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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA CLARA

24CV442090

Case No.:

**COMPLAINT – PAGA ENFORCEMENT ACTION**

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

**Jury Trial Demanded**

ALBERT VIDAL LOPEZ, 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.

GOLDEN GATE BELL, LLC, a  
California limited liability company;  
GOLDEN GATE BELL  
RESTAURANT HOLDINGS, LLC, a  
California corporation;  
DIVERSIFIED RESTAURANT  
GROUP, LLC, a California limited  
liability company; DIVERSIFIED  
RESTAURANT GROUP RSC, LLC,  
a California limited liability company;  
and DOES 1 through 10, inclusive,

Defendants.

1 Plaintiff Albert Vidal Lopez, 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 of  
9 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 Order  
11 were committed, as set forth in this complaint, at any time between one year prior to the filing  
12 of the pre-filing written notice to the Labor and Workforce Development Agency (“LWDA”) in  
13 this case on April 23, 2024, until judgment (“non-party Aggrieved Employees”). Plaintiff’s  
14 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 notions  
22 of fair play and substantial justice. There is no basis for federal diversity jurisdiction in this  
23 action given that the State of California, as the real party in interest in this action, is not a  
24 “citizen” for purposes of satisfying diversity jurisdiction. *Urbino v. Orkin Servs. of Cal.*, 726  
25 F.3d 1118, 1123 (9th Cir. Cal. 2013). *Urbino* also holds that civil penalties cannot be aggregated  
26 to satisfy the amount in controversy requirement for federal diversity jurisdiction in this action,  
27 and that diversity jurisdiction cannot be established when Plaintiff’s share of the civil penalties  
28 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 of Santa Clara and have violated the requirements of the California Labor Code and applicable IWC Wage Order in this county which give rise to the penalties sought in this action. Cal. Code Civ. P. § 393. Specifically, Defendants have violated the requirements of the California Labor Code and applicable IWC Wage Order in at least 10 locations within the County of Santa Clara, including Defendants' restaurants located in Campbell (1450 Camden Avenue, Campbell California 95008); San Jose (465 El Camino Real South San Jose, California 94080; 5431 Camden Avenue, San Jose, California 95124; 840 South Bascom Avenue, San Jose California 95128; 2779 Aborn Road San Jose, California 95121; 720 Story Road, San Jose California 95122; 535 West Capitol Expressway, San Jose, California 95136; 5350 Great America Parkway, Santa Clara, California 95054; 5538 Monterey Highway, San Jose, California 95138; and Sunnyvale (1109 Tasman Drive, Sunnyvale, California 94089). Pursuant to California Civil Code of Procedure section 393, venue is proper for the recovery of a penalty imposed by statute in the county in which the cause, or some part of the cause, arose. Because Defendants have employees in Santa Clara County, and Plaintiff could bring an action filed under PAGA in any county in which an aggrieved employee worked and Labor Code violations occurred, venue is proper. *Crestwood Behavioral Health, Inc. v. Superior Court of Alameda County*, 60 Cal. App. 5th 1069 (2021).

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 Albert Vidal Lopez is a resident of Napa, in Napa County, California. Defendants employed Plaintiff as an hourly paid, non-exempt Team Member: Champion, Cook, and Cashier from approximately October 2022 to November 2023. Plaintiff worked for Defendants at their Taco Bell restaurant location in Napa, California. During his employment, Plaintiff typically worked five (5) to eight (8) or more hours per day and four (4) days per week.

1 At the time his employment ended, Plaintiff was compensated approximately \$16.00 per hour.  
2 His job duties included, without limitation, taking customer orders and preparing and serving  
3 food.

4 7. On information and belief, Defendants required some employees, including  
5 Plaintiff, to execute an arbitration agreement at the time of their hire or during their  
6 employment. On further information and belief, Defendants' arbitration agreement was and is  
7 both procedurally and substantively unconscionable. Specifically, Defendants presented  
8 employees with an "Arbitration Agreement" during the onboarding process, which had to be  
9 reviewed and acknowledged immediately. Specifically, the Arbitration Agreement was one of  
10 several documents presented to new employees for signature during the orientation process,  
11 including the Team Member Acknowledgment, Time of Hire Pamphlet, Minor Work Permit,  
12 and New Hire Signature Sheet, among other documents. Also, employees did not have a  
13 meaningful opportunity to negotiate the terms of the Arbitration Agreement. Rather, it was  
14 provided to Defendants' employees for them to sign on a take-it or leave-it basis at the time  
15 they were hired, along with all of the other on-boarding documents. Further, Defendants did  
16 not set forth in the agreement or otherwise provide employees with the rules which will govern  
17 the arbitration, instead forcing employees to seek this information out on their own ("The  
18 AAA's then applicable rules governing the arbitration may be obtained from the AAA's  
19 website, which currently is [www.adr.org](http://www.adr.org), or via telephone at (800) 778-7879.").

20 8. GOLDEN GATE BELL, LLC was and is, upon information and belief, a  
21 California limited liability company, and at all times hereinafter mentioned, an employer whose  
22 employees are engaged throughout this county and the State of California.

23 9. GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC was and is, upon  
24 information and belief, a California limited liability company, and at all times hereinafter  
25 mentioned, an employer whose employees are engaged throughout this county and the State of  
26 California.

27 10. DIVERSIFIED RESTAURANT GROUP, LLC was and is, upon information and  
28 belief, a California limited liability company, and at all times hereinafter mentioned, an

1 employer whose employees are engaged throughout this county and the State of California.

2 11. DIVERSIFIED RESTAURANT GROUP RSC, LLC was and is, upon  
3 information and belief, a Nevada limited liability company, and at all times hereinafter  
4 mentioned, an employer whose employees are engaged throughout this county and the State of  
5 California.

6 12. Plaintiff is unaware of the true names or capacities of the Defendants sued herein  
7 under the fictitious names DOES 1 through 10, but will seek leave of this Court to amend the  
8 complaint and serve such fictitiously named Defendants once their names and capacities  
9 become known.

10 13. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 10  
11 were the partners, agents, owners, or managers of GOLDEN GATE BELL, LLC; GOLDEN  
12 GATE BELL RESTAURANT HOLDINGS, LLC; DIVERSIFIED RESTAURANT GROUP,  
13 LLC; and DIVERSIFIED RESTAURANT GROUP RSC, LLC, at all relevant times.

14 14. Plaintiff is informed and believes, and thereon alleges, that each and all of the  
15 acts and omissions alleged herein was performed by, or is attributable to, GOLDEN GATE  
16 BELL, LLC; GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC; DIVERSIFIED  
17 RESTAURANT GROUP, LLC; and DIVERSIFIED RESTAURANT GROUP RSC, LLC  
18 and/or DOES 1 through 10 (collectively, “Defendants” or “GOLDEN GATE”), each acting as  
19 the agent, employee, alter ego, and/or joint venturer of, or working in concert with, each of the  
20 other co-Defendants and was acting within the course and scope of such agency, employment,  
21 joint venture, or concerted activity with legal authority to act on the others’ behalf. The acts of  
22 any and all Defendants were in accordance with, and represent, the official policy of Defendants.

23 15. At all relevant times, Defendants, and each of them, ratified each and every act  
24 or omission complained of herein. At all relevant times, Defendants, and each of them, aided  
25 and abetted the acts and omissions of each and all the other Defendants in proximately causing  
26 the damages herein alleged.

27 16. Plaintiff is informed and believes, and thereon alleges, that each of said  
28 Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts,

omissions, occurrences, and transactions alleged herein.

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

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

- (a) jointly exercised meaningful control over the work performed by Plaintiff and other non-party Aggrieved Employees;
- (b) jointly exercised meaningful control over Plaintiff’s and other non-party Aggrieved Employees’ wages, hours, and working conditions, including the quantity, quality standards, speed, scheduling, and operative details of the tasks performed by Plaintiff and other non-party Aggrieved Employees;
- (c) jointly required that Plaintiff and other non-party Aggrieved Employees perform work which is an integral part of Defendants’ businesses; and
- (d) jointly exercised control over Plaintiff and other non-party Aggrieved Employees as a matter of economic reality in that Plaintiff and other non-party Aggrieved Employees were dependent on Defendants, who shared the power to set the wages of Plaintiff and other non-party Aggrieved

1 Employees and determined their working conditions, and who jointly  
2 reaped the benefits from the underpayment of their wages and  
3 noncompliance with other statutory provisions governing their  
4 employment.

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

8 20. GOLDEN GATE BELL, LLC; GOLDEN GATE BELL RESTAURANT  
9 HOLDINGS, LLC; DIVERSIFIED RESTAURANT GROUP, LLC; DIVERSIFIED  
10 RESTAURANT GROUP RSC, LLC; and/or DOES 1 through 10 are therefore alter egos of each  
11 other.

12 21. Adherence to the fiction of the separate existence of Defendants would permit an  
13 abuse of the corporate privilege, and would promote injustice by protecting Defendants from  
14 liability for the wrongful acts committed by them under the name GOLDEN GATE.

