

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

Norman B. Blumenthal (State Bar #068687)

Kyle R. Nordrehaug (State Bar #205975)

Aparajit Bhowmik (State Bar #248066)

Nicholas J. De Blouw (State Bar #280922)

Piya Mukherjee (State Bar #274217)

piya@bamlawca.com

2255 Calle Clara

La Jolla, CA 92037

Telephone: (858)551-1223

Facsimile: (858) 551-1232

Website: www.bamlawca.com

Attorneys for Plaintiff

E-FILED

8/26/2024 10:25 AM

Clerk of Court

Superior Court of CA,

County of Santa Clara

24CV445966

Reviewed By: J. Nguyen

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SANTA CLARA

JACOB LOZADA, on behalf of the State
of California, as a private attorney general,

Plaintiff,

vs.

SDC RESTAURANTS LLC, a California
Limited Liability Corporation; and DOES
1 through 50, inclusive,

Defendants.

Case No. 24CV445966

**REPRESENTATIVE ACTION
COMPLAINT FOR:**

1. Civil Penalties Pursuant to Labor Code
§ 2699, *et seq.* for violations of Labor
Code §§ 201, 202, 203, 204 *et seq.*, 210,
218, 221, 226(a), 226.7, 227.3, 246, 510,
512, 558(a)(1)(2), 194, 1197, 1197.1,
1198, 2802, California Code of
Regulations, Title 8, Section 11040,
Subdivision 5(A)-(B), California Code of
Regulations, Title 8, Section 11070(14)
(Failure to Provide Seating), and the
applicable Wage Order(s).

1 Plaintiff Jacob Lozada (“PLAINTIFF”), on behalf of the people of the State of
2 California and as an “aggrieved employee” acting as a private attorney general under the Labor
3 Code Private Attorney General Act of 2004, § 2699, *et seq.* (“PAGA”) only, alleges on
4 information and belief, except for his own acts and knowledge which are based on personal
5 knowledge, the following:

6 **INTRODUCTION**

7 1. PLAINTIFF brings this action against defendant SDC Restaurants LLC (referred
8 to as “DEFENDANT”) seeking only to recover PAGA civil penalties on behalf of all current
9 and former aggrieved employees that worked for DEFENDANT. PLAINTIFF does **not seek**
10 **to recover anything other than penalties as permitted by California Labor Code § 2699.**

11 To the extent that statutory violations are mentioned for wage violations, PLAINTIFF does not
12 seek underlying general and/or special damages for those violations, but simply the civil
13 penalties permitted by California Labor Code § 2699.

14 2. California has enacted the PAGA which permits PLAINTIFF to bring an action
15 on behalf of himself and on behalf of others for PAGA penalties *only*, which is the precise and
16 sole nature of this action.

17 3. Accordingly, PLAINTIFF seeks to obtain all applicable relief for
18 DEFENDANT’s violations under PAGA and solely for the relief as permitted by PAGA – that
19 is, penalties and any other relief the Court deems proper pursuant to the PAGA. Nothing in this
20 complaint should be construed as attempting to obtain any relief that would not be available in
21 a PAGA-only action.

22 4. PLAINTIFF is not suing in his individual capacity; he is proceeding
23 herein solely under the PAGA, on behalf of the State of California for all aggrieved employees,
24 including himself and other aggrieved employees. Nothing in this complaint should be
25 construed as PLAINTIFF suing in his individual capacity.

26 ///

27 ///

28 ///

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

- 2
- 3
- 4

5

6
7
8
9
0

- 1
- 2
- 3
- 4
- 5
- 6
- 7

8
9
10
11
12
13
14
15
16

10. The true names and capacities, whether individual, corporate, subsidiary, partnership, associate or otherwise of defendants DOES 1 through 50, inclusive, are presently unknown to PLAINTIFF who therefore sues these Defendants by such fictitious names pursuant to Cal. Civ. Proc. Code § 474. PLAINTIFF will seek leave to amend this Complaint to allege the true names and capacities of Does 1 through 50, inclusive, when they are ascertained. PLAINTIFF is informed and believes, and based upon that information and belief alleges, that the Defendants named in this Complaint, including DOES 1 through 50, inclusive, are responsible in some manner for one or more of the events and happenings that proximately caused the injuries and damages hereinafter alleged.

