set forth below, Defendants have violated numerous provisions of both the
13 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
14 Order.

15 51. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
16 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public interest as a
17 private attorney general, seeks assessment and collection of civil penalties for himself, all
18 other non-party Aggrieved Employees, and the State of California against Defendants for
19 violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 512(a), 516,
20 1174(d), 1182.12, 1194, 1197, 1198, and 2802.

21 **FIRST CAUSE OF ACTION**

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

23 **(Against all Defendants)**

24 52. Plaintiff incorporates by reference and re-alleges as if fully stated herein each
25 and every allegation set forth above.

26 53. California Labor Code §§ 2698, *et seq.* ("PAGA") permits Plaintiff to recover
27 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
28 section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 1174(d), and

1 1198. Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiff, to
2 recover civil penalties for violations of those Labor Code sections not found in section 2699.5,
3 including sections 226(a), 226.7, 512(a), 516, 1182.12, 1194, 1197, and 2802.

4 54. Defendants' conduct, as alleged herein, violates numerous sections of the
5 California Labor Code, including, but not limited to, the following:

- 6 (a) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and
7 the applicable IWC Wage Order for Defendants' failure to compensate
8 Plaintiff and other non-party Aggrieved Employees with at least
9 minimum wages for all hours worked, as set forth below;
- 10 (b) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the
11 applicable IWC Wage Order for Defendants' failure to provide Plaintiff
12 and other non-party Aggrieved Employees with meal periods, as set
13 forth below;
- 14 (c) Violation of Labor Code sections 226.7, 516, and 1198, and the
15 applicable IWC Wage Order for Defendants' failure to authorize and
16 permit Plaintiff and other non-party Aggrieved Employees to take rest
17 periods, as set forth below;
- 18 (d) Violation of Labor Code sections 226(a) and 1198, and the applicable
19 IWC Wage Order for failure to provide accurate and complete wage
20 statements to Plaintiff and other non-party Aggrieved Employees, as set
21 forth below;
- 22 (e) Violation of Labor Code sections 1174(d) and 1198, and the applicable
23 IWC Wage Order for failure to maintain payroll records, as set forth
24 below;
- 25 (f) Violation of Labor Code sections 204 for failure to pay all earned wages
26 during employment, as set forth below;
- 27 (g) Violation of Labor Code section 201 and 202 for failure to pay all
28 earned wages upon termination, as set forth below;

- 1 (h) Violation of Labor Code section 1198 for failing to provide suitable
2 seating to Plaintiff and other non-party Aggrieved Employees, as set
3 forth below; and
- 4 (i) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff
5 and other non-party Aggrieved Employees for all business expenses
6 necessarily incurred, as set forth below.

7 **FAILURE TO PAY MINIMUM WAGES**

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

9 55. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and
10 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage
11 to be paid to employees, and the payment of a wage less than the minimum so fixed is
12 unlawful. Compensable work time is defined in IWC Wage Order No. 5-2001 as “the time
13 during which an employee is subject to the control of an employer, and includes all the time
14 the employee is suffered or permitted to work, whether or not required to do so.” Cal. Code
15 Regs. tit. 8, § 11050(2)(L) (defining “Hours Worked”).

16 56. First, during the relevant time period, Defendants had, and continue to have, a
17 company-wide policy and/or practice of discouraging and impeding employees from recording
18 hours worked that were outside of their scheduled shifts, which caused Plaintiff and other non-
19 party Aggrieved Employees to perform various work-related tasks while off-the-clock before
20 and after their shifts. For example, because Defendants’ timekeeping system was integrated
21 with the company’s point-of-sale (“POS”) system, Plaintiff and other non-party Aggrieved
22 Employees had to spend time waiting to clock in for the start of their shifts, because other
23 employees were using the POS system to handle customer transactions and taking orders. For
24 instance, Plaintiff was required to wait up to three (3) minutes under Defendants’ control until a
25 POS machine was available for clocking-in, time for which he was not paid. As a further
26 example, Plaintiff was required to continue working after clocking out from his shifts,
27 completing duties such as mopping, sweeping, cleaning, and locking the restaurant, because
28 Defendants did not provide him with time to complete these tasks during his shift.

1 57. Moreover, Defendants had a company-wide security policy requiring employees
2 to leave the restaurant premises in pairs. For example, after clocking out at the end of his
3 scheduled shifts, Plaintiff was required to wait for other employees to complete their duties,
4 such as closing the register and cleaning, before being able to leave the restaurant. Additionally,
5 Plaintiff and other non-party Aggrieved Employees were required to complete mandatory online
6 training sessions, but Defendants did not permit them to complete the training during their
7 shifts. For example, Plaintiff was required to complete a training session off the clock, which
8 consisted of watching videos on food preparation and customer service, for three (3) hours. As
9 a further example, Defendants' managers called or sent text messages to Plaintiff to discuss
10 cleaning duties for up to 20 minutes per instance. Thus, Defendants failed to track the time
11 employees spent working off the clock, and Plaintiff and other non-party Aggrieved Employees
12 received no compensation for this time.

13 58. Second, upon information and belief, because Defendants frowned upon
14 employees accruing meal period penalties, Defendants pressured employees who had signed
15 invalid meal period waivers (*see infra*) to clock out before they had worked over six (6) hours in
16 a day, in order to limit their eligibility for meal periods they otherwise would have received. As
17 stated, Defendants required Plaintiff to clock out at the end of his scheduled shift and continue
18 working to complete tasks before he could leave for the day. Thus, Plaintiff and other non-party
19 Aggrieved Employees were required to perform their assigned tasks off-the-clock because
20 Defendants wanted to avoid paying penalties for missed meal periods.

21 59. Third, during the relevant time period, Defendants had, and continue to have, a
22 company-wide policy and/or practice of staffing their restaurant locations strictly based on the
23 labor hours or labor budget set by corporate. Defendants' use of a labor budget resulted in
24 understaffing, such that there were too few employees on duty to handle customer demand and
25 provide meal period coverage. Moreover, Defendants failed to schedule meal periods, which
26 further caused Plaintiff and other non-party Aggrieved Employees to not be relieved of their
27 duties for compliant meal periods. As a result, Plaintiff and other non-party Aggrieved
28 Employees were not always afforded uninterrupted thirty (30) minute meal periods during shifts

1 in which they were entitled to receive meal periods. For example, Plaintiff worked through his
2 meal periods at least twice during his employment and/or had his meal periods interrupted due
3 to the lack of coverage and the heavy workload. Consequently, Plaintiff and other non-party
4 Aggrieved Employees were required to work through meal periods and/or had their unpaid meal
5 periods interrupted in order to complete their assigned duties and handle customer demand, time
6 for which they were not paid.

7 60. Further, upon information and belief, Defendants' company-wide timekeeping
8 system prevented Plaintiff and other non-party Aggrieved Employees from recording all hours
9 worked when their meal periods were shortened or interrupted, because the system locked out
10 Plaintiff and other non-party Aggrieved Employees once they clocked out for a meal period, and
11 would not permit them to clock back in from a meal period before 30 minutes had elapsed.
12 Thus, Defendants did not record all hours worked during meal periods, and Plaintiff and other
13 non-party Aggrieved Employees performed work during meal periods for which they were not
14 paid.