15 22. Plaintiff further alleges, upon information and belief, that the Defendants  
16 GOLDEN GATE BELL, LLC; GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC;  
17 DIVERSIFIED RESTAURANT GROUP, LLC; and DIVERSIFIED RESTAURANT GROUP  
18 RSC, LLC are alter egos of each other for the following reasons:

19 (a) On the California Secretary of State's website  
20 (<https://bizfileonline.sos.ca.gov/>), GOLDEN GATE BELL, LLC;  
21 GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC;  
22 DIVERSIFIED RESTAURANT GROUP, LLC; and DIVERSIFIED  
23 RESTAURANT GROUP RSC, LLC have the same principal address,  
24 "465 FIRST STREET WEST 2ND FLOOR, SONOMA, CA 95467";

25 (b) According to their most recent "Statement of Information" forms filed  
26 with the California Secretary of State, GOLDEN GATE BELL, LLC;  
27 GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC;  
28 DIVERSIFIED RESTAURANT GROUP, LLC; and DIVERSIFIED

RESTAURANT GROUP RSC, LLC share the same managers or members, including, but not limited to:

(i) SG Ellison, who serves as Manager or Member for GOLDEN GATE BELL, LLC and DIVERSIFIED RESTAURANT GROUP, LLC; and

(ii) David Grieve, who serves as Manager or Member for GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC and DIVERSIFIED RESTAURANT GROUP RSC, LLC;

(c) According to the California Secretary of State's website, GOLDEN GATE BELL, LLC; GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC; and DIVERSIFIED RESTAURANT GROUP RSC, LLC share the same agent for service of process, C T CORPORATION SYSTEM; and

(d) On information and belief, GOLDEN GATE BELL, LLC; GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC; DIVERSIFIED RESTAURANT GROUP, LLC; and DIVERSIFIED RESTAURANT GROUP RSC, LLC utilize the same standardized employment forms and issue the same employment policies.

#### **PAGA REPRESENTATIVE ALLEGATIONS**

23. Defendants operate a chain of Taco Bell restaurants with at least 76 locations in California. Upon information and belief, Defendants maintain a single, centralized Human Resources (HR) department at their corporate headquarters in Sonoma, California, for all non-exempt, hourly paid employees working for Defendants in California, which is responsible for the recruiting and hiring of new employees, and communicating and implementing Defendants' company-wide policies, including timekeeping policies and meal and rest period policies, to employees throughout California.

24. In particular, Plaintiff and other non-party Aggrieved Employees, on information and belief, received the same standardized documents and/or written policies. Upon

1 information and belief, the usage of standardized documents and/or written policies, including  
2 new-hire documents, indicate that Defendants dictated policies at the corporate level and  
3 implemented them company-wide, regardless of their employees' assigned locations or  
4 positions. Upon information and belief, Defendants set forth uniform policies and procedures  
5 in several documents provided at an employee's time of hire.

6 25. Upon information and belief, Defendants maintain a centralized Payroll  
7 department at their corporate headquarters in Sonoma, California, which processes payroll for  
8 all non-exempt, hourly paid employees working for Defendants at their various locations in  
9 California, including Plaintiff and other non-party Aggrieved Employees. Based upon  
10 information and belief, Defendants issue the same formatted wage statements to all non-exempt,  
11 hourly paid employees in California, irrespective of their work locations. Upon information  
12 and belief, Defendants process payroll for departing employees in the same manner throughout  
13 the State of California, regardless of the manner in which each employee's employment ends.

14 26. Defendants continue to employ non-exempt or hourly paid employees in  
15 California.

16 27. Plaintiff is informed and believes, and thereon alleges, that at all times herein  
17 mentioned, Defendants were advised by skilled lawyers and other professionals, employees and  
18 advisors knowledgeable about California labor and wage law, employment and personnel  
19 practices, and about the requirements of California law.

20 28. Plaintiff is informed and believes, and thereon alleges, that Plaintiff and other  
21 non-party Aggrieved Employees were not paid for all hours worked because all hours worked  
22 were not recorded.

23 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or  
24 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to  
25 receive certain wages for overtime compensation and that they were not receiving certain wages  
26 for overtime compensation.

27 30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or  
28 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to

1 receive at least minimum wages for compensation and that they were not receiving at least  
2 minimum wages for work that was required to be done off-the-clock. In violation of the  
3 California Labor Code, Plaintiff and other non-party Aggrieved Employees were not paid at  
4 least minimum wages for work done off-the-clock.

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

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

21 33. 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 receive complete and accurate wage statements in accordance with California law. In violation  
24 of the California Labor Code, Plaintiff and other non-party Aggrieved Employees were not  
25 provided complete and accurate wage statements.

26 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or  
27 should have known that they had a duty to maintain accurate and complete payroll records in  
28 accordance with the Labor Code and applicable IWC Wage Order, but willfully, knowingly,

1 and intentionally failed to do so.

2 35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or  
3 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to  
4 timely payment of wages during their employment. In violation of the California Labor Code,  
5 Plaintiff and other non-party Aggrieved Employees did not receive payment of all wages,  
6 including, but not limited to, overtime wages, minimum wages meal and rest period premiums,  
7 and/or reporting time pay, within permissible time periods.

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

14 37. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or  
15 should have known that Plaintiff and other non-party Aggrieved Employees were entitled to be  
16 paid reporting time pay when they reported to work for their usual or scheduled shift but were  
17 put to work for less than half of the usual or scheduled shift. In violation of the California Labor  
18 Code, Defendants did not pay Plaintiff and other non-party Aggrieved Employees all reporting  
19 time pay due.

20 38. 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 receive reimbursement for all business-related expenses and costs they incurred during the  
23 course and scope of their employment and that they did not receive reimbursement of applicable  
24 business-related expenses and costs incurred.

25 39. Plaintiff is informed and believes, and thereon alleges, that at all times herein  
26 mentioned, Defendants knew or should have known that Defendants had a duty to provide  
27 Plaintiff and other non-party Aggrieved Employees with written notice of the material terms of  
28 their employment with Defendants as required by the California Wage Theft Prevention Act,

1 but failed to do so.

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

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

14 42. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any  
15 person who was employed by the alleged violator and against whom one or more of the alleged  
16 violations was committed."

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

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

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

28 (b) An aggrieved employee's notice filed with the LWDA pursuant to

2699.3(a) and any employer response to that notice shall be accompanied by a filing fee of seventy-five dollars (\$75).

(c) The LWDA shall provide notice (hereinafter “LWDA Notice”) to the employer and the aggrieved employee by certified mail that it does not intend to investigate the alleged violation within sixty (60) calendar days of the postmark date of the Employee’s Notice. Upon receipt of the LWDA Notice, or if the LWDA Notice is not provided within sixty-five (65) calendar days of the postmark date of the Employee’s Notice, the aggrieved employee may commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties in addition to any other penalties to which the employee may be entitled.

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

(a) The aggrieved employee or representative shall give written notice by online filing to the LWDA and by certified mail to the employer of the specific provisions of the California Labor Code alleged to have been violated (other than those listed in Section 2699.5), including the facts and theories to support the alleged violation.

(b) An aggrieved employee’s notice filed with the LWDA pursuant to 2699.3(c) and any employer response to that notice shall be accompanied by a filing fee of seventy-five dollars (\$75).

(c) The employer may cure the alleged violation within thirty-three (33) calendar days of the postmark date of the notice. The employer shall give written notice by certified mail within that period of time to the aggrieved employee or representative and the agency if the alleged violation is cured, including a description of actions taken, and no civil action pursuant to Section 2699 may commence. If the alleged violation is not

1                   cured within the 33-day period, the employee may commence a civil  
2                   action pursuant to Section 2699.

3           46.     On April 23, 2024, Plaintiff provided written notice by online filing to the LWDA  
4     and by certified mail to Defendants of the specific provisions of the California Labor Code  
5     alleged to have been violated, including facts and theories to support the alleged violations, in  
6     accordance with California Labor Code section 2699.3. Plaintiff's written notice was  
7     accompanied with the applicable filing fee of seventy-five dollars (\$75). The LWDA PAGA  
8     Administrator has confirmed receipt of Plaintiff's written notice and assigned Plaintiff PAGA  
9     Case Number LWDA-CM-1024081-24. A true and correct copy of Plaintiff's written notice to  
10    the LWDA and Defendants dated April 23, 2024, is attached hereto as "Exhibit 1."

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

14          48.     Thus, Plaintiff has satisfied the administrative prerequisites under California  
15    Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for  
16    violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516,  
17    1174(d), 1182.12, 1194, 1197, 1198, 2802, and 2810.5.

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

1 Defendants for violations of Labor Code sections 510, 512(a), 516, and 1198, and the applicable  
2 IWC Wage Order. Plaintiff, acting in the public interest as a private attorney general, does not  
3 seek the recovery of unpaid wages under Labor Code section 558 from Defendants for violations  
4 of Labor Code sections 510, 512(a), 516, and 1198, and the applicable IWC Wage Order.

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

8 51. As set forth below, Defendants have violated numerous provisions of both the  
9 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage  
10 Order.

11 52. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),  
12 2699.3(a), 2699.3(c), 2699.5, and section 558, Plaintiff, acting in the public interest as a private  
13 attorney general, seeks assessment and collection of civil penalties for himself, all other non-  
14 party Aggrieved Employees, and the State of California against Defendants for violations of  
15 California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d),  
16 1182.12, 1194, 1197, 1198, 2802, and 2810.5.

## 17 **FIRST CAUSE OF ACTION**

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

19 **(Against all Defendants)**

20 53. Plaintiff incorporates by reference and re-alleges as if fully stated herein each  
21 and every allegation set forth above.