11. The agents, servants and/or employees of the Defendants and each of them acting on behalf of the Defendants acted within the course and scope of his, her or its authority as the agent, servant and/or employee of the Defendants, and personally participated in the conduct alleged herein on behalf of the Defendants with respect to the conduct alleged herein. Consequently, the acts of each Defendant are legally attributable to the other Defendants and all Defendants are jointly and severally liable to PLAINTIFF and all the AGGRIEVED EMPLOYEES, for the loss sustained as a proximate result of the conduct of the Defendants' agents, servants and/or employees.

THE CONDUCT

12. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT was required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all their time worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work. DEFENDANT requires PLAINTIFF and the AGGRIEVED EMPLOYEES to work without paying them for all the time they are under DEFENDANT's control. Among other things, DEFENDANT requires PLAINTIFF to work while clocked out during what is supposed to be PLAINTIFF's off-duty meal break. PLAINTIFF was from time to time interrupted by work assignments while clocked out for what should have been PLAINTIFF's off-duty meal

1 break. DEFENDANT, as a matter of established company policy and procedure,
2 administers a uniform practice of rounding the actual time worked and recorded by
3 PLAINTIFF and the AGGRIEVED EMPLOYEES, always to the benefit of DEFENDANT,
4 so that during the course of their employment, PLAINTIFF and the AGGRIEVED
5 EMPLOYEES are paid less than they would have been paid had they been paid for actual
6 recorded time rather than “rounded” time. Additionally, DEFENDANT engages in the
7 practice of requiring PLAINTIFF and the AGGRIEVED EMPLOYEES to perform work off
8 the clock in that DEFENDANT, as a condition of employment, required these employees to
9 submit to mandatory temperature checks and symptom questionnaires for COVID-19
10 screening prior to clocking into DEFENDANT’s timekeeping system for the workday. As a
11 result, PLAINTIFF and the AGGRIEVED EMPLOYEES forfeit minimum wage, overtime
12 wage compensation, and off-duty meal breaks by working without their time being correctly
13 recorded and without compensation at the applicable rates. DEFENDANT’s policy and
14 practice not to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all time worked, is
15 evidenced by DEFENDANT’s business records.

16 13. State law provides that employees must be paid overtime and meal and rest
17 break premiums at one-and-one-half times their “regular rate of pay.” PLAINTIFF and the
18 AGGRIEVED EMPLOYEES are compensated at an hourly rate plus incentive pay that is
19 tied to specific elements of an employee’s performance.

20 14. The second component of PLAINTIFF’s and the AGGRIEVED
21 EMPLOYEES’ compensation is DEFENDANT’s non-discretionary incentive program that
22 paid PLAINTIFF and the AGGRIEVED EMPLOYEES incentive wages based on their
23 performance for DEFENDANT. The non-discretionary incentive program provided all
24 employees paid on an hourly basis with incentive compensation when the employees met the
25 various performance goals set by DEFENDANT. However, when calculating the regular
26 rate of pay in order to pay overtime and meal and rest break premiums to PLAINTIFF and
27 the AGGRIEVED EMPLOYEES, DEFENDANT failed to include the incentive
28 compensation as part of the employees’ “regular rate of pay” for purposes of calculating

1 overtime pay and meal and rest break premium pay. Management and supervisors described
2 the incentive program to potential and new employees as part of the compensation package.
3 As a matter of law, the incentive compensation received by PLAINTIFF and the
4 AGGRIEVED EMPLOYEES must be included in the “regular rate of pay.” The failure to
5 do so has resulted in a underpayment of overtime compensation and meal and rest break
6 premiums to PLAINTIFF and the AGGRIEVED EMPLOYEES by DEFENDANT.

7 15. As a result of their rigorous work schedules, PLAINTIFF and the
8 AGGRIEVED EMPLOYEES were from time to time unable to take thirty (30) minute off
9 duty meal breaks and were not fully relieved of duty for their meal periods. PLAINTIFF
10 and the AGGRIEVED EMPLOYEES were required from time to time to perform work as
11 ordered by DEFENDANT for more than five (5) hours during some shifts without receiving
12 a meal break. Further, DEFENDANT from time to time failed to provide PLAINTIFF and
13 AGGRIEVED EMPLOYEES with a second off-duty meal period for some workdays in
14 which these employees were required by DEFENDANT to work ten (10) hours of work.
15 DEFENDANT also engaged in the practice of rounding the meal period times to avoid
16 paying penalties to PLAINTIFF and the AGGRIEVED EMPLOYEES. PLAINTIFF and the
17 AGGRIEVED EMPLOYEES therefore forfeit meal breaks without additional compensation
18 and in accordance with DEFENDANT’s corporate policy and practice.