15 61. Defendants knew or should have known that as a result of these company-wide
16 practices and/or policies, Plaintiff and other non-party Aggrieved Employees were performing
17 their assigned duties off- the-clock before and after their shifts and during meal periods, and
18 were suffered or permitted to perform work for which they were not paid. Accordingly,
19 Defendants did not pay minimum wages for all hours worked by Plaintiff and other non-party
20 Aggrieved Employees in violation of California Labor Code sections 1182.12, 1194, 1197, and
21 1198.

22 62. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees
23 minimum wages violates California Labor Code sections 1182.12, 1194, 1197, and 1198.
24 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
25 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

26 **FAILURE TO PROVIDE AND RECORD MEAL PERIODS**
27 **VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198**

28 63. 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.

64. 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).

65. At all relevant times herein set forth, California Labor Code sections 226.7, 512(a), 516, and 1198 provide that no employer shall require an employee to work during any meal period mandated by an applicable order of the IWC.

66. At all relevant times herein set forth, Labor Code sections 226.7, 512(a), 1198, 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.

67. First, Defendants had, and continue to have, company-wide policies and/or practices of understaffing their restaurant locations due to labor budgeting and/or limited payroll allocation, assigning heavy workloads, and failing to schedule meal periods, which resulted in a lack of meal period coverage and prevented Plaintiff and other non-party Aggrieved Employees from taking all timely, uninterrupted meal periods to which they were entitled. As a result, Plaintiff and other non-party Aggrieved Employees had to work through their meal periods or could not take their meal periods until after five (5) hours into their shifts. For example, Plaintiff missed his meal periods and/or had his meal periods shortened or interrupted due to the restaurant being busy and lack of coverage. Thus, Defendants failed to

1 provide Plaintiff and other non-party Aggrieved Employees with compliant, 30-minute meal
2 periods.

3 68. Second, as stated, Defendants' company-wide timekeeping system prevented
4 Plaintiff and other non-party Aggrieved Employees from recording all hours worked when their
5 meal periods were shortened or interrupted, because the system locked out Plaintiff and other
6 non-party Aggrieved Employees once they clocked out for a meal period, and would not permit
7 them to clock back in from a meal period before 30 minutes had elapsed. Plaintiff and other
8 non-party Aggrieved Employees did not sign valid meal period waivers on days that they were
9 entitled to meal periods and were not relieved of all duties.

10 69. Moreover, Defendants had a company-wide policy of requiring all newly hired
11 employees to sign blanket meal period waivers at or near their time of hire. Defendants took the
12 position that non-exempt, hourly paid employees had waived their rights to first and/or second
13 meal periods for the entirety of their employment and, on that basis, did not provide them with
14 all meal periods to which they were entitled. Furthermore, Defendants' "Meal Break Waiver"
15 form requires employees to provide written notice should they wish to revoke the waiver.
16 Defendants' presumption that meal periods would not be provided for shifts in excess of five (5)
17 hours but less than six (6) hours and/or for shifts in excess of ten (10) hours but less than twelve
18 (12) hours, due to blanket meal period waivers signed at or near the time of hire, and imposition
19 on employees to revoke the waivers in advance and in writing, discouraged and impeded
20 Plaintiff and class members from taking all meal periods to which they were entitled.

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

25 [A]fter the meal break obligation is triggered . . . an employer is put to a
26 choice: it must (1) afford an off-duty meal period; (2) consent to a
27 mutually agreed-upon waiver if one hour or less will end the shift; or (3)
28 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.

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

6 71. At all times mentioned herein, Defendants knew or should have known that as a
7 result of their policies and/or practices, Plaintiff and other non-party Aggrieved Employees
8 were not actually relieved of all duties to take timely, uninterrupted meal periods. Defendants
9 further knew or should have known that they did not pay Plaintiff and other non-party
10 Aggrieved Employees meal period premiums when meal periods were late, interrupted,
11 shortened, and/or missed. As stated, on information and belief, because Defendants frowned
12 upon employees accruing meal period penalties, Defendants' management pressured Plaintiff
13 and other non-party Aggrieved Employees who had signed invalid meal period waivers (*see*
14 *supra*) to clock out before they had worked over six (6) hours in a day but required them to
15 work off-the-clock to limit their eligibility for meal periods, in order to strictly limit the meal
16 penalties that would need to be paid by Defendants. Thus, Defendants failed to provide
17 Plaintiff and other non-party Aggrieved Employees with compliant, 30- minute meal periods
18 altogether when they were scheduled for shifts of more than five (5) hours.

19 72. Furthermore, Defendants engaged in a company-wide practice and/or policy of
20 not paying all meal period premiums owed when compliant meal periods are not provided.
21 Because of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees
22 have not received premium pay for all missed, late, and interrupted meal periods. As a result,
23 Defendants failed to provide Plaintiff and other non-party Aggrieved Employees compliant
24 meal periods in violation of California Labor Code sections 226.7, 512(a), and 516 and failed
25 to pay the full meal period premiums due.

26 73. Defendants' conduct violates the applicable IWC Wage Order, and California
27 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved
28 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections

558 and/or 2699(a), (f), and (k).

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS

VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198

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

75. At all relevant times, 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.

76. At all relevant times, 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. 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 v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

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

78. During the relevant time period, Defendants regularly failed to authorize and permit Plaintiff and other non-party 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, Defendants' company-wide use of labor budgeting and/or limited payroll allocation,

1 understaffing, and assigning heavy workloads, resulted in a lack of rest period coverage and
2 prevented Plaintiff and other non-party Aggrieved Employees from being relieved of all duty in
3 order to take compliant rest periods. Additionally, Defendants failed to schedule rest periods,
4 which, coupled with Defendants' failure to provide adequate rest period coverage, further led
5 to Plaintiff and other non-party Aggrieved Employees not being authorized and permitted to
6 take rest periods.

7 79. Furthermore, on information and belief, during the relevant time period,
8 Defendants maintained and implemented a company-wide on-premises rest period policy,
9 which effectively required that Plaintiff and/or other non-party Aggrieved Employees remain
10 on the premises during their rest periods. Because Plaintiff and/or other non-party Aggrieved
11 Employees were restricted from leaving Defendants' premises during rest periods, they were
12 denied the ability to use their rest periods freely for their own purposes, such as completing
13 personal errands. Thus, Defendants effectively maintained control over Plaintiff and/or other
14 non-party Aggrieved Employees during rest periods.

15 80. As a result of Defendants' practices and policies, Plaintiff and other non-party
16 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in
17 excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they
18 were entitled. For example, Plaintiff had to regularly forgo his rest periods to take customer
19 orders, prepare ingredients, and/or assist his coworkers.

20 81. Defendants have also engaged in a systematic, company-wide practice and/or
21 policy of not paying rest period premiums owed when rest periods are not authorized and
22 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved
23 Employees have not received premium pay for all missed rest periods. Accordingly,
24 Defendants failed to authorize and permit all compliant rest periods and failed to pay the full
25 rest period premiums due.

26 82. Defendants' conduct violates the applicable IWC Wage Order and California
27 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved
28 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections

1 558 and/or 2699(a), (f), and (k).