22 54. California Labor Code §§ 2698, *et seq.* ("PAGA") permits Plaintiff to recover  
23 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section  
24 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 221, 223, 224, 226(a),  
25 226.7, 510, 512(a), 1174(d), 1194, 1197, 1198, and 2802. Labor Code section 2699.3(c) permits  
26 aggrieved employees, including Plaintiff, to recover civil penalties for violations of those Labor  
27 Code sections not found in section 2699.5, including sections 516, 1182.12, and 2810.5.

28 55. Defendants' conduct, as alleged herein, violates numerous sections of the

1 California Labor Code, including, but not limited to, the following:

- 2 (a) Violation of Labor Code sections 510 and 1198, and the applicable IWC  
3 Wage Order for Defendants' failure to compensate Plaintiff and other  
4 non-party Aggrieved Employees with all required overtime pay, as set  
5 forth below;
- 6 (b) Violation of Labor Code sections 1182.12, 1194, 1197, and 1198, and the  
7 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 (c) 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 forth  
13 below;
- 14 (d) Violation of Labor Code sections 226.7, 516, and 1198, and the applicable  
15 IWC Wage Order for Defendants' failure to authorize and permit Plaintiff  
16 and other non-party Aggrieved Employees to take rest periods, as set forth  
17 below;
- 18 (e) 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 (f) 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 (g) Violation of Labor Code sections 204 for failure to pay all earned wages  
26 during employment, as set forth below;
- 27 (h) Violation of Labor Code sections 201 and 202 for failure to pay all earned  
28 wages upon termination, as set forth below;

- 1 (i) Violation of Labor Code section 1198 and the applicable IWC Wage  
2 Order for failure to pay reporting time pay when Plaintiff and other non-  
3 party Aggrieved Employees were put to work for less than half of their  
4 regular scheduled shifts, as set forth below;
- 5 (j) Violation of Labor Code sections 2802 for failure to reimburse Plaintiff  
6 and other non-party Aggrieved Employees for all business expenses  
7 necessarily incurred, as set forth below; and
- 8 (k) Violation of Labor Code section 2810.5(a)(1)(A)-(C) for failure to  
9 provide written notice of information material to Plaintiff's and other  
10 non-party Aggrieved Employees' employment with Defendants, as set  
11 forth below.

12 **FAILURE TO PAY OVERTIME**

13 **VIOLATION OF LABOR CODE SECTIONS 510 AND 1198**

14 56. Labor Code section 1198 makes it illegal to employ an employee under  
15 conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor  
16 Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission  
17 shall be the . . . standard conditions of labor for employees. The employment of any employee  
18 . . . under conditions of labor prohibited by the order is unlawful.”

19 57. California Labor Code section 1198 and the applicable IWC Wage Order provide  
20 that it is unlawful to employ persons without compensating them at a rate of pay either time-  
21 and-one-half or two-times that person's regular rate of pay, depending on the number of hours  
22 worked by the person on a daily or weekly basis.

23 58. Specifically, the applicable IWC Wage Order provides that Defendants are and  
24 were required to pay Plaintiff and other non-party Aggrieved Employees working more than  
25 eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and  
26 one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty (40)  
27 hours in a workweek.

28 59. The applicable IWC Wage Order further provides that Defendants are and were

1 required to pay Plaintiff and other non-party Aggrieved Employees working more than twelve  
2 (12) hours in a day, overtime compensation at a rate of two (2) times their regular rate of pay.  
3 An employee's regular rate of pay includes all remuneration for employment paid to, or on  
4 behalf of, the employee, including nondiscretionary bonuses and incentive pay.

5 60. California Labor Code section 510 codifies the right to overtime compensation  
6 at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8)  
7 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the seventh  
8 (7th) day of work, and to overtime compensation at twice the employee's regular rate of pay for  
9 hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on  
10 the seventh (7th) day of work.

11 61. During the relevant time period, Defendants willfully failed to pay all overtime  
12 wages owed to Plaintiff and other non-party Aggrieved Employees. During the relevant time  
13 period, Plaintiff and other non-party Aggrieved Employees were not paid overtime premiums  
14 for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12)  
15 hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were  
16 not recorded.

17 62. First, during the relevant period, Defendants had, and continue to have, a  
18 company-wide policy and/or practice of discouraging and impeding Plaintiff and other non-  
19 party Aggrieved Employees from recording hours worked that were outside of their scheduled  
20 shifts in order to limit the amount of overtime employees could accrue. As stated in Defendants'  
21 "Overtime" policy, "[A]ll overtime work must receive prior authorization from your supervisor  
22 or manager. . . . [O]vertime worked without prior authorization (written or verbal) from  
23 management may result in corrective action, up to and including unpaid suspension and/or  
24 termination of employment." This policy of limiting overtime, coupled with Defendants' use  
25 of labor budgets (*see infra*), led Plaintiff and other non-party Aggrieved Employees to work off-  
26 the-clock before and after their scheduled shift times.

27 63. Indeed, Defendants implemented a timekeeping system that prevented  
28 employees from clocking in until their scheduled shift start-time so that they were prohibited

1 from recording the time worked prior to the start of their scheduled shifts. Consequently, on  
2 information and belief, Plaintiff and other non-party Aggrieved Employees performed work  
3 prior to the start of their shift, but were unable to record this time. For example, when Plaintiff  
4 arrived early for his shifts, Defendants' management would sometimes require him to start  
5 working immediately, before he was able to clock in for the start of his shift, because the  
6 restaurant was busy. Plaintiff would be required to perform work, such as taking food orders,  
7 but was prevented from clocking in before his scheduled shift start-time. Additionally, because  
8 Defendants' timekeeping system was integrated with the company's point-of-sale ("POS")  
9 system, Plaintiff and other non-party Aggrieved Employees would often have to spend time  
10 waiting to clock in for the start of their shifts, because other employees were using the POS  
11 system to handle customer transactions and taking orders. For instance, Plaintiff and other non-  
12 party Aggrieved Employees were required to wait several minutes under Defendants' control  
13 until a POS machine was available for clocking-in, time for which they were not paid. Plaintiff  
14 and other non-party Aggrieved Employees would arrive early in order to clock in for the start  
15 of their shifts, and were required to wait in a line for a few minutes to clock in, time for which  
16 they were not paid.

17 64. Moreover, Defendants' company-wide policy of limiting overtime also forced  
18 Plaintiff and other non-party Aggrieved Employees to work after clocking out at the end of their  
19 scheduled shifts. In conjunction with Defendants' overtime policies, Defendants also had a  
20 company-wide security policy and/or practice for closing shifts requiring employees to leave  
21 the restaurant premises together in a group. After clocking out at the end of their shifts, Plaintiff  
22 and other non-party Aggrieved Employees were required to wait for all other employees to  
23 complete their own duties before they were released by a managerial employee and could leave  
24 Defendants' premises together. For example, when scheduled for closing shifts, Plaintiff would  
25 complete his own closing tasks, clock out, and then have to wait until his supervisor and/or  
26 other coworkers had completed their own respective closing duties, before being released. As  
27 a result, Plaintiff and other non-party Aggrieved Employees were subject to Defendants' control  
28 after they had clocked out for their shifts, but were not compensated for this time. Moreover,

1 upon information and belief, Defendants' management would subsequently shave off some of  
2 the time Plaintiff and other non-party Aggrieved Employees spent completing assigned duties  
3 after their scheduled shifts to avoid payment of additional wages. As a result, when Plaintiff  
4 was required to remain at work later than his usual shift end-time, he was not paid for all of his  
5 hours actually worked because Defendants' managers did not accurately record all hours  
6 worked.

7         65. Second, as stated, Defendants had, and continue to have, a company-wide policy  
8 of strictly staffing their restaurant locations based on the labor hours allocated by each location's  
9 labor or payroll budget set by the corporate office. On information and belief, Defendants'  
10 uniform use of labor budgeting and understaffing resulted in a failure to provide Plaintiff and  
11 other non-party Aggrieved Employees with adequate meal period coverage, because there were  
12 too few employees on duty to handle the workload and attend to customers, which included  
13 meeting a 3-minute time target/goal for drive-thru orders while simultaneously preparing walk-  
14 in orders. Because Defendants did not employ or staff a sufficient number of employees to meet  
15 customer demand, there was no one available to relieve employees needing meal period  
16 coverage, and Plaintiff and other non-party Aggrieved Employees were not always afforded  
17 uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal  
18 period. Moreover, Defendants has a practice of failing to schedule meal periods and/or adhere  
19 to a schedule for meal periods, which further caused Plaintiff and other non-party Aggrieved  
20 Employees to not be relieved of their duties for compliant meal periods. For example, Plaintiff  
21 worked through his meal periods approximately twice per week due to lack of coverage and to  
22 keep up with the demands of work. As a further example, Defendants' management frequently  
23 interrupted Plaintiff's meal periods to ask that Plaintiff cut his meal period short and return to  
24 work for the same reasons mentioned above.

25         66. Third, on information and belief, because Defendants frowned upon employees  
26 accruing meal period penalties, Defendants' management pressured Plaintiff and other non-  
27 party Aggrieved Employees to clock out for meal periods to reflect compliant meal periods,  
28 regardless of whether they had received a compliant meal period or not. Additionally,

Defendants' timekeeping system prevented Plaintiff and other non-party Aggrieved Employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Plaintiff and other non-party Aggrieved Employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes had elapsed. Thus, Defendants did not record all hours worked during meal periods, and Plaintiff and other non-party Aggrieved Employees performed work during meal periods for which they were not paid.