19 16. During the PAGA PERIOD, PLAINTIFF and the AGGRIEVED
20 EMPLOYEES were also required from time to time to work in excess of four (4) hours
21 without being provided ten (10) minute rest periods. Further, these employees were denied
22 their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2)
23 to four (4) hours from time to time, a first and second rest period of at least ten (10) minutes
24 for some shifts worked of between six (6) and eight (8) hours from time to time, and a first,
25 second and third rest period of at least ten (10) minutes for some shifts worked of ten (10)
26 hours or more from time to time. PLAINTIFF and the AGGRIEVED EMPLOYEES were
27 also not provided with one hour wages in lieu thereof. Additionally, the applicable
28 California Wage Order requires employers to provide employees with off-duty rest periods,

1 which the California Supreme Court defined as time during which an employee is relieved
2 from all work related duties and free from employer control. In so doing, the Court held that
3 the requirement under California law that employers authorize and permit all employees to
4 take rest period means that employers must relieve employees of all duties and relinquish
5 control over how employees spend their time which includes control over the locations
6 where employees may take their rest period. Employers cannot impose controls that prohibit
7 an employee from taking a brief walk - five minutes out, five minutes back. Here,
8 DEFENDANT's policy restricted PLAINTIFF and the AGGRIEVED EMPLOYEES from
9 unconstrained walks and is unlawful based on DEFENDANT's rule which states
10 PLAINTIFF and the AGGRIEVED EMPLOYEES cannot leave the work premises during
11 their rest period.

12 17. During the PAGA PERIOD, DEFENDANT failed to accurately record and
13 pay PLAINTIFF and the AGGRIEVED EMPLOYEES for the actual amount of time these
14 employees worked. Pursuant to the Industrial Welfare Commission Wage Orders,
15 DEFENDANT was required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for
16 all time worked, meaning the time during which an employee was subject to the control of
17 an employer, including all the time the employee was permitted or suffered to permit this
18 work. DEFENDANT required these employees to work off the clock without paying them
19 for all the time they were under DEFENDANT's control. As such, DEFENDANT knew or
20 should have known that PLAINTIFF and the AGGRIEVED EMPLOYEES were under
21 compensated for all time worked. As a result, PLAINTIFF and the AGGRIEVED
22 EMPLOYEES forfeited time worked by working without their time being accurately
23 recorded and without compensation at the applicable minimum wage and overtime wage
24 rates. To the extent that the time worked off the clock does not qualify for overtime
25 premium payment, DEFENDANT failed to pay minimum wages for the time worked off-
26 the-clock in violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1.

27 18. From time to time, DEFENDANT also failed to provide PLAINTIFF and the
28 AGGRIEVED EMPLOYEES with complete and accurate wage statements which failed to

1 show, among other things, the correct gross and net wages earned. Cal. Lab. Code § 226
2 provides that every employer shall furnish each of his or her employees with an accurate
3 itemized wage statement in writing showing, among other things, gross wages earned and all
4 applicable hourly rates in effect during the pay period and the corresponding amount of time
5 worked at each hourly rate. PLAINTIFF and the AGGRIEVED EMPLOYEES were paid on
6 an hourly basis. As such, the wage statements should reflect all applicable hourly rates
7 during the pay period and the total hours worked, and the applicable pay period in which the
8 wages were earned pursuant to California Labor Code Section 226(a). The wage statements
9 DEFENDANT provided to PLAINTIFF and the AGGRIEVED EMPLOYEES failed to
10 identify such information. More specifically, the wage statements failed to identify the
11 accurate total hours worked each pay period. When the hours shown on the wage statements
12 were added up, they did not equal the actual total hours worked during the pay period in
13 violation of Cal. Lab. Code 226(a)(2). Aside, from the violations listed above in this
14 paragraph, DEFENDANT failed to issue to PLAINTIFF an itemized wage statement that
15 lists all the requirements under California Labor Code 226 *et seq.* As a result, DEFENDANT
16 from time to time provided PLAINTIFF and the AGGRIEVED EMPLOYEES with wage
17 statements which violated Cal. Lab. Code § 226.