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

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

9 84. During the relevant time period, Defendants have knowingly and intentionally
10 provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and
11 inaccurate wage statements. For example, Defendants issued uniform wage statements to
12 Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages
13 earned; total hours worked; net wages earned; and all applicable hourly rates in effect during
14 the pay period, and the corresponding number of hours worked at each hourly rate.
15 Specifically, Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

16 85. Because Defendants did not record the time Plaintiff and other non-party
17 Aggrieved Employees spent working off-the-clock and deducted time from their records for
18 meal periods that were interrupted and/or missed (and therefore time for which they should
19 have been paid), Defendants did not list the correct amount of gross wages and net wages
20 earned by Plaintiff and other non-party Aggrieved Employees in compliance with section
21 226(a)(1) and section 226(a)(5), respectively. For the same reason, Defendants failed to
22 accurately list the total number of hours worked by Plaintiff and other non-party Aggrieved
23 Employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of
24 pay in effect during the pay period and the corresponding accurate number of hours worked at
25 each hourly rate, in violation of section 226(a)(9).

26 86. The wage statement deficiencies also include, among other things, failing to list
27 the number of piece-rate units earned and any applicable piece rate if the employee is paid on
28 a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period

1 for which aggrieved employees were paid; failing to list the name of the employee and only
2 the last four digits of his or her social security number or an employee identification number
3 other than a social security number; failing to list the name and address of the legal entity that
4 is the employer; and/or failing to state all hours worked as a result of not recording or stating
5 hours worked off-the-clock.

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

18 88. California Labor Code section 1198 provides that the maximum hours of work
19 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
20 set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he
21 employment of any employees for longer hours than those fixed by the order or under
22 conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC
23 Wage Order, employers are required to keep accurate time records showing when the
24 employee begins and ends each work period and meal period. During the relevant time
25 period, Defendants engaged in company-wide practices and/or policies of failing to record
26 actual hours worked, and thereby failed, on a company-wide basis, to keep accurate records of
27 work period and meal period start and end times for Plaintiff and other non-party Aggrieved
28 Employees, in violation of section 1198.

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

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

6 90. At all relevant times herein set forth, California Labor Code section 204
7 requires that all wages earned by any person in any employment between the 1st and the 15th
8 days, inclusive, of any calendar month, other than those wages due upon termination of an
9 employee, are due and payable between the 16th and the 26th day of the month during which
10 the labor was performed. Labor Code section 204 further provides that all wages earned by
11 any person in any employment between the 16th and the last day, inclusive, of any calendar
12 month, other than those wages due upon termination of an employee, are due and payable
13 between the 1st and the 10th day of the following month.

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

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

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

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

28 94. 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 95. During the relevant time period, on information and belief, Defendants had a
8 company-wide practice or policy of paying departing employees their final wages late, instead
9 of adhering to the time requirements set forth in Labor Code sections 201 and 202. For
10 example, Defendants terminated Plaintiff on March 28, 2024, but did not provide Plaintiff with
11 his final paycheck until April 12, 2024. Thus, Defendants failed to pay Plaintiff his final wages
12 immediately, in violation of Labor Code section 201.

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

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

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

27 98. At all relevant times herein, California Labor Code section 1198 makes it
28 illegal to employ an employee under conditions of labor that are prohibited by the applicable

1 wage order. California Labor Code section 1198 requires that “. . . the standard conditions of
2 labor fixed by the commission shall be the . . . standard conditions of labor for employees.
3 The employment of any employee . . . under conditions of labor prohibited by the order is
4 unlawful.”

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

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

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

22 102. Defendants did not provide Plaintiff and other non-party Aggrieved Employees
23 with seats or stools in reasonable proximity to their work areas to allow them to use seats
24 when it would not interfere with the performance of their duties for times when they were not
25 engaged in active duties that require standing. In other words, to the extent Plaintiff and other
26 non-party Aggrieved Employees engaged in duties in which the nature of the work required
27 standing, Defendants denied them the use of seats nearby during lulls in their work duties.
28 Moreover, Defendants did not inform Plaintiff and other non-party Aggrieved Employees of

1 their rights to a seat or stool under California law.

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

9 104. Plaintiff and other non-party Aggrieved Employees are therefore entitled to
10 recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (k).

11 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

12 **VIOLATION OF LABOR CODE SECTION 2802**

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

26 106. First, during the relevant time period, Defendants, on a company-wide basis,
27 required Plaintiff and other non-party Aggrieved Employees to use their personal mobile
28 devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job

1 duties, but failed to reimburse them for the costs of their work-related mobile device expenses.
2 For example, Plaintiff and other non-party Aggrieved Employees used their personal mobile
3 devices to communicate with Defendants' management regarding restaurant procedures and
4 other work-related matters. Additionally, Defendants required Plaintiff and other non-party
5 Aggrieved Employees to use their personal mobile devices in order to view and access
6 training courses. Although Defendants required Plaintiff and other non-party Aggrieved
7 Employees to utilize their personal mobile devices and/or mobile data to carry out their work-
8 related responsibilities, Defendants failed to reimburse them for these costs.

9 107. Second, during the relevant time period, Defendants, on a company-wide basis,
10 required that Plaintiff and other non-party Aggrieved Employees use their own personal
11 vehicles for work purposes, but failed to reimburse them for all costs of travel, including
12 mileage. For example, Plaintiff was required to drive his personal vehicle to one of Defendants'
13 other restaurant locations six (6) miles across town to pick up ingredients and supplies.
14 Although Defendants required Plaintiff and other non-party Aggrieved Employees to utilize
15 their personal vehicles to carry out their work-related responsibilities, Defendants failed to
16 reimburse them for their mileage or travel expenses.

17 108. Third, during the relevant time period, Defendants expected that Plaintiff and
18 other non-party Aggrieved Employees "should dress and present themselves in a business-like
19 manner that reflects professional standards." Furthermore, Defendants' written uniform policy
20 states, "Employees who are provided with Company uniforms should keep them in a neat and
21 clean condition and must wear them at all times when on duty." Plaintiff and other non-party
22 Aggrieved Employees were thus required to report to work wearing uniforms bearing the
23 Subway restaurant logo, including a uniform shirt and hat, on a daily basis. Due to the nature of
24 restaurant work, Plaintiff's and other non-party Aggrieved Employees' uniform items would
25 become stained with grease, oil, soiled, and/or acquire an unpleasant odor such that they were
26 unable to mix these clothes in with other laundry. As a result, Plaintiff had to wash his uniform
27 items separately from his regular clothing, thus incurring additional utility and laundry expenses
28 for the upkeep of his uniforms. Thus, Defendants failed to maintain the uniforms they required

1 Plaintiff and other non-party Aggrieved Employees to wear during their shifts and forced them
2 to incur the costs of maintaining employee uniforms.

3 109. Fourth, during the relevant time period, Defendants, on a company-wide basis,
4 required Plaintiff and other non-party Aggrieved Employees to obtain and pay for certain
5 certifications, which were required for their continued employment, as well as associated costs
6 such as training. For example, Plaintiff complied with this requirement and obtained a food
7 handler certification but, on information and belief, Defendants did not reimburse them for the
8 costs of obtaining the certification. Thus, Defendants failed to reimburse Plaintiff and other
9 non-party Aggrieved Employees for the costs of obtaining these certifications, including
10 training fees.