67. Fourth, on information and belief, Defendants maintained a company-wide on-premises meal period policy, which mandated that Plaintiff and other non-party Aggrieved Employees remain on Defendants' premises during their unpaid meal periods. Because Plaintiff and other non-party Aggrieved Employees were restricted from leaving the premises during meal periods, they were denied the ability to use their meal periods freely for their own purposes. Thus, Defendants effectively maintained control over Plaintiff and other non-party Aggrieved Employees during their unpaid meal periods.

68. Defendants knew or should have known that as a result of these company-wide practices and/or policies, Plaintiff and other non-party 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. Because Plaintiff and other non-party Aggrieved Employees worked shifts of eight (8) hours or more a day or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Plaintiff and other non-party Aggrieved Employees were not paid overtime wages for all of the overtime hours they actually worked.

69. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees the balance of overtime compensation as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 558 and/or 2699(a), (f), and (g).

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1 **FAILURE TO PAY MINIMUM WAGES**

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

3 70. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, and  
4 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment  
5 of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in  
6 IWC Wage Order No. 5-2001 as “the time during which an employee is subject to the control  
7 of an employer, and includes all the time the employee is suffered or permitted to work, whether  
8 or not required to do so.” Cal. Code Regs. tit. 8, § 11050(2)(L) (defining “Hours Worked”).

9 71. First, as set forth above, as a result of Defendants’ policy of limiting the amount  
10 of overtime employees could accrue, pursuant to their labor budget practices, Defendants  
11 required Plaintiff and other non-party Aggrieved Employees to perform work off-the-clock. As  
12 stated, due to Defendants’ implementation of a timekeeping system that prevented employees  
13 from clocking in until their scheduled shift start-time, Plaintiff and other non-party Aggrieved  
14 Employees were prevented from recording time worked prior to the start of their scheduled  
15 shifts, and thus were not paid for this time. Further, as stated, Defendants required Plaintiff and  
16 other non-party Aggrieved Employees to perform work off-the-clock before and after their  
17 scheduled shift start and end times to complete work-related tasks, such as assisting with taking  
18 orders, waiting to clock in for the start of their shifts because other employees were using the  
19 POS system, and waiting to leave the premises in a group. Further, on information and belief,  
20 Defendants’ management would alter Plaintiff’s and other non-party Aggrieved Employees’  
21 timesheets and shave off the time spent completing assigned duties to avoid payment of  
22 additional wages. As a result, Defendants failed to track this time that Plaintiff and other non-  
23 party Aggrieved Employees spent working off-the-clock, and thus, Plaintiff and other non-party  
24 Aggrieved Employees received no compensation for this time.

25 72. Second, as set forth above, due to Defendants’ company-wide policies and/or  
26 practices of utilizing labor budgets, understaffing their locations, assigning heavy workloads,  
27 failing to schedule meal periods and/or adhere to a schedule for meal periods, and/or requiring  
28 employees to stay on the work premises during meal periods, Plaintiff and other non-party

1 Aggrieved Employees were impeded from taking all uninterrupted meal periods to which they  
2 were entitled and were required to work off-the-clock. Further, to limit the meal penalties that  
3 Defendants would otherwise owe, Defendants pressured Plaintiff and other non-party  
4 Aggrieved Employees to clock out for meal periods to reflect compliant meal periods, but  
5 required them to continue working, time for which they were not paid. Also, as set forth above,  
6 Defendants' timekeeping system locked out Plaintiff and other non-party Aggrieved Employees  
7 for 30 minutes when they clocked out for a meal period and would not permit them to clock  
8 back in from a meal period until 30 minutes had elapsed. Thus, Defendants systematically failed  
9 to pay Plaintiff and other non-party Aggrieved Employees for actual hours worked during  
10 unpaid meal periods because these hours were not always correctly recorded.

11 73. Thus, Defendants did not pay minimum wages for all hours worked by Plaintiff  
12 and other non-party Aggrieved Employees. To the extent that these off-the-clock hours did not  
13 qualify for overtime premium payment, Defendants did not pay at least minimum wages for  
14 those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194,  
15 1197, and 1198.

16 74. Defendants' failure to pay Plaintiff and other non-party Aggrieved Employees  
17 minimum wages violates California Labor Code sections 1182.12, 1194, 1197, and 1198.  
18 Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover civil  
19 penalties pursuant to Labor Code sections 2699(a), (f), and (g).

#### 20 **FAILURE TO PROVIDE AND RECORD MEAL PERIODS**

#### 21 **VIOLATION OF LABOR CODE SECTIONS 226.7, 512(a), 516, AND 1198**

22 75. At all relevant times herein set forth, the applicable IWC Wage Order and  
23 California Labor Code sections 226.7, 512(a), 516, and 1198 were applicable to Plaintiff's and  
24 non-party Aggrieved Employees' employment by Defendants.

25 76. At all relevant times herein set forth, California Labor Code section 512(a)  
26 provides that an employer may not require, cause, or permit an employee to work for a period  
27 of more than five (5) hours per day without providing the employee with a meal period of not  
28 less than thirty (30) minutes, except that if the total work period per day of the employee is not

1 more than six (6) hours, the meal period may be waived by mutual consent of both the employer  
2 and the employee. Under California law, first meal periods must start after no more than five  
3 hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012).

4 77. At all relevant times herein set forth, California Labor Code sections 226.7,  
5 512(a), 516, and 1198 provide that no employer shall require an employee to work during any  
6 meal period mandated by an applicable order of the IWC.

7 78. At all relevant times herein set forth, Labor Code sections 226.7, 512(a), 1198,  
8 and the applicable IWC Wage Order also require employers to provide a second meal period of  
9 not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an  
10 employee one (1) additional hour of pay at the employee's regular rate, except that if the total  
11 hours worked is no more than twelve (12) hours, the second meal period may be waived by  
12 mutual consent of the employer and the employee only if the first meal period was not waived.

13 79. First, during the relevant time period, as stated above, Defendants had, and  
14 continue to have, a company-wide policy and/or practice of understaffing locations due to labor  
15 budgeting and/or limited payroll allocation, which, combined with the assignment of heavy  
16 workloads, including pressuring employees to meet a 3-minute time target/goal for drive-thru  
17 orders while simultaneously preparing walk-in orders, and a failure to schedule meal periods  
18 and/or adhere to a schedule for meal periods, has resulted in a lack of meal period coverage and  
19 prevented Plaintiff and other non-party Aggrieved Employees from taking all timely,  
20 uninterrupted meal periods to which they were entitled.

21 80. As a result, Plaintiff and other non-party Aggrieved Employees had to work  
22 through all or part of their meal periods, had their meal periods interrupted, and/or had to wait  
23 extended periods of time before taking meal periods. For example, as stated, Plaintiff missed  
24 his meal periods approximately twice per week, and as also stated, Defendants' management  
25 frequently interrupted Plaintiff's meal periods to ask that Plaintiff cut his meal period short and  
26 return to work. As an example of late meal periods, according to Plaintiff's time records, on  
27 November 5, 2023, he clocked in at the start of his shift at 2:27 p.m. and clocked out for his  
28 meal period at 9:07 p.m., working a total of six (6) hours and 40 minutes (or 6.67 hours), before

1 he was able to take his meal period. Thus, Defendants failed to provide Plaintiff and other non-  
2 party Aggrieved Employees with compliant, 30-minute meal periods.

3 81. Second, as set forth above, on information and belief, because Defendants  
4 frowned upon employees accruing meal period penalties, Defendants' management pressured  
5 employees to clock out for meal periods to reflect compliant meal periods, regardless of whether  
6 they had received a compliant meal period or not. Also, as stated, Defendants' company-wide  
7 timekeeping system prevented Plaintiff and other non-party Aggrieved Employees from  
8 recording when their meal periods were shortened or interrupted, because the system locked out  
9 Plaintiff and other non-party Aggrieved Employees once they clocked out for a meal period,  
10 and would not permit them to clock back in from a meal period before 30 minutes had elapsed.  
11 For example, Plaintiff was unable to record when his meal periods were interrupted or shortened  
12 by Defendants' management asking him to cut his meal periods short and return to work.

13 82. Third, as stated, on information and belief, Defendants maintained and  
14 implemented a company-wide on-premises meal period policy for employees, which mandated  
15 that Plaintiff and other non-party Aggrieved Employees remain on the work premises during  
16 the meal periods. Because Plaintiff and other non-party Aggrieved Employees were restricted  
17 from leaving the premises during meal periods, they were denied the ability to use their meal  
18 periods freely for their own purposes. Thus, Defendants effectively maintained control over  
19 Plaintiff and other non-party Aggrieved Employees during meal periods.

20 83. Fourth, Defendants did not provide Plaintiff and other non-party Aggrieved  
21 Employees with second 30-minute meal periods on days that they worked in excess of ten (10)  
22 hours in one day. For example, during the relevant time period, Plaintiff worked shifts in excess  
23 of 10 hours in one day and did not always take a second meal period. Plaintiff and other non-  
24 party Aggrieved Employees did not sign valid meal period waivers on days that they were  
25 entitled to meal periods and were not relieved of all duties.