18 19. Cal. Lab. Code § 204(d) provides, the requirements of this section shall be
19 deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if
20 the wages are paid not more than seven (7) calendar days following the close of the payroll
21 period. Cal. Lab. Code § 210 provides:

22 in [I]n addition to, and entirely independent and apart from, any other penalty provided
23 this article, every person who fails to pay the wages of each employee as provided in
24 Sections. . . 204. . . shall be subject to a civil penalty as follows: (1) For any initial
25 violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For
26 each subsequent violation, or any willful or intentional violation, two hundred dollars
27 (\$200) for each failure to pay each employee, plus 25 percent of the amount
28 unlawfully withheld.

26 20. DEFENDANT from time to time failed to pay PLAINTIFF and the
27 AGGRIEVED EMPLOYEES within seven (7) days of the close of the payroll period in
28

1 accordance with Cal. Lab. Code § 204(d), including but not limited to the “Hourly” regular
2 wage payments.

3 21. DEFENDANT underpaid sick pay wages to PLAINTIFF and the
4 AGGRIEVED EMPLOYEES by failing to pay such wages at the regular rate of pay in
5 violation of Cal. Lab. Code Section 246. Specifically, PLAINTIFF and other non-exempt
6 employees earn non-discretionary remuneration, including, but not limited to, incentives,
7 shift differential pay, and bonuses. Rather than pay sick pay at the regular rate of pay,
8 DEFENDANT underpays sick pay to PLAINTIFF and the AGGRIEVED EMPLOYEES at
9 their base rates of pay.

10 22. Cal. Lab. Code Section 246(l)(2) requires that paid sick time for nonexempt
11 employees be calculated by dividing the employee’s total wages, not including overtime
12 premium pay, by the employee’s total hours worked in the full pay periods of the prior 90
13 days of employment.

14 23. DEFENDANT violated Cal. Lab. Code Section 246 by failing to pay sick pay
15 at the regular rate of pay. PLAINTIFF and the AGGRIEVED EMPLOYEES routinely
16 earned non-discretionary incentive wages which increased their regular rate of pay.
17 However, when sick pay was paid, it was paid at the base rate of pay for PLAINTIFF and
18 the AGGRIEVED EMPLOYEES, as opposed to the correct, higher regular rate of pay, as
19 required under Cal. Lab. Code Section 246.

20 24. As a pattern and practice, DEFENDANT regularly failed to pay PLAINTIFF
21 and the AGGRIEVED EMPLOYEES their correct wages and accordingly owe waiting time
22 penalties pursuant to Cal. Lab. Code Section 203. Further, PLAINTIFF is informed and
23 believes and based thereon alleges that such failure to pay sick pay at regular rate was
24 willful, such that the AGGRIEVED EMPLOYEES whose employment has separated are
25 entitled to waiting time penalties pursuant to Cal. Lab. Code Sections 201-203.

26 25. Pursuant to Cal. Lab. Code Section 221, “It shall be unlawful for any employer
27 to collect or receive from an employee any part of wages theretofore paid by said employer
28 to said employee.” DEFENDANT failed to pay all compensation due to PLAINTIFF and

1 the AGGRIEVED EMPLOYEES, made unlawful deductions from compensation payable to
2 PLAINTIFF and the AGGRIEVED EMPLOYEES, failed to disclose all aspects of the
3 deductions from compensation payable to PLAINTIFF and the AGGRIEVED
4 EMPLOYEES, and thereby failed to pay these employees all wages due at each applicable
5 pay period and upon termination.

6 26. DEFENDANT intentionally and knowingly failed to reimburse and indemnify
7 PLAINTIFF and the AGGRIEVED EMPLOYEES for required business expenses incurred
8 by the PLAINTIFF and the AGGRIEVED EMPLOYEES in direct consequence of
9 discharging their duties on behalf of DEFENDANT. Under California Labor Code Section
10 2802, employers are required to indemnify employees for all expenses incurred in the course
11 and scope of their employment. Cal. Lab. Code § 2802 expressly states that "an employer
12 shall indemnify his or her employee for all necessary expenditures or losses incurred by the
13 employee in direct consequence of the discharge of his or her duties, or of his or her
14 obedience to the directions of the employer, even though unlawful, unless the employee, at
15 the time of obeying the directions, believed them to be unlawful."