11 110. Defendants could have provided Plaintiff and other non-party Aggrieved
12 Employees with the actual tools or equipment for use on the job, such as company mobile
13 devices and company vehicles, as well as access to laundering services. Or Defendants could
14 have reimbursed employees for their mobile device usage, mileage, travel expenses,
15 certification fees, and laundering expenses or provided a uniform maintenance allowance.
16 Instead, Defendants passed these operating costs off onto Plaintiff and other non-party
17 Aggrieved Employees. At all relevant times, Plaintiff did not earn at least two (2) times the
18 minimum wage.

19 111. Defendants' company-wide policy and/or practice of not reimbursing
20 employees for expenses necessarily incurred and passing on their operating costs to Plaintiff
21 and other non-party Aggrieved Employees violates California Labor Code section 2802.
22 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil
23 penalties pursuant to Labor Code sections 2699(a), (f), and (k).

24 **REQUEST FOR JURY TRIAL**

25 Plaintiff requests a trial by jury.

26 **PRAYER FOR RELIEF**

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

1 1. For civil penalties and attorneys’ fees in excess of twenty-five thousand dollars
2 (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a different
3 amount.

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

5 2. That the Court declare, adjudge and decree that Defendants violated the
6 following California Labor Code provisions as to Plaintiff and other non-party Aggrieved
7 Employees: 1182.12, 1194, 1197, and 1198 (by failing to pay at least minimum wages for all
8 hours worked); 226.7, 512(a), 516, and 1198 (by failing to provide all meal periods); 226.7,
9 516, and 1198 (by failing to authorize and permit all rest periods); 226(a), 1174(d), and 1198
10 (by failing to provide accurate wage statements and maintain accurate payroll records); 204
11 (by failing to timely pay all earned wages during employment); 201 and 202 (by failing to
12 timely pay all earned wages upon termination); 1198 and the applicable IWC Wage Order (by
13 failing to provide suitable seating); and 2802 (by failing to reimburse business expenses);

14 3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 256,
15 558, 1174.5, 2699(a), (f), and (k), for violations of California Labor Code sections 201, 202,
16 204, 226(a), 226.7, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, and 2802;

17 4. For attorneys’ fees and costs pursuant to California Labor Code section
18 2699(k)(1), and any and all other relevant statutes, for Defendants’ violations of California
19 Labor Code sections 201, 202, 204, 226(a), 226.7, 512(a), 516, 1174(d), 1182.12, 1194, 1197,
20 1198, and 2802;

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

22 //

23 //

24 //

25 //

26 //

27 //

28 //

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

3
4 Dated: September 3, 2024

Respectfully submitted,

5 Capstone Law APC

6
7 By: Roxanna Tabatabaee pour

8 Roxanna Tabatabaee pour

9 Ryan Tish

Alexander Wallin

10 Attorneys for Plaintiff Joshua Gomez
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT “1”



1875 Century Park East, Suite 1000
Los Angeles, California 90067
310.556.4811 Main | 310.943.0396 Fax

JEZZETTE RON
310.712.8142 Direct
Jezzette.Ron@capstonelawyers.com

June 27, 2024

VIA ONLINE SUBMISSION

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

Subject: *Joshua Gomez v. Hollister Subs, Inc., et al.*

Dear PAGA Administrator:

This office represents Joshua Gomez in connection with his claims under the California Labor Code. Mr. Gomez was an employee of HOLLISTER SUBS, INC.; DADWAL MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC.; FREEDOM SUBS, INC.; and/or PANDORI ELECTRONICS USA, INC. For the purpose of this letter, Mr. Gomez collectively refers to these entities as "SUBWAY."

The employers may be contacted directly at the addresses below:

HOLLISTER SUBS, INC.
1534-D FREMONT BLVD
SEASIDE, CA 93955

FIVE RIVERS HOSPITALITY, INC.
122 VIA DEL MILAGRO
MONTEREY, CA 93940

HOLLISTER SUBS, INC.
122 VIA DEL MILAGRO
MONTEREY, CA 93940

FREEDOM SUBS, INC.
122 VIA DEL MILAGRO
MONTEREY, CA 93940

DADWAL MANAGEMENT GROUP
1534-D FREMONT BLVD
SEASIDE, CA 93955

FREEDOM SUBS, INC.
1534-D FREMONT BLVD
SEASIDE, CA 93955

DADWAL MANAGEMENT GROUP
122 VIA DEL MILAGRO
MONTEREY, CA 93940

PANDORI ELECTRONICS USA, INC.
1534 FREMONT BOULEVARD SUITE D
SEASIDE, CA 93955

FIVE RIVERS HOSPITALITY, INC.
1534-D FREMONT BLVD
SEASIDE, CA 93955

Mr. Gomez 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. Gomez seeks relief on behalf of himself, the State of California, and other persons who are or were employed by SUBWAY in California as a non-exempt, hourly paid employee 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.

SUBWAY employed Mr. Gomez as a non-exempt Crew Member from approximately July 2023 to March 2024. Mr. Gomez worked at SUBWAY's restaurant located in Hollister, California. During his employment, Mr. Gomez typically worked five (5) hours or more per day and four (4) days or more per week. By the end of his employment, Mr. Gomez was compensated approximately \$16.00 per hour. Mr. Gomez's job duties included, without limitation, taking customer orders, preparing and cooking food, restocking ingredients, and cleaning the restaurant, dining area and kitchen.

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

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

HOLLISTER SUBS, INC.; DADWAL MANAGEMENT GROUP; FIVE RIVERS HOSPITALITY, INC.; FREEDOM SUBS, INC.; and PANDORI ELECTRONICS USA, INC. are California corporations. Together, they are a Subway restaurant franchisee, which sells specialty sandwiches, salads, and other menu items, operating approximately 23 restaurant locations in California. Upon information and belief, SUBWAY maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Seaside, California, or Monterey, California, for all non-exempt, hourly paid employees working for SUBWAY in California, including Mr. Gomez and other aggrieved employees. At all relevant times, SUBWAY issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Gomez and other aggrieved employees, regardless of their location or position.

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

¹ These facts, theories, and claims are based on Mr. Gomez's experience and counsel's review of those records currently available relating to Mr. Gomez'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. Gomez 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.

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 Industrial Welfare Commission (“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)(L) (defining “Hours Worked”).

First, during the relevant time period, SUBWAY had, and continues to have, a company-wide policy and/or practice of discouraging and impeding Mr. Gomez and other aggrieved employees from recording hours worked that were outside of their scheduled shifts, which caused Mr. Gomez and other aggrieved employees to perform various work-related tasks while off-the-clock before and after their shifts. For example, because SUBWAY’s timekeeping system was integrated with the company’s point-of-sale (“POS”) system, Mr. Gomez and other aggrieved employees had to spend time waiting to clock in for the start of their shifts, because other employees were using the POS system to handle customer transactions and taking orders. For instance, Mr. Gomez was required to wait up to three (3) minutes under SUBWAY’s control until a POS machine was available for clocking-in, time for which he was not paid. As a further example, Mr. Gomez was required to continue working after clocking out from his shifts, completing duties such as mopping, sweeping, cleaning, and locking the restaurant, because SUBWAY did not provide him with time to complete these tasks during his shift.