26 84. At all times herein mentioned, Defendants knew or should have known that, as a  
27 result of these policies, Plaintiff and other non-party Aggrieved Employees were prevented from  
28 being relieved of all duties and required to perform some of their assigned duties during meal

1 periods. Defendants further knew or should have known that Defendants did not pay Plaintiff  
2 and other non-party Aggrieved Employees meal period premiums when meal periods were late,  
3 interrupted, shortened, or missed.

4 85. Moreover, Defendants engaged in a company-wide practice and/or policy of not  
5 paying all meal period premiums owed when compliant meal periods are not provided. Because  
6 of this practice and/or policy, Plaintiff and other non-party Aggrieved Employees have not  
7 received premium pay for all missed, late, and interrupted meal periods.

8 86. Defendants' conduct violates the applicable IWC Wage Order, and California  
9 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiff and other non-party Aggrieved  
10 Employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 558  
11 and/or 2699(a), (f), and (g).

12 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**

13 **VIOLATION OF LABOR CODE SECTIONS 226.7, 516, AND 1198**

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

17 88. At all relevant times, the applicable IWC Wage Order provides that "[e]very  
18 employer shall authorize and permit all employees to take rest periods, which insofar as  
19 practicable shall be in the middle of each work period" and that the "rest period time shall be  
20 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)  
21 hours or major fraction thereof" unless the total daily work time is less than three and one-half  
22 (3 ½) hours.

23 89. At all relevant times, California Labor Code section 226.7 provides that no  
24 employer shall require an employee to work during any rest period mandated by an applicable  
25 order of the California IWC. To comply with its obligation to authorize and permit rest periods  
26 under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer  
27 must "relinquish any control over how employees spend their break time, and relieve their  
28 employees of all duties—including the obligation that an employee remain on call. A rest

1 period, in short, must be a period of rest.” *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th  
2 257, 273 (2016).

3 90. Pursuant to the applicable IWC Wage Order and California Labor Code section  
4 226.7(c), Plaintiff and other non-party Aggrieved Employees are entitled to recover from  
5 Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a  
6 required rest period was not authorized and permitted.

7 91. During the relevant time period, Defendants regularly failed to authorize and  
8 permit Plaintiff and other non-party Aggrieved Employees to take a ten (10) minute rest period  
9 per each four (4) hour period worked or major fraction thereof. As with meal periods,  
10 Defendants’ company-wide use of labor budgeting and/or limited payroll allocation,  
11 understaffing, and assigning heavy workloads resulted in a lack of rest period coverage and  
12 prevented Plaintiff and other non-party Aggrieved Employees from being relieved of all duty  
13 in order to take compliant rest periods. Defendants also failed to schedule rest periods, which,  
14 coupled with Defendants’ failure to provide adequate rest period coverage, further led to  
15 Plaintiff and other non-party Aggrieved Employees not being authorized and permitted to take  
16 rest periods.

17 92. Furthermore, upon information and belief, Defendants maintained and  
18 implemented a company-wide on-premises rest period policy, which effectively required that  
19 Plaintiff and/or other non-party Aggrieved Employees remain on the work premises during their  
20 rest periods. Because Plaintiff and/or other non-party Aggrieved Employees were restricted  
21 from leaving the premises during rest periods, they were denied the ability to use their rest  
22 periods freely for their own purposes, such as running personal errands. Thus, Defendants  
23 effectively maintained control over Plaintiff and/or other non-party Aggrieved Employees  
24 during rest periods.

25 93. As a result of Defendants’ practices and policies, Plaintiff and other non-party  
26 Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess  
27 of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were  
28 entitled. For example, throughout his employment, Plaintiff had to regularly forgo his rest

1 periods because the restaurant was busy and did not have coverage. When Plaintiff was able to  
2 take his rest periods, they were sometimes interrupted by supervisors asking him to return to  
3 work to attend to customers.

4 94. Defendants have also engaged in a company-wide practice and/or policy of not  
5 paying all rest period premiums owed when compliant rest periods are not authorized and  
6 permitted. Because of this practice and/or policy, Plaintiff and other non-party Aggrieved  
7 Employees have not received premium pay for all missed rest periods. Accordingly, Defendants  
8 failed to authorize and permit all compliant rest periods and failed to pay the full rest period  
9 premiums due.

10 95. Defendants' conduct violates the applicable IWC Wage Order and California  
11 Labor Code sections 226.7, 516, and 1198. Plaintiff and other non-party Aggrieved Employees  
12 are therefore entitled to recover civil penalties pursuant to Labor Code sections 558 and/or  
13 2699(a), (f), and (g).

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

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

21 97. During the relevant time period, Defendants have knowingly and intentionally  
22 provided Plaintiff and other non-party Aggrieved Employees with uniform, incomplete, and  
23 inaccurate wage statements. For example, Defendants issued uniform wage statements to  
24 Plaintiff and other non-party Aggrieved Employees that fail to correctly list: gross wages  
25 earned; total hours worked; net wages earned; and all applicable hourly rates in effect during  
26 the pay period, including rates of pay for overtime wages, and the corresponding number of  
27 hours worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1),  
28 226(a)(2), 226(a)(5), and 226(a)(9).

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

11           99.     The wage statement deficiencies also include, among other things, failing to list  
12 the number of piece-rate units earned and any applicable piece rate if the employee is paid on a  
13 piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for  
14 which aggrieved employees were paid; failing to list the name of the employee and only the last  
15 four digits of his or her social security number or an employee identification number other than  
16 a social security number; failing to list the name and address of the legal entity that is the  
17 employer; and/or failing to state all hours worked as a result of not recording or stating hours  
18 worked off-the-clock.

19           100.    California Labor Code section 1174(d) provides that “[e]very person employing  
20 labor in this state shall . . . [k]eep a record showing the names and addresses of all employees  
21 employed and the ages of all minors” and “[k]eep, at a central location in the state or at the  
22 plants or establishments at which employees are employed, payroll records showing the hours  
23 worked daily by and the wages paid to, and the number of piece-rate units earned by and any  
24 applicable piece rate paid to, employees employed at the respective plants or  
25 establishments . . . .” Labor Code section 1174.5 provides that employers are subject to a \$500  
26 civil penalty if they fail to maintain accurate and complete records as required by section  
27 1174(d). At all relevant times, and in violation of Labor Code section 1174(d), Defendants  
28 willfully failed to maintain accurate payroll records for Plaintiff and other non-party Aggrieved

1 Employees showing the daily hours they worked and the wages paid thereto as a result of failing  
2 to record the off-the-clock hours that they worked.

3 101. California Labor Code section 1198 provides that the maximum hours of work  
4 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set  
5 forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment  
6 of any employees for longer hours than those fixed by the order or under conditions of labor  
7 prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers  
8 are required to keep accurate time records showing when the employee begins and ends each  
9 work period and meal period. During the relevant time period, Defendants engaged in company-  
10 wide practices and/or policies of failing to record actual hours worked, and thereby failed, on a  
11 company-wide basis, to keep accurate records of work period and meal period start and end  
12 times for Plaintiff and other non-party Aggrieved Employees, in violation of section 1198.  
13 Furthermore, in light of Defendants’ failure to provide Plaintiff and other non-party Aggrieved  
14 Employees with second 30-minute meal periods to which they were entitled, Defendants kept  
15 no records of meal start and end times for second meal periods.

16 102. Defendants’ conduct violates California Labor Code sections 226(a), 1174(d),  
17 and 1198. Plaintiff and other non-party Aggrieved Employees are therefore entitled to recover  
18 civil penalties pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (g).

### 19 **FAILURE TO PAY WAGES DURING EMPLOYMENT**

#### 20 **VIOLATION OF LABOR CODE SECTION 204**

21 103. At all relevant times herein set forth, California Labor Code section 204 requires  
22 that all wages earned by any person in any employment between the 1st and the 15th days,  
23 inclusive, of any calendar month, other than those wages due upon termination of an employee,  
24 are due and payable between the 16th and the 26th day of the month during which the labor was  
25 performed. Labor Code section 204 further provides that all wages earned by any person in any  
26 employment between the 16th and the last day, inclusive, of any calendar month, other than  
27 those wages due upon termination of an employee, are due and payable between the 1st and the  
28 10th day of the following month.

104. At all relevant times herein, 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, at all relevant times herein, 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.

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

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

#### **FAILURE TO PAY WAGES UPON TERMINATION**

#### **VIOLATION OF LABOR CODE SECTIONS 201 AND 202**

107. At all times relevant herein set forth, 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.

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

108. Defendants' failure to pay Plaintiff and those non-party Aggrieved Employees who are no longer employed by Defendants their wages earned and unpaid at the time of

1 discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates Labor  
2 Code sections 201 and 202. Plaintiff and other non-party Aggrieved Employees are therefore  
3 entitled to recover civil penalties pursuant to Labor Code sections 256 and/or 2699(a), (f), and  
4 (g).

5 **FAILURE TO PAY REPORTING TIME PAY**

6 **VIOLATION OF LABOR CODE SECTION 1198**

7 109. California Labor Code section 1198 makes it illegal to employ an employee  
8 under conditions of labor that are prohibited by the applicable IWC Wage Order. California  
9 Labor Code section 1198 requires that "... the standard conditions of labor fixed by the  
10 commission shall be the ... standard conditions of labor for employees. The employment of  
11 any employee ... under conditions of labor prohibited by the order is unlawful."