16 27. In the course of their employment PLAINTIFF and the AGGRIEVED
17 EMPLOYEES as a business expense, were required by DEFENDANT to use their own
18 personal cellular phones and home offices as a result of and in furtherance of their job duties
19 as employees for DEFENDANT but are not reimbursed or indemnified by DEFENDANT
20 for the cost associated with the use of their personal cellular phones and home offices for
21 DEFENDANT's benefit. Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES
22 were required by DEFENDANT to use their personal cellular phones and home offices. As
23 a result, in the course of their employment with DEFENDANT, PLAINTIFF and the
24 AGGRIEVED EMPLOYEES incurred unreimbursed business expenses which included, but
25 were not limited to, costs related to the use of their personal cellular phones and home
26 offices all on behalf of and for the benefit of DEFENDANT.

27 28. In violation of the applicable sections of the California Labor Code and the
28 requirements of the applicable Industrial Welfare Commission ("IWC") Wage Order,

1 DEFENDANT as a matter of company policy, practice and procedure, intentionally,
2 knowingly and systematically failed to provide PLAINTIFF and the other AGGRIEVED
3 EMPLOYEES suitable seating when the nature of these employees' work reasonably
4 permitted sitting.

5 29. DEFENDANT knew or should have known that PLAINTIFF and other
6 AGGRIEVED EMPLOYEES were entitled to suitable seating and/or were entitled to sit
7 when it did not interfere with the performance of their duties, and that DEFENDANT did
8 not provide suitable seating and/or did not allow them to sit when it did not interfere with
9 the performance of their duties.

10 30. By reason of this conduct applicable to PLAINTIFF and all AGGRIEVED
11 EMPLOYEES, DEFENDANT violated California Labor Code Section 1198 and Wage
12 Order 4-2001, Section 14 by failing to provide suitable seats. PLAINTIFF seeks penalties
13 on behalf of PLAINTIFF and other AGGRIEVED EMPLOYEES as provided herein.
14 Providing suitable seating is the DEFENDANT's burden. As a result of DEFENDANT's
15 intentional disregard of the obligation to meet this burden, DEFENDANT violated the
16 California Labor Code and regulations promulgated thereunder as herein alleged.

17 31. The employment of PLAINTIFF and some AGGRIEVED EMPLOYEES has
18 terminated and DEFENDANT has not tendered payment of all wages owed as required by
19 law. Additionally, at all times during the term of PLAINTIFF's employment with
20 DEFENDANT, PLAINTIFF and other AGGRIEVED EMPLOYEES earned and accrued
21 vested vacation and holiday time on the date of their termination pursuant to
22 DEFENDANT's uniform vacation policies and applicable California law. The amount of
23 vacation pay PLAINTIFF and the other AGGRIEVED EMPLOYEES earned and
24 accumulated is evidenced by DEFENDANT's business records. Additionally,
25 DEFENDANT also underpaid accrued vested vacation wages to PLAINTIFF and other
26 AGGRIEVED EMPLOYEES by failing to pay such wages at the regular rate of pay and
27 more specifically the final rate of pay that included all non-discretionary incentive
28 compensation. Rather than pay vacation wages at the regular rate of pay, DEFENDANT

1 underpaid vacation wages to PLAINTIFF and other AGGRIEVED EMPLOYEES at their
2 base rates of pay, instead of including all of the PLAINTIFF's and other AGGRIEVED
3 EMPLOYEES' non-discretionary incentive compensation into the vacation wage payment
4 calculations. DEFENDANT failed to specify in DEFENDANT's written vacation policy the
5 rate at which PLAINTIFF and other AGGRIEVED EMPLOYEES would be paid vacation
6 upon leaving employment with DEFENDANT. As a result of DEFENDANT's unlawful
7 practice, policy and procedure to deny paying the PLAINTIFF and other AGGRIEVED
8 EMPLOYEES all of their vested vacation and holiday time, DEFENDANT failed to pay the
9 PLAINTIFF and other AGGRIEVED EMPLOYEES all vested vacation time as wages due
10 upon employment termination, in violation of the California Labor Code, Sections 201, 202,
11 203 and 227.3. Similarly, DEFENDANT underpaid waiting time penalties to PLAINTIFF
12 and other AGGRIEVED EMPLOYEES at their base rates of pay, instead of including all of
13 the PLAINTIFF's and other AGGRIEVED EMPLOYEES' non-discretionary compensation
14 into the waiting time penalty calculations. This failure by DEFENDANT is believed to be
15 the result of DEFENDANT's unlawful, unfair and deceptive refusal to provide compensation
16 for earned, accrued and vested vacation and holiday time, as well as the corresponding
17 waiting time penalties that were paid. DEFENDANT perpetrated this unlawful, unfair and
18 deceptive practice to the detriment of PLAINTIFF and other AGGRIEVED EMPLOYEES.
19 DEFENDANT's uniform practice and policy of failing to pay PLAINTIFF and other
20 AGGRIEVED EMPLOYEES for all vested vacation and holiday time accumulated at
21 employment termination violated and continues to violate Section 227.3 of the California
22 Labor Code.