Moreover, SUBWAY had a company-wide security policy requiring employees to leave the restaurant premises in pairs. For example, after clocking out at the end of his scheduled shifts, Mr. Gomez was required to wait for other employees to complete their duties, such as closing the register and cleaning, before being able to leave the restaurant. Additionally, Mr. Gomez and other aggrieved employees were required to complete mandatory online training sessions, but SUBWAY did not permit them to complete the training during their shifts. For example, Mr. Gomez was required to complete a training session off the clock, which consisted of watching videos on food preparation and customer service, for three (3) hours. As a further example, SUBWAY’s managers called or sent text messages to Mr. Gomez to discuss cleaning duties for up to 20 minutes per instance. Thus, SUBWAY failed to track the time employees spent working off the clock, and Mr. Gomez and other aggrieved employees received no compensation for this time.

Second, upon information and belief, because SUBWAY frowned upon employees accruing meal period penalties, SUBWAY pressured employees who had signed invalid meal period waivers (*see infra*) to clock out before they had worked over six (6) hours in a day, in order to limit their eligibility for meal periods they otherwise would have received. As stated, SUBWAY required Mr. Gomez to clock out at the end of his scheduled shift and continue working to complete tasks before he could leave for the day. Thus, Mr. Gomez and other aggrieved employees were required to perform their assigned tasks off-the-clock because SUBWAY wanted to avoid paying penalties for missed meal periods.

Third, during the relevant time period, SUBWAY had, and continues to have, a company-wide policy and/or practice of staffing its restaurant locations strictly based on the labor hours or labor budget set by corporate. SUBWAY’s use of a labor budget resulted in understaffing, such that there were too few employees on duty to handle customer demand and provide meal period coverage. Moreover, SUBWAY failed to schedule meal periods, which further caused Mr. Gomez and other

aggrieved employees to not be relieved of their duties for compliant meal periods. As a result, Mr. Gomez and other aggrieved employees were not always afforded uninterrupted thirty (30) minute meal periods during shifts in which they were entitled to receive meal periods. For example, Mr. Gomez worked through his meal periods at least twice during his employment and/or had his meal periods interrupted due to the lack of coverage and the heavy workload. Consequently, Mr. Gomez and other aggrieved employees were required to work through and/or had their unpaid meal periods interrupted in order to complete their assigned duties and handle customer demand, time for which they were not paid.

Further, upon information and belief, SUBWAY's company-wide timekeeping system prevented Mr. Gomez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Gomez 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. Thus, SUBWAY did not record all hours worked during meal periods, and Mr. Gomez and other aggrieved employees performed work during meal periods for which they were not paid.

SUBWAY knew or should have known that as a result of these company-wide practices and/or policies, Mr. Gomez and other aggrieved employees were performing their assigned duties off-the-clock before and after their shifts and during meal periods, and were suffered or permitted to perform work for which they were not paid. Thus, SUBWAY did not pay minimum wages for all hours worked by Mr. Gomez and other aggrieved employees in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, SUBWAY regularly failed to pay at least minimum wages to Mr. Gomez 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. Gomez 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 §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable 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.

SUBWAY willfully failed to pay all overtime wages owed to Mr. Gomez and/or other aggrieved employees. During the relevant time period, Mr. Gomez and/or 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 twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, As set forth above, SUBWAY required Mr. Gomez and/or other aggrieved employees to perform work off-the-clock, including waiting to clock in for their shifts, cleaning, locking the restaurant, and waiting for other employees to complete closing duties. As also stated, SUBWAY

required Mr. Gomez and/or other aggrieved employees to complete mandatory online training sessions and communicate with management on their personal mobile devices. However, SUBWAY failed to track this time Mr. Gomez and/or other aggrieved employees spent working off-the-clock, and Mr. Gomez and/or other aggrieved employees received no compensation for this time.

Second, as stated above, on information and belief, in order to limit the meal penalties that SUBWAY would otherwise owe, SUBWAY pressured Mr. Gomez and/or other aggrieved employees to clock out before they worked six (6) hours in day to limit their eligibility for meal periods, but required them to perform work outside of their scheduled shifts, time for which they were not paid.

Third, as set forth above, due to SUBWAY's uniform practices of utilizing labor budgets, understaffing, assignment of heavy workloads, failure to schedule meal periods, and subsequent lack of meal period coverage, Mr. Gomez and/or other aggrieved employees were forced to forego meal periods, have their meal periods interrupted and/or were otherwise not relieved of all duties during meal periods.

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

Because Mr. Gomez and/or other aggrieved employees sometimes worked shifts of eight (8) hours a day or more or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Mr. Gomez and/or other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Furthermore, SUBWAY did not pay Mr. Gomez and/or other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, on information and belief, SUBWAY paid Mr. Gomez and/or other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, SUBWAY 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 Mr. Gomez and/or other aggrieved employees worked overtime and received these other forms of pay, SUBWAY failed to pay all overtime wages by paying a lower overtime rate than required.

SUBWAY's failure to pay Mr. Gomez and/or 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. Gomez and/or 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, 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 period, as stated, SUBWAY had, and continues to have, company-wide policies and/or practices of understaffing its restaurant locations due to labor budgeting and/or limited payroll allocation, assigning heavy workloads, and failing to schedule meal periods, which resulted in a lack of meal period coverage and prevented Mr. Gomez and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. As a result, Mr. Gomez and other aggrieved employees had to work through their meal periods or could not take their meal periods until after five (5) hours into their shifts. For example, Mr. Gomez missed his meal periods and/or had his meal periods shortened or interrupted due to the restaurant being busy and lack of coverage. Thus, SUBWAY failed to provide Mr. Gomez and other aggrieved employees with compliant, 30-minute meal periods.

Second, as stated, SUBWAY's company-wide timekeeping system prevented Mr. Gomez and other aggrieved employees from recording when their meal periods were shortened or interrupted, because the system locked out Mr. Gomez 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. Additionally, SUBWAY did not provide other aggrieved employees with second 30-minute meal periods on days that they worked in excess of ten (10) hours in one day. Mr. Gomez 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, SUBWAY had a company-wide policy of requiring all newly hired employees to sign blanket meal period waivers at or near their time of hire. SUBWAY 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. Furthermore, SUBWAY's "Meal Break Waiver" form requires employees to provide written notice should they wish to revoke the waiver. SUBWAY's presumption that meal periods would not be provided for shifts in excess of five (5) hours but less than six (6) hours and/or 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. Gomez 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 SUBWAY required Mr. Gomez 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 SUBWAY's obligation to provide Mr. Gomez and other aggrieved employees with meal periods did not arise until it had employed them for a full five (5) hours.