12 110. California Code of Regulations, Title 8, section 11050(5)(A) provides that  
13 "[e]ach workday an employee is required to report for work and does report, but is not put to  
14 work or is furnished less than half said employee's usual or scheduled day's work, the employee  
15 shall be paid for half the usual or scheduled day's work, but in no event for less than two (2)  
16 hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be  
17 less than the minimum wage." The "primary purpose of the reporting time regulation" is "to  
18 guarantee at least partial compensation for employees who report to work expecting to work a  
19 specified number of hours, and who are deprived of that amount because of inadequate  
20 scheduling or lack of proper notice by the employer." *Aleman v. AirTouch Cellular*, 209 Cal.  
21 App. 4th 556 (2012).

22 111. During the relevant time period, Defendants violated California Labor Code  
23 section 1198 and California Code of Regulations, Title 8, section 11050(5)(A), because  
24 Defendants failed to pay Plaintiff and other non-party Aggrieved Employees reporting time pay  
25 when they reported to work for their scheduled shift but were put to work for less than half of  
26 the usual or scheduled day's work.

27 112. Defendants had a company-wide practice of sending Plaintiff and other non-party  
28 Aggrieved Employees home early from their shifts, including before they had worked at least

1 half of their usual or scheduled shift, but would not pay Plaintiff and other non-party Aggrieved  
2 Employees for half of their usual or scheduled shift. For example, when scheduled to work a  
3 shift of at least five (5) hours, Defendants' managers sent Plaintiff home two (2) hours after the  
4 start of his shift because business was slow. Although Plaintiff and other non-party Aggrieved  
5 Employees would report to work based on the schedule that Defendants provided to them,  
6 Defendants would send them home before they worked at least half of their usual or scheduled  
7 shifts. When this occurred, Defendants did not pay Plaintiff and other non-party Aggrieved  
8 Employees for at least half of their scheduled day's work or the minimum reporting time pay.

9 113. Accordingly, Plaintiff and other non-party Aggrieved Employees were not  
10 properly compensated with reporting time pay in violation of California Labor Code section  
11 1198 and California Code of Regulations, Title 8, section 11050(5)(A). Plaintiff and other non-  
12 party Aggrieved Employees are therefore entitled to recover civil penalties pursuant to Labor  
13 Code sections 2699(a), (f), and (g).

#### 14 **FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES**

#### 15 **VIOLATION OF LABOR CODE SECTION 2802**

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

115. During the relevant time period, Defendants, on a company-wide basis, required that Plaintiff and other non-party Aggrieved Employees use their own personal vehicles to run company errands. For example, on a number of occasions throughout his employment, Plaintiff was required to use his personal vehicle to drive approximately 8-miles roundtrip to Defendants' other Taco Bell restaurant locations to pick up ingredients or supplies, such as tortillas. Although Defendants required Plaintiff and other non-party Aggrieved Employees to utilize their personal vehicles to carry out their work-related responsibilities, Defendants failed to reimburse them for their mileage or travel expenses.

116. Additionally, during the relevant time period, Defendants required Plaintiff and other non-party Aggrieved Employees to wear uniforms bearing the Taco Bell company logo, including uniform shirts and hats. However, Defendants did not provide their employees with sufficient uniforms to wear for their shifts throughout the week. For example, Defendants only provided Plaintiff and other non-party Aggrieved Employees with one (1) shirt and one (1) hat at the time of hire. Because Defendants failed to provide Plaintiff and other non-party Aggrieved Employees with an adequate number of uniform items in relation to their scheduled shifts and for the tasks they were required to perform, Plaintiff and other non-party Aggrieved Employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of restaurant work, Plaintiff's uniform items would become stained with grease, sweaty, soiled, and/or acquire an unpleasant odor such that he was unable to mix these clothes in with other laundry. As a result, Plaintiff had to wash his uniform items separately from his regular clothing, thus incurring additional laundry expenses for the upkeep of his uniforms. Specifically, Plaintiff was required to wash his uniform items separately from any other clothing items at a laundromat, usually at a cost of approximately \$10 per week. Thus, Defendants failed to maintain uniforms they required Plaintiff and other non-party Aggrieved Employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

117. Defendants could have provided Plaintiff and other non-party Aggrieved Employees with the actual tools for use on the job, such as company vehicles, as well as an

adequate number of uniform items or access to laundering services; or Defendants could have reimbursed employees for the costs of their mileage, travel expenses, and laundering expenses or provided a uniform maintenance allowance. Instead, Defendants passed these operating costs off onto Plaintiff and other non-party Aggrieved Employees. At all relevant times, Plaintiff did not earn at least two (2) times the minimum wage.

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

**FAILURE TO PROVIDE WRITTEN NOTICE OF MATERIAL TERMS OF  
EMPLOYMENT**

**VIOLATION OF LABOR CODE SECTION 2810.5(a)(1)(A)-(C)**

119. California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees containing basic and material payroll information, including, among other things, the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Labor Code § 2810.5(a)(1)(A)-(C).

120. Defendants failed to provide Plaintiff and other non-party Aggrieved Employees written notice that lists all the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). Specifically, Defendants failed to provide Plaintiff and other non-party Aggrieved Employees with the hourly rate(s) of pay, including the overtime rate(s) of pay, in violation of section 2810.5(a)(1)(A). Instead, the wage theft form that Defendants provided to

1 Plaintiff is blank where the aforementioned wage information should be filled in. Defendants  
2 failure to provide Plaintiff and other non-party Aggrieved Employees with written notice of  
3 basic information regarding their employment with Defendants is in violation of Labor Code  
4 section 2810.5.

5 **REQUEST FOR JURY TRIAL**

6 Plaintiff requests a trial by jury.

7 **PRAYER FOR RELIEF**

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

10 1. For civil penalties and attorneys' fees in excess of twenty-five thousand dollars  
11 (\$25,000). Plaintiff reserves the right to amend his prayer for relief to seek a different amount.

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

13 2. That the Court declare, adjudge and decree that Defendants violated the  
14 following California Labor Code provisions as to Plaintiff and/or other non-party Aggrieved  
15 Employees: 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197,  
16 and 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516,  
17 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and  
18 permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage  
19 statements and maintain accurate payroll records); 204 (by failing to timely pay all earned wages  
20 during employment); 201 and 202 (by failing to timely pay all earned wages upon termination);  
21 1198 and the applicable IWC Wage Order (by failing to provide reporting time pay); 2802 (by  
22 failing to reimburse business expenses); and 2810.5 (by failing to provide written notice of  
23 information material to employment);

24 3. For civil penalties, pursuant to California Labor Code sections 210, 226.3, 256,  
25 558, 1174.5, 2699(a), (f), and (g), for violations of California Labor Code sections 201, 202,  
26 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1198, 2802, and 2810.5;

27 4. For attorneys' fees and costs pursuant to California Labor Code section  
28 2699(g)(1), and any and all other relevant statutes, for Defendants' violations of California

1 Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194,  
2 1197, 1198, 2802, and 2810.5;

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

4 6. For such other and further relief as the Court may deem equitable and  
5 appropriate.

6

7 Dated: June 28, 2024

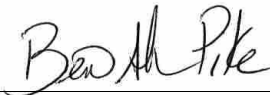
Respectfully submitted,

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Capstone Law APC

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By: 

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Attorneys for Plaintiff Albert Vidal Lopez

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# **EXHIBIT “1”**



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April 23, 2024

VIA ONLINE SUBMISSION

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

Subject: *Albert Vidal Lopez v. Golden Gate Bell, LLC, et al.*

Dear PAGA Administrator:

This office represents Albert Vidal Lopez in connection with his claims under the California Labor Code. Mr. Vidal Lopez was an employee of GOLDEN GATE BELL, LLC; GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC; DIVERSIFIED RESTAURANT GROUP, LLC; and/or DIVERSIFIED RESTAURANT GROUP RSC, LLC. For the purpose of this letter, Mr. Vidal Lopez collectively refers to these entities as "GOLDEN GATE."

The employers may be contacted directly at the addresses below:

GOLDEN GATE BELL, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

DIVERSIFIED RESTAURANT GROUP, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

DIVERSIFIED RESTAURANT GROUP RSC, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

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

GOLDEN GATE employed Mr. Vidal Lopez as an hourly paid, non-exempt Team Member: Champion, Cook, and Cashier from approximately October 2022 to November 2023. Mr. Vidal Lopez worked for GOLDEN GATE at its Taco Bell restaurant location at 155 Soscol Avenue in

Napa, California. During his employment, Mr. Vidal Lopez typically worked five (5) to eight (8) or more hours per day and four (4) days per week. At the time his employment ended, Mr. Vidal Lopez was compensated approximately \$16.00 per hour. His primary job duties included, without limitation, taking customer orders and preparing and serving food.

GOLDEN GATE committed one or more of the following Labor Code violations against Mr. Vidal Lopez, the facts and theories of which follow, making him an “aggrieved employee” pursuant to California Labor Code section 2699(c):<sup>1</sup>

### **GOLDEN GATE’s Company-Wide and Uniform Payroll and HR Practices**

GOLDEN GATE BELL, LLC; GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC; and DIVERSIFIED RESTAURANT GROUP RSC, LLC are California limited liability companies; and DIVERSIFIED RESTAURANT GROUP, LLC is a Nevada limited liability company. Together, they operate a chain of Taco Bell restaurants with at least 76 locations in California. Upon information and belief, GOLDEN GATE maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Sonoma, California, for all non-exempt, hourly paid employees working for GOLDEN GATE in California, including Mr. Vidal Lopez and other aggrieved employees. At all relevant times, GOLDEN GATE issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Vidal Lopez and other aggrieved employees, regardless of their location or position.