23 32. All of the conduct and violations alleged herein occurred during the PAGA
24 PERIOD. To the extent that any of the conduct and violations alleged herein did not affect
25 PLAINTIFF during the PAGA PERIOD, PLAINTIFF seeks penalties for those violations
26 that affected the AGGRIEVED EMPLOYEES pursuant to *Carrington v. Starbucks Corp.*
27 2018 AJDAR 12157 (Certified for Publication 12/19/18).
28

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

2
3

4
5
6
7
8
9

O

1

2

3

4
56
7
8
9
10
11
12
13
14
15

26
27
28

1 with respect to himself and all individuals who are or previously were employed by
2 DEFENDANT in California, including any employees staffed with DEFENDANT by a third
3 party, and classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the
4 time period of February 23, 2023 until a date as determined by the Court (the "PAGA
5 PERIOD").

6 38. On February 23, 2024, PLAINTIFF gave written notice by electronic mail to
7 the Labor and Workforce Development Agency (the "Agency") and by certified mail to the
8 employer of the specific provisions of this code alleged to have been violated as required by
9 Labor Code § 2699.3. See Exhibit #1, attached hereto and incorporated by this reference
10 herein (*PAGA Notice only without complaint*). The statutory waiting period for PLAINTIFF
11 to add these allegations to the Complaint has expired. As a result, pursuant to Section
12 2699.3, PLAINTIFF may now commence a representative civil action under PAGA pursuant
13 to Section 2699 as the proxy of the State of California with respect to all AGGRIEVED
14 EMPLOYEES as herein defined.

15 39. The policies, acts and practices heretofore described were and are an unlawful
16 business act or practice because DEFENDANT (a) failed to provide PLAINTIFF and the
17 AGGRIEVED EMPLOYEES accurate itemized wage statements, (b) failed to properly
18 record and provide legally required meal and rest periods, (c) failed to pay minimum wages,
19 (d) failed to pay overtime wages and sick pay wages, (e) failed to reimburse employees for
20 required expenses, (f) failed to provide wages when due, and (g) failed to provide suitable
21 seating, all in violation of the applicable Labor Code sections listed in Labor Code §§ 201,
22 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2),
23 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040,
24 Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 11070(14) (Failure
25 to Provide Seating), and the applicable Wage Order(s), and thereby gives rise to civil
26
27
28

1 penalties as a result of such conduct.¹ PLAINTIFF hereby seeks recovery of only civil
2 penalties as prescribed by the Labor Code Private Attorney General Act of 2004 as the
3 representative of the State of California for the illegal conduct perpetrated on PLAINTIFF
4 and the AGGRIEVED EMPLOYEES.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, PLAINTIFF prays for judgment against each Defendant, jointly and
7 severally, as follows:

8 1. On behalf of the State of California and with respect to all AGGRIEVED
9 EMPLOYEES:

10 A) Recovery of civil penalties as prescribed by the Labor Code Private
11 Attorneys General Act of 2004; and,

12 B) An award of attorneys' fees and cost of suit, as allowable under the
13 law, including, but not limited to, pursuant to Labor Code §2699.

14 Dated: August 26, 2024 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW
15 LLP

16
17 By: /s/ Nicholas De Blouw
18 Norman B. Blumenthal
19 Kyle R. Nordrehaug
20 Nicholas J. De Blouw
21 *Attorneys for Plaintiff*
22
23
24
25
26

27 ¹Plaintiff specifically excludes and/or does not allege any claims under California Labor
28 Code §558(a)(3).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 1

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

2255 CALLE CLARA

LA JOLLA, CALIFORNIA 92037

Web Site: www.bamlawca.com

San Diego | San Francisco | Sacramento | Los Angeles | Riverside | Santa Clara | Orange | Chicago

Phone: (858) 551-1223

Fax: (858) 551-1232

WRITERS E-MAIL:

Nick@bamlawca.com

WRITERS EXT:

1004

February 23, 2024

CA3216

VIA ONLINE FILING TO LWDA AND CERTIFIED MAIL TO DEFENDANT

Labor and Workforce Development Agency
Online Filing

SDC Restaurants LLC
Certified Mail #9589071052700408542796
CODY WONG
137 S LAS POSAS RD
STE 252
SAN MARCOS, CA 92078-2470

Re: Notice Of Violations Of California Labor Code Sections §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant To California Labor Code Section 2699.5.