At all times mentioned herein, SUBWAY knew or should have known that as a result of its policies, Mr. Gomez and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. SUBWAY further knew or should have known that it did not pay Mr. Gomez and other aggrieved employees all meal period premiums when meal periods were late, interrupted, shortened, and/or missed. As stated, on information and belief, because SUBWAY frowned upon employees accruing meal period penalties, SUBWAY's management pressured Mr. Gomez and other aggrieved employees who had signed invalid meal period waivers (*see supra*) to clock out before they had worked over six (6) hours in a day but required them to work off-the-clock to limit their eligibility for meal periods, in order to strictly limit the meal penalties that would need to be paid by SUBWAY. Thus, SUBWAY failed to provide Mr. Gomez and other aggrieved employees with compliant, 30- minute meal periods altogether when they were scheduled for shifts of more than five (5) hours.

Furthermore, SUBWAY engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Gomez and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods. Alternatively, to the extent that SUBWAY did pay Mr. Gomez and/or other aggrieved employees premium pay for missed, late, and interrupted meal periods, SUBWAY did not pay Mr. Gomez and/or other aggrieved employees at the correct rate of pay for premiums because SUBWAY 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, SUBWAY failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. Gomez 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, SUBWAY regularly failed to authorize and permit Mr. Gomez 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, SUBWAY’s company-wide use of labor budgeting and/or limited payroll allocation, understaffing, and assigning heavy workloads, resulted in a lack of rest period coverage and prevented Mr. Gomez and other aggrieved employees from being relieved of all duty in order to take their rest periods. SUBWAY also failed to schedule rest periods, which, coupled with SUBWAY’s failure to provide adequate rest period coverage, further led to Mr. Gomez and other aggrieved employees not being authorized and permitted to take compliant rest periods.

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

As a result of SUBWAY’s practices and policies, Mr. Gomez 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 rest periods to which they were entitled. For example, Mr. Gomez had to regularly forgo his rest periods to take customer orders, prepare ingredients, and/or assist his coworkers.

SUBWAY has also engaged in a company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice and/or policy, Mr. Gomez and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that SUBWAY did pay Mr. Gomez and/or other aggrieved employees one (1) additional hour of premium pay for missed rest periods, SUBWAY did not pay Mr. Gomez and/or other aggrieved employees at the correct rate of pay for premiums because SUBWAY 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, SUBWAY failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. 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. SUBWAY has not provided Mr. Gomez 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, SUBWAY has knowingly and intentionally provided Mr. Gomez and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, SUBWAY issued uniform wage statements to Mr. Gomez 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, and/or meal and rest period premiums, and the corresponding number of hours worked at each hourly rate. Specifically, SUBWAY violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because SUBWAY did not accurately record the time Mr. Gomez 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), SUBWAY did not list the correct amount of gross wages and net wages earned by Mr. Gomez and other aggrieved employees, in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, SUBWAY failed to accurately list the total number of the hours worked by Mr. Gomez 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).

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

The wage statement deficiencies also include, without limitation, 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" Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as

required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), SUBWAY willfully failed to maintain accurate payroll records for Mr. Gomez 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, SUBWAY engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Mr. Gomez and other aggrieved employees, in violation of section 1198. Furthermore, in light of SUBWAY’s failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, SUBWAY kept no records of meal start and end times for second meal periods.

Because SUBWAY failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Gomez 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. Gomez 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. Gomez 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, SUBWAY failed to pay Mr. Gomez and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, within any time period specified by California Labor Code section 204.

Mr. Gomez 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.

During the relevant time period, on information and belief, SUBWAY had a company-wide practice or policy of paying departing employees their final wages late, instead of adhering to the time requirements set forth in Labor Code sections 201 and 202. For example, SUBWAY terminated Mr. Gomez on March 28, 2024, but did not provide Mr. Gomez with his final paycheck until April 12, 2024. Thus, SUBWAY failed to pay Mr. Gomez his final wages immediately, in violation of Labor Code section 201.

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

Mr. Gomez 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 § 1198 and California Code of Regulations Title 8, Section 11070 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)(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.” 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.*

SUBWAY's California restaurant locations are generally similar in their layout and design and there was, and continues to be, space near their 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. Gomez and other aggrieved employees during lulls in operation. SUBWAY could have provided Mr. Gomez 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.

SUBWAY did not provide Mr. Gomez 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. Gomez and other aggrieved employees engaged in duties in which the nature of the work required standing, SUBWAY denied them the use of seats nearby during lulls in their work duties. Moreover, SUBWAY did not inform Mr. Gomez and other aggrieved employees of their rights to a seat or stool under California law.

As a result of SUBWAY'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. Gomez and other aggrieved employees were forced to stand during shifts and denied seats. SUBWAY's failure to provide suitable seating to Mr. Gomez and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 5-2001, subdivision 14(B).

Mr. Gomez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring SUBWAY 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, SUBWAY, on a company-wide basis, required that Mr. Gomez and other aggrieved employees use their own personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties but failed to reimburse them for the costs of their work-related mobile device expenses. For example, Mr. Gomez and other aggrieved employees used their personal mobile devices to communicate with SUBWAY's management regarding restaurant procedures and other work-related matters. Additionally, SUBWAY required Mr. Gomez and other aggrieved employees to use their personal mobile devices in order to view and access training courses. Although SUBWAY required Mr. Gomez and other aggrieved employees to utilize their personal mobile devices to carry out their work-related responsibilities, SUBWAY failed to reimburse them for this cost.

Second, during the relevant time period, SUBWAY, on a company-wide basis, required that Mr. Gomez and other aggrieved employees use their own personal vehicles for work purposes, but failed to reimburse them for all costs of travel, including mileage. For example, Mr. Gomez was required to drive his personal vehicle to one of SUBWAY's other restaurant locations six (6) miles across town to pick up ingredients and supplies. Although SUBWAY required Mr. Gomez and other aggrieved employees to utilize their personal vehicles to carry out their work-related responsibilities, SUBWAY failed to reimburse them for their mileage or travel expenses.

Third, during the relevant time period, SUBWAY expected that Mr. Gomez and other aggrieved employees "should dress and present themselves in a business-like manner that reflects professional standards." Furthermore, SUBWAY's written uniform policy states, "Employees who are provided with Company uniforms should keep them in a neat and clean condition and must wear them at all times when on duty." Mr. Gomez and other aggrieved employees were thus required to report to work wearing uniforms bearing the Subway restaurant logo, including a uniform shirt and hat, on a daily basis. Due to the nature of restaurant work, Mr. Gomez's and other aggrieved employees' uniform items would become stained with grease, oil, soiled, and/or acquire an unpleasant odor such that they were unable to mix these clothes in with other laundry. As a result, Mr. Gomez had to wash his uniform items separately from his regular clothing, thus incurring additional utility and laundry expenses for the upkeep of his uniforms. Thus, SUBWAY failed to maintain the uniforms it required Mr. Gomez and other aggrieved employees to wear during their shifts and forced them to incur the costs of maintaining employee uniforms.

Fourth, during the relevant time period, SUBWAY, on a company-wide basis, required Mr. Gomez and other aggrieved employees to obtain and pay for certain certifications, which were required for their continued employment, as well as associated costs such as training. For example, Mr. Gomez complied with this requirement and obtained a food handler certification but, on information and belief, SUBWAY did not reimburse them for the costs of obtaining the certification. Thus, SUBWAY failed to reimburse Mr. Gomez and other aggrieved employees for the costs of obtaining these certifications, including training fees.