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

### **Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime**

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“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

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<sup>1</sup> These facts, theories, and claims are based on Mr. Vidal Lopez’s experience and counsel’s review of those records currently available relating to Mr. Vidal Lopez’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. Vidal Lopez 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.

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.

GOLDEN GATE willfully failed to pay all overtime wages owed to Mr. Vidal Lopez and other aggrieved employees. During the relevant time period, Mr. Vidal Lopez and 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, during the relevant time period, GOLDEN GATE had, and continues to have, a company-wide policy and/or practice of discouraging and impeding Mr. Vidal Lopez and other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit the amount of overtime employees could accrue. As stated in GOLDEN GATE's "Overtime" policy, "[A]ll overtime work must receive prior authorization from your supervisor or manager. . . . [O]vertime worked without prior authorization (written or verbal) from management may result in corrective action, up to and including unpaid suspension and/or termination of employment." This policy of limiting overtime, coupled with GOLDEN GATE's use of labor budgets (*see infra*), led Mr. Vidal Lopez and other aggrieved employees to work off-the-clock before and after their scheduled shift times.

Indeed, GOLDEN GATE implemented a timekeeping system that prevented employees from clocking in until their scheduled shift start-time so that they were prohibited from recording the time worked prior to the start of their scheduled shifts. Consequently, on information and belief, Mr. Vidal Lopez and other aggrieved employees performed work prior to the start of their shift, but were unable to record this time. For example, when Mr. Vidal Lopez arrived early for his shifts, GOLDEN GATE's management would sometimes require him to start working immediately, before he was able to clock in for the start of his shift, because the restaurant was busy. Mr. Vidal Lopez would be required to perform work, such as taking food orders, but was prevented from clocking in before his scheduled shift start-time. Additionally, because GOLDEN GATE's timekeeping system was integrated with the company's point-of-sale ("POS") system, Mr. Vidal Lopez and other aggrieved employees would often have 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. Vidal Lopez and other aggrieved employees were required to wait several minutes under GOLDEN GATE's control until a POS machine was available for clocking-in, time for which they were not paid. Mr. Vidal Lopez and other aggrieved employees would arrive early in order to clock in for the start of their shifts, and were required to wait in a line for a few minutes to clock in, time for which they were not paid.

Moreover, GOLDEN GATE's company-wide policy of limiting overtime also forced Mr. Vidal Lopez and other aggrieved employees to work after clocking out at the end of their scheduled shifts. In conjunction with GOLDEN GATE's overtime policies, GOLDEN GATE also had a company-wide security policy and/or practice for closing shifts requiring employees to leave the restaurant premises together in a group. After clocking out at the end of their shifts, Mr. Vidal Lopez and other aggrieved employees were required to wait for all other employees to complete their own duties before they were released by a managerial employee and could leave GOLDEN GATE's premises together. For example, when scheduled for closing shifts, Mr. Vidal Lopez would complete his own closing tasks, clock out, and then have to wait until his supervisor and/or other coworkers had

completed their own respective closing duties, before being released. As a result, Mr. Vidal Lopez and other aggrieved employees were subject to GOLDEN GATE's control after they had clocked out for their shifts, but were not compensated for this time. Moreover, upon information and belief, GOLDEN GATE's management would subsequently shave off some of the time Mr. Vidal Lopez and other aggrieved employees spent completing assigned duties after their scheduled shifts to avoid payment of additional wages. As a result, when Mr. Vidal Lopez was required to remain at work later than his usual shift end-time, he was not paid for all of his hours actually worked because GOLDEN GATE's managers did not accurately record all hours worked.

Third, as stated, GOLDEN GATE had, and continues to have, a company-wide policy of strictly staffing its restaurant locations based on the labor hours allocated by each location's labor or payroll budget set by the corporate office. On information and belief, GOLDEN GATE's uniform use of labor budgeting and understaffing resulted in a failure to provide Mr. Vidal Lopez and other aggrieved employees with adequate meal period coverage, because there were too few employees on duty to handle the workload and attend to customers, which included meeting a 3-minute time target/goal for drive-thru orders while simultaneously preparing walk-in orders. Because GOLDEN GATE did not employ or staff a sufficient number of employees to meet customer demand, there was no one available to relieve employees needing meal period coverage, and Mr. Vidal Lopez and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. Moreover, GOLDEN GATE has a practice of failing to schedule meal periods and/or adhere to a schedule for meal periods, which further caused Mr. Vidal Lopez and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Mr. Vidal Lopez worked through his meal periods approximately twice per week due to lack of coverage and to keep up with the demands of work. As a further example, GOLDEN GATE's management frequently interrupted Mr. Vidal Lopez's meal periods to ask that Mr. Vidal Lopez cut his meal period short and return to work for the same reasons mentioned above.

Fifth, on information and belief, because GOLDEN GATE frowned upon employees accruing meal period penalties, GOLDEN GATE's management pressured Mr. Vidal Lopez and other aggrieved employees to clock out for meal periods to reflect compliant meal periods, regardless of whether they had received a compliant meal period or not. Additionally, GOLDEN GATE's timekeeping system prevented Mr. Vidal Lopez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Vidal Lopez 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 until 30 minutes had elapsed. Thus, GOLDEN GATE did not record all hours worked during meal periods, and Mr. Vidal Lopez and other aggrieved employees performed work during meal periods for which they were not paid.

Sixth, on information and belief, GOLDEN GATE maintained a company-wide on-premises meal period policy, which mandated that Mr. Vidal Lopez and other aggrieved employees remain on GOLDEN GATE's premises during their unpaid meal periods. Because Mr. Vidal Lopez and other aggrieved employees were restricted from leaving the premises during meal periods, they were denied the ability to use their meal periods freely for their own purposes. Thus, GOLDEN GATE effectively maintained control over Mr. Vidal Lopez and other aggrieved employees during their unpaid meal periods.

GOLDEN GATE knew or should have known that as a result of these company-wide practices and/or policies, Mr. Vidal Lopez 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. Because Mr. Vidal Lopez and 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. Vidal Lopez and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Furthermore, GOLDEN GATE did not pay 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, GOLDEN GATE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, GOLDEN GATE 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 other aggrieved employees worked overtime and received these other forms of pay, GOLDEN GATE failed to pay all overtime wages by paying a lower overtime rate than required.

GOLDEN GATE's failure to pay Mr. Vidal Lopez and 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. Vidal Lopez 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 §§ 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 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)(K) (defining "Hours Worked").

First, as set forth above, as a result of GOLDEN GATE's policy of limiting the amount of overtime employees could accrue, pursuant to their labor budget practices, GOLDEN GATE required Mr. Vidal Lopez and other aggrieved employees to perform work off-the-clock. As stated, due to GOLDEN GATE's implementation of a timekeeping system that prevented employees from clocking in until their scheduled shift start-time, Mr. Vidal Lopez and other aggrieved employees were prevented from recording time worked prior to the start of their scheduled shifts, and thus were not paid for this time. Further, as stated, GOLDEN GATE required Mr. Vidal Lopez and other aggrieved employees to perform work off-the-clock before and after their scheduled shift start and end times to complete work-related tasks, such as assisting with taking orders, waiting to clock in for the start of their shifts because other employees were using the POS system, and waiting to leave the premises in a group. Further, on information and belief, GOLDEN GATE's management would alter Mr. Vidal Lopez's and other aggrieved employees' timesheets and shave off the time spent completing assigned duties to avoid payment of additional wages. As a result, GOLDEN GATE failed to track this time that Mr. Vidal Lopez and other aggrieved employees spent working off-the-clock, and thus, Mr. Vidal Lopez and other aggrieved employees received no compensation for this time.

Second, as set forth above, due to GOLDEN GATE's company-wide policies and/or practices of utilizing labor budgets, understaffing its locations, assigning heavy workloads, failing to schedule meal periods and/or adhere to a schedule for meal periods, and/or requiring employees to stay on the work premises during meal periods, Mr. Vidal Lopez and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock. Further, to limit the meal penalties that GOLDEN GATE would otherwise owe, GOLDEN GATE pressured Mr. Vidal Lopez and other aggrieved employees to clock out for meal periods to reflect compliant meal periods, but required them to continue working, time for which they were not paid. Also, as set forth above, GOLDEN GATE's timekeeping system locked out Mr. Vidal Lopez and other aggrieved employees for 30 minutes when they clocked out for a meal period and would not permit them to clock back in from a meal period until 30 minutes had elapsed. Thus, GOLDEN GATE systematically failed to pay Mr. Vidal Lopez and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

Accordingly, GOLDEN GATE regularly failed to pay at least minimum wages to Mr. Vidal Lopez 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. Vidal Lopez 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 §§ 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 time period, as stated above, GOLDEN GATE had, and continues to have, a company-wide policy and/or practice of understaffing locations due to labor budgeting and/or limited payroll allocation, which, combined with the assignment of heavy workloads, including pressuring employees to meet a 3-minute time target/goal for drive-thru orders while simultaneously preparing walk-in orders, and a failure to schedule meal periods and/or adhere to a schedule for meal periods, has resulted in a lack of meal period coverage and prevented Mr. Vidal Lopez and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled.