Dear Sir/Madam:

“Aggrieved Employees” refers to all individuals who are or previously were employed by SDC Restaurants LLC in California, including any employees staffed with SDC Restaurants LLC by a third party, and classified as non-exempt employees during the time period of February 23, 2023 until a date as determined by the Court. Our offices represent Plaintiff Jacob Lozada (“Plaintiff”) and other Aggrieved Employees in a lawsuit against SDC Restaurants LLC (“Defendant”). Plaintiff was employed by Defendant in California as a non-exempt employee from August of 2023 to September 9, 2023 and entitled to the legally required meal and rest breaks and payment for all time worked under Defendant’s control. Defendant, however, unlawfully failed to record and pay Plaintiff and other Aggrieved Employees for, including but not limited to, all of their time worked, including minimum and overtime wages, for all of their missed meal and rest breaks (and paying for meal and rest break premiums at the correct regular rate), and for all of their time spent working off the clock. Moreover, when Defendant required Plaintiff and Aggrieved Employees to report for work, but “furnished less than half said employee’s usual or scheduled day’s work,” Defendant violated Cal. Code Regs., tit. 8 § 11040, subd. 5(A) by failing to pay Plaintiff and Aggrieved Employees for at least two (2) hours’ worth of work at their regular rate of pay. In addition, when Defendant required Plaintiff and Aggrieved Employees to respond to and engage in additional work, this resulted in a second reporting for work in a single workday, and Defendant failed to pay these employees reporting time pay as required by Cal. Code Regs., tit. 8, § 11040, subd. 5(B). Further, Defendant failed to advise Plaintiff and the other Aggrieved Employees of their right to take separately and hourly

paid duty-free ten (10) minute rest periods. *See Vaquero v. Stoneledge Furniture, LLC*, 9 Cal. App. 5th 98, 110 (2017). Additionally, pursuant to Labor Code § 204 *et seq.*, Defendant failed to timely provide Plaintiff and other Aggrieved Employees with their wages. Plaintiff further contends that Defendant failed to provide accurate wage statements to Plaintiff, and other Aggrieved Employees, in violation of California Labor Code section 226(a) *et seq.* Plaintiff and Aggrieved Employees are paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements Defendant provides to Plaintiff and other Aggrieved Employees fails to identify such information. More specifically, the wage statements fails to identify the accurate total hours worked each pay period. When the hours shown on the wage statements are added up, they do not equal the actual total hours worked during the pay period in violation of Cal. Lab. Code 226(a)(2). Additionally, Plaintiff contends that Defendant failed to comply with Industrial Wage Order 7(A)(3) in that Defendant failed to keep time records showing when Plaintiff began and ended each shift and meal period. Plaintiff and other Aggrieved Employees perform tasks that reasonably permit sitting, and a seat would not interfere with their performance of any of their tasks that may require them to stand. Defendant failed to provide Plaintiff and other Aggrieved Employees with suitable seats. Said conduct, in addition to the foregoing, as well as the conduct alleged in the incorporated Complaint, violates Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code section 2699.3.

A true and correct copy of the Complaint by Plaintiff against Defendant, which (i) identifies the alleged violations, (ii) details the facts and theories which support the alleged violations, (iii) details the specific work performed by Plaintiff, (iii) sets forth the people/entities, dates, classifications, violations, events, and actions which are at issue to the extent known to Plaintiff, and (iv) sets forth the illegal practices used by Defendant, is attached hereto. This information provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. Plaintiff therefore incorporates the allegations of the attached Complaint into this letter as if fully set forth herein. If the agency needs any further information, please do not hesitate to ask.

This notice is provided to enable Plaintiff to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.* The lawsuit consists of other Aggrieved Employees. As counsel, our intention is to vigorously prosecute the claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statue of 2004 on behalf of Plaintiff and all Aggrieved Employees.

Your earliest response to this notice is appreciated. If you have any questions of concerns, please do not hesitate to contact me at the above number and address.

Respectfully,

/s/ Nicholas J. De Blouw

Nicholas J. De Blouw, Esq.