SUBWAY could have provided Mr. Gomez and other aggrieved employees with actual equipment for use on the job, such as mobile devices and company vehicles, as well as access to laundering services. Or SUBWAY could have reimbursed employees for the costs of their mobile device usage, mileage, travel expenses, certification fees, and laundering expenses or provided a uniform maintenance allowance. Instead, SUBWAY passed these operating costs off onto Mr. Gomez and other aggrieved employees. At all relevant times, Mr. Gomez did not earn at least two (2) times the minimum wage.

Thus, SUBWAY 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. Gomez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 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.” SUBWAY, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. Gomez’s and other aggrieved employees’ rights by violating various sections of the California Labor Code.

Accordingly, Mr. Gomez 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. Gomez, 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 SUBWAY for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

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

Pre-Litigation Demand

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

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

1. SUBWAY shall pay Mr. Gomez and all other aggrieved employees employed by SUBWAY at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. SUBWAY 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. SUBWAY shall conduct a survey or interview all current and former aggrieved employees in California who worked for SUBWAY 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; travel expenses; mileage; certification fees; laundry expenses; or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. SUBWAY 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. SUBWAY 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. SUBWAY shall reimburse those aggrieved employees who were required to pay for any business expenses incurred for SUBWAY's benefit, including, but not limited to, mobile device expenses, travel expenses and mileage, certification fees, laundry expenses, or other expenditures, as required by Labor Code section 2802.
6. SUBWAY shall pay accrued legal interest to all aggrieved employees at the rate of 10% per annum for said unpaid wages.
7. SUBWAY shall provide all aggrieved employees employed by SUBWAY 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).
8. SUBWAY 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.
9. SUBWAY shall implement and provide suitable seating to all aggrieved employees.
10. SUBWAY 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:

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

Best Regards,



Jezzette Ron

Copy: HOLLISTER SUBS, INC. (via U.S. Certified Mail); DADWAL MANAGEMENT GROUP (via U.S. Certified Mail); FIVE RIVERS HOSPITALITY, INC. (via U.S. Certified Mail); FREEDOM SUBS, INC. (via U.S. Certified Mail); PANDORI ELECTRONICS USA, INC. (via U.S. Certified Mail);

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.

**HOLLISTER SUBS,
INC.**
122 Via Del Milagro
Monterey, CA 93940



2. Address on back of mailpiece must be legible

7022 2410 0000 2264 8332

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

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

Domestic Return Receipt

CAPSTONE LAW, APC
1875 Century Park East
Suite #1000
Los Angeles, CA 90067

**HOLLISTER SUBS,
INC.**
122 Via Del Milagro
Monterey, CA 93940

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL



7022 2410 0000 2264 8332
7022 2410 0000 2264 8332

PS Form 3800, April 2013 PSN 7530-02-000-9047

See Reverse for Instructions

Official Mail Fee

Extra Services & Fees (attach form and pay as appropriate)

☐ Signature Confirmation

☐ Return Receipt (hardcopy)

☐ Certified Mail

☐ Adult Sign

Postage

Total Postage

Sent to

Street and Apt

City, State, ZIP

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

Postmark

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**

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

OFFICIAL USE

Conceal u. Hollister

**HOLLISTER SUBS,
INC.**
122 Via Del Milagro
Monterey, CA 93940

**HOLLISTER SUBS,
INC.**
1534-D Fremont Blvd.
Spacida CA 92055

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ 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.		A. Signature ☒ X	
HOLLISTER SUBS, INC. 15344D Fremont Blvd. Seaside, CA 93955		B. Received by (Printed Name) C. Date of Delivery	
1. Address 7022 244D 0000 2264 831B		D. Is delivery address different from item 1? ☐ Yes ☒ No If YES, enter delivery address below:	
2. Article Description 7022 244D 0000 2264 831B		3. Service Type ☐ Priority Mail Express® ☐ Registered Mail™ ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail	
4. Delivery Confirmation ☐ Signature Confirmation™ ☐ Restricted Delivery		☐ Priority Mail Express® ☐ Registered Mail™ ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail	

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FLAT RATE POSTED LINE

CERTIFIED MAIL®



7022 2410 0000 2264 8318
7022 2410 0000 2264 8318

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

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

Certified Mail Fee \$ _____

Extra Services (check boxes and fee as appropriate)

☐ Return Receipt (hardcopy) \$ _____

☐ Return Receipt (electronic) \$ _____

☐ Adult Signature Required \$ _____

☐ Restricted Delivery \$ _____

☐ Signature Required \$ _____

☐ Insured Mail (over \$500) \$ _____

☐ Registered Mail \$ _____

Postage \$ _____

Total Postage \$ _____

Sent to: _____

Street and # _____

City, State, ZIP+4® _____

HOLLISTER SUBS, INC.

1534-D Fremont Blvd.

Seaside, CA 93955

Official Use

Gomez W

Hollister Subs

Postmark _____

PS Form 3800, April 2015 PSN 7530-02-000-9047

Scan Receipt for Postmaster

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.

DADWAL MANAGEMENT GROUP
1534-D Fremont Blvd.
Seaside, CA 93955



2. Addressed to the addressee only

7022 2410 0000 2264 8325

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 1? ☐ Yes ☐ No
If YES, enter delivery address below:

- E. 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 | |
| ☐ Restricted Delivery | |

DADWAL MANAGEMENT GROUP
1534-D Fremont Blvd.
Seaside, CA 93955

CAPSTONE LAW APC
1875 Century Park East
Suite #1000
Los Angeles, CA 90067

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL



7022 2410 0000 2264 8325

7022 2410 0000 2264 8325

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, and fee as appropriate)
Return Receipt (hardcopy) \$
Return Receipt (electronic) \$
Certified A \$
Adult Sign \$
Postage \$
Total Postage \$
Sent to \$
Street and A \$
City, State, ZIP \$

DADWAL MANAGEMENT GROUP
1534-D Fremont Blvd.
Seaside, CA 93955

Signature: *Conner V. Holtz*
Postmark: *Seaside*

PS Form 3800, April 2015 PSN 7504-02-000-9047 See Reverse for Instructions

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.

DADWAL MANAGEMENT GROUP
122 Via Del Milagro
Monterey, CA 93940



2. Article Number (Printed from Service 4000)

7022 2410 0000 2264 8349

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

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail (Limit \$500)
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery
- ☐ Priority Mail Express®

Domestic Return Receipt

DADWAL MANAGEMENT GROUP

122 Via Del Milagro
Monterey, CA 93940

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®



7022 2410 0000 2264 8349

7022 2410 0000 2264 8349

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 Restricted Delivery Fee (for all registered mailpieces)
Return Receipt (hardcopy)
Return Receipt (electronic)
Certified
Adult Signature
Adult Signature Restricted Delivery
Postage
Total Postage

Sent to: **DADWAL MANAGEMENT GROUP**
Street and City, State: **122 Via Del Milagro Monterey, CA 93940**

Postmark: *Conley, Hollister Subs*

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

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.

FIVE RIVERS HOSPITALITY, INC.
1534-D Fremont Blvd.
Seaside, CA 93955

2. Address (Print or type on back of mailpiece)
7022 2410 0000 2264 8363

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

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 ☐ 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

CARSTONE LAW, APC
1875 Century Park East
Suite #1000
Los Angeles, CA 90067

FIVE RIVERS HOSPITALITY, INC.
1534-D Fremont Blvd.
Seaside, CA 93955

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®

7022 2410 0000 2264 8363
7022 2410 0000 2264 8363

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, add fee as appropriate)

- ☐ Return Receipt (hardcopy)
- ☐ Return Receipt (electronic)
- ☐ Certified Mail
- ☐ Adult Sign
- ☐ Adult Sign

Postage

Total Postage

Sent to

Street and/A

City, State, ZIP

FIVE RIVERS HOSPITALITY, INC.
1534-D Fremont Blvd.
Seaside, CA 93955

PS Form 3800, April 2015 PSN 7530-02-000-3477 See Reverse for Instructions

Carstone, Hellyer, Sub

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
■ 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. FIVE RIVERS HOSPITALITY, INC. 122 Via Del Milagro Monterey, CA 93940 2. Article Number (Transfer from service label) 7022 2410 0000 2264 8387	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 E. Service Type <table border="0"> <tr> <td> ☐ Adult Signature ☒ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Mail Restricted Delivery </td> <td> ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery </td> </tr> </table>	☐ Adult Signature ☒ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Mail Restricted Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery
☐ Adult Signature ☒ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ 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

CAPSTONE LAW, APC
1875 Century Park East
Suite #1000
Los Angeles, CA 90067

**FIVE RIVERS
HOSPITALITY, INC.**
122 Via Del Milagro
Monterey, CA 93940

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE	
CERTIFIED MAIL	
7022 2410 0000 2264 8387 7022 2410 0000 2264 8387	
U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com OFFICIAL USE 1. Certified Mail fee \$ <u>6.00</u> 2. Signature & Date (Print name and date in appropriate space) 3. Return Receipt (electronic) ☐ Return Receipt (hardcopy) ☒ \$ <u>2.80</u> 4. Postage ☐ Adult Sig ☐ Adult Sig ☐ Adult Sig 5. Total Postage \$ <u>8.80</u> 6. Sent To <u>Monterey, CA 93940</u> 7. Street and City, State, ZIP+4® <u>Monterey, CA 93940</u> 8. PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	FIVE RIVERS HOSPITALITY, INC. 122 Via Del Milagro Monterey, CA 93940 <i>Monterey, CA 93940</i>

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ 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.		A. Signature ☐ Agent ☐ Addressee X	
FREEDOM SUBS, INC. 1534-D Fremont Blvd. Seaside, CA 93955		B. Received by (Printed Name) C. Date of Delivery	
2. Article Number (Printed from service label) / 0590 8402 7106 2122 1545		D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:	
3. 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 ☐ Signature Confirmation Restricted Delivery ☐ Insured Mail ☐ Signature Confirmation Restricted Delivery		strict Delivery	
7022 2410 0000 2264 8356		8356	
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt	

CAPSTONE LAW APC
1875 Century Park East
Suite #1000
Los Angeles, CA 90067

FREEDOM SUBS, INC.
1534-D Fremont Blvd.
Seaside, CA 93955

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.	
CERTIFIED MAIL	
7022 2410 0000 2264 8356 7022 2410 0000 2264 8356	
U.S. Postal Service® CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com.	
OFFICIAL USE	
Extra Services & Fees (print box, and fee as appropriate) ☐ Signature Confirmation ☐ Return Receipt (hardcopy) ☐ Certified 1 ☐ Adult Sign Postmark	
FREEDOM SUBS, INC. 1534-D Fremont Blvd. Seaside, CA 93955	
PS Form 3800, April 2015 PSN 7530-02-000-9049 See literature for instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ 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,	A. Signature X ☐ Agent ☐ Addressee B. Received by (<i>Printed Name</i>) C. Date of Delivery Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
FREEDOM SUBS, INC. 122 Via Del Milagro Monterey, CA 93940	
2. Address (Print name and address) 12164463	Service Type ☐ Adult Signature ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Insured Mail ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery
7022 2410 0000 2264 8370 PS Form 3811, July 2020 PSN 7530-02-000-9053 1 Mail Restricted Delivery 500	

FREEDOM SUBS, INC.
122 Via Del Milagro
Monterey, CA 93940

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.

**PANDORI ELECTRONICS
USA, INC.**
1534 FREMONT BLVD.
SUITE D
SEASIDE, CA 93955



2. Address (Include Post Office Box or PO Box)

7022 2410 0000 2264 8394

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent☐ Addressee**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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Registered 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
Suite #1000
Los Angeles, CA 90067

**PANDORI ELECTRONICS
USA, INC.**
1534 FREMONT BLVD.
SUITE D
SEASIDE, CA 93955

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS FOLD AT DOTTED LINE

CERTIFIED MAIL

7022 2410 0000 2264 8394

7022 2410 0000 2264 8394

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

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

Basic Service & Fee (shown below, add fee as appropriate)

☒ Return Receipt (hardcopy) \$3.50

☐ Return Receipt (electronic) \$0.00

☐ Certified Mail Restricted Delivery \$0.00

Postage

☐ Adult Sig

Total Postage \$

Sent To PANDORI ELECTRONICS
USA, INC.
1534 FREMONT BLVD.
SUITE D
SEASIDE, CA 93955

Street and City, State, ZIP+4®

Signature *George V. Walker-Sobbs*

Date 10/14/20

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.

PANDORI ELECTRONICS
USA, INC.
1534 FREMONT BLVD.
SUITE D
SEASIDE, CA 93955

2. Article Number (Transfer from Service Label)
7022 2410 0000 2264 8394

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☒ Agent
☐ Addressee

B. Received by (Printed Name)C. Date of Delivery
7/1

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

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Registered Mail Restricted Delivery (\$500)

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

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

FIVE RIVERS
HOSPITALITY, INC.
1534-D Fremont Blvd.
Seaside, CA 93955

2. Article Number (Transfer from Service Label)
7022 2410 0000 2264 8363

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☒ Agent
☐ Addressee

B. Received by (Printed Name)C. Date of Delivery
7/1

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

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Registered Mail Restricted Delivery (\$500)

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

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

DADWAL MANAGEMENT
GROUP
1534-D Fremont Blvd.
Seaside, CA 93955

2. Article Number (Transfer from Service Label)
7022 2410 0000 2264 8325

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☒ Agent
☐ Addressee

B. Received by (Printed Name)C. Date of Delivery
7/1

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

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Registered Mail Restricted Delivery (\$500)

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

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

HOLLISTER SUBS,
INC.
1534-D Fremont Blvd.
Seaside, CA 93955

2. Article Number (Transfer from Service Label)
7022 2410 0000 2264 8318

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☒ Agent
☐ Addressee

B. Received by (Printed Name)C. Date of Delivery
7/1

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

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Registered Mail Restricted Delivery (\$500)

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

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

FREEDOM SUBS, INC.
1534-D Fremont Blvd.
Seaside, CA 93955

2. Article Number (Transfer from Service Label)
7022 2410 0000 2264 8356

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☒ Agent
☐ Addressee

B. Received by (Printed Name)C. Date of Delivery
7/1

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

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Registered Mail Restricted Delivery (\$500)

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

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