As a result, Mr. Vidal Lopez and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods. For example, as stated, Mr. Vidal Lopez missed his meal periods approximately twice per week, and as also stated, GOLDEN GATE's management frequently interrupted Mr. Vidal Lopez's meal periods to ask that Mr. Vidal Lopez cut his meal period short and return to work. As an example of late meal periods, according to Mr. Vidal Lopez's time records, on November 5, 2023, he clocked in at the start of his shift at 2:27 p.m. and clocked out for his meal period at 9:07 p.m., working a total of six (6) hours and 40 minutes (or 6.67 hours), before he was able to take his meal period. Thus, GOLDEN GATE failed to provide Mr. Vidal Lopez and other aggrieved employees with compliant, 30-minute meal periods.

Second, as set forth above, on information and belief, because GOLDEN GATE frowned upon employees accruing meal period penalties, GOLDEN GATE's management pressured employees to clock out for meal periods to reflect compliant meal periods, regardless of whether they had received a compliant meal period or not. Also, as stated, GOLDEN GATE's company-wide timekeeping system prevented Mr. Vidal Lopez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Mr. Vidal Lopez 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. For example, Mr. Vidal Lopez was unable to record when his meal periods were interrupted or shortened by GOLDEN GATE's management asking him to cut his meal periods short and return to work.

Third, as stated, on information and belief, GOLDEN GATE maintained and implemented a company-wide on-premises meal period policy for employees, which mandated that Mr. Vidal Lopez and other aggrieved employees remain on the work premises during the meal periods. Because Mr. Vidal Lopez and other aggrieved employees were restricted from leaving the premises during meal periods, they were denied the ability to use their meal periods freely for their own purposes. Thus, GOLDEN GATE effectively maintained control over Mr. Vidal Lopez and other aggrieved employees during meal periods.

Fourth, GOLDEN GATE did not provide Mr. Vidal Lopez and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of 10 hours in one day. For example, during the relevant time period, Mr. Vidal Lopez worked shifts in excess of 10 hours in one day and did not always take a second meal period. Mr. Vidal Lopez 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.

At all times herein mentioned, GOLDEN GATE knew or should have known that, as a result of these policies, Mr. Vidal Lopez and other aggrieved employees were prevented from being relieved of all duties and were required to perform some of their assigned duties during meal periods. GOLDEN GATE further knew or should have known that GOLDEN GATE did not pay Mr. Vidal Lopez and other aggrieved employees all meal period premiums when meal periods were late, missed, shortened, or interrupted.

Moreover, GOLDEN GATE engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Vidal Lopez and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods. Alternatively, to the extent that GOLDEN GATE did pay other aggrieved employees for missed, late, and interrupted meal periods, GOLDEN GATE did

not pay other aggrieved employees at the correct rate of pay for premiums because GOLDEN GATE systematically 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, GOLDEN GATE failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. Vidal Lopez 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, GOLDEN GATE regularly failed to authorize and permit Mr. Vidal Lopez 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, GOLDEN GATE'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. Vidal Lopez and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. GOLDEN GATE also failed to schedule rest periods, which, coupled with GOLDEN GATE's failure to provide adequate rest period coverage, further led to Mr. Vidal Lopez and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, upon information and belief, during the relevant time period, GOLDEN GATE maintained and implemented a company-wide on-premises rest period policy, which mandated that Mr. Vidal Lopez and/or other aggrieved employees remain on the work premises during their rest periods. Because Mr. Vidal Lopez and/or other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, GOLDEN GATE effectively maintained control over Mr. Vidal Lopez and/or other aggrieved employees during rest periods.

As a result of GOLDEN GATE's practices and policies, Mr. Vidal Lopez 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 10-minute rest periods to which they were entitled. For example, throughout his employment, Mr. Vidal Lopez had to regularly forego his rest periods because the restaurant was busy and did not have coverage. When Mr. Vidal Lopez was able to take his rest periods, they were sometimes interrupted by supervisors asking him to return to work to attend to customers.

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

Because GOLDEN GATE did not record the time Mr. Vidal Lopez 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), GOLDEN GATE did not list the correct amount of gross wages and net wages earned by Mr. Vidal Lopez and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively.

For the same reason, GOLDEN GATE failed to accurately list the total number of hours worked by Mr. Vidal Lopez 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)).

Additionally, because GOLDEN GATE did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, meal and rest period premiums, and/or paid sick leave, GOLDEN GATE did not list the correct amount of gross wages in compliance with section 226(a)(1). For the same reason, GOLDEN GATE failed to list the correct amount of net wages in violation of section 226(a)(5). GOLDEN GATE also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, 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), GOLDEN GATE willfully failed to maintain accurate payroll records for Mr. Vidal Lopez 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, GOLDEN GATE 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. Vidal Lopez and other aggrieved employees, in violation of section 1198. Furthermore, in light of GOLDEN GATE's failure to provide Mr. Vidal Lopez and other aggrieved employees with second 30-minute meal periods to which they were entitled, GOLDEN GATE kept no records of meal start and end times for second meal periods.

Mr. Vidal Lopez 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, GOLDEN GATE willfully failed to pay Mr. Vidal Lopez and other aggrieved employees all wages due including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within the time periods specified by California Labor Code section 204.

Mr. Vidal Lopez 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.

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

Mr. Vidal Lopez 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 §§ 221 and 224 – Unlawful Deductions**

California Labor Code section 221 provides that it shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee. California Labor Code section 224 also provides in pertinent part that it is lawful to withhold a portion of the employee's wages if "a deduction is expressly authorized in writing by the employee."

During the relevant time period, GOLDEN GATE unlawfully deducted a portion of wages previously paid to other aggrieved employees in violation of California Labor Code section 221. On information and belief, GOLDEN GATE systematically, and on a company-wide basis, provided other aggrieved employees with payroll debit cards as payment of their wages. Under GOLDEN GATE's payroll debit card program, other aggrieved employees were assessed various fees in connection with their use of the payroll debit cards. For example, on information and belief, other aggrieved employees were required to pay out-of-network ATM withdrawal fees, cash back fees from purchase transactions, ATM balance inquiry or decline fees, inactivity fees, and/or other fees to obtain and/or spend their earned and due wages. The fees charged to other aggrieved employees resulted in a discount of their wages.

GOLDEN GATE's payroll debit card program, which resulted in a discount of wages to employees, is tantamount to taking deductions from other aggrieved employees' paychecks without their written authorization and therefore constitutes an unlawful deduction of wages, in violation of California Labor Code sections 221 and 224. Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 225.5 and/or 2699(a), (f)-(g).

#### **Violation of California Labor Code § 223 – Secret Payment of Lower Wages**

California Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

During the relevant time period, GOLDEN GATE and systematically issued payroll debit cards to other aggrieved employees that discounted their wages by charging various fees in connection with the use of the payroll debit cards. GOLDEN GATE's payroll debit card program resulted in the payment of less than statutorily required wages to other aggrieved employees. In doing so, GOLDEN GATE acted with the intent to deprive other aggrieved employees of statutory wages, including, but not limited to, overtime wages and/or minimum wages, to which they were entitled to under California law. Thus, GOLDEN GATE paid other aggrieved employees lower wages than those they were entitled to while purporting that other aggrieved employees were properly paid.

GOLDEN GATE's failure to pay other aggrieved employees the correct designated wage, while purporting to pay legal wages, is a violation of California Labor Code section 223. Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 225.5 and/or 2699(a), (f)-(g).

#### **Violation of California Labor Code § 246 – Failure to Properly Calculate Paid Sick Leave**

At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Effective January 1, 2024, California Labor Code section 246(b)(4) requires employers to provide no less than 40 hours or five (5) days of paid sick leave (or equivalent paid leave or paid time off) in each year of the employee's employment. Further, Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt employees shall be calculated

by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

During the relevant time period, GOLDEN GATE did not pay other aggrieved employees the correct sick leave rates of pay. In addition to an hourly wage, GOLDEN GATE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, GOLDEN GATE failed to incorporate all remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave pay rate. Therefore, during times when other aggrieved employees took sick leave and received these other forms of pay, GOLDEN GATE failed to pay all sick leave benefits by paying a lower sick leave pay rate than required. Specifically, GOLDEN GATE paid other aggrieved employees sick leave based on their hourly rate of pay instead of their regular rate of pay.

GOLDEN GATE's failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to other aggrieved employees on a company-wide basis in violation of Labor Code section 246(l).

Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 248.5 and/or 2699(a), (f)-(g).

**Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 5(A) – Failure to Pay Reporting Time Pay**

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 further 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(5)(A) provides that "[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage." The "primary purpose of the reporting time regulation" is "to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer." *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, GOLDEN GATE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A), because GOLDEN GATE failed to pay Mr. Vidal Lopez and other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the usual or scheduled day's work.

GOLDEN GATE had a company-wide practice of sending Mr. Vidal Lopez and other aggrieved employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay Mr. Vidal Lopez and other aggrieved employees for half of their usual or scheduled shift. For example, when scheduled to work a shift of at least five (5) hours,

GOLDEN GATE's managers sent Mr. Vidal Lopez home two (2) hours after the start of his shift because business was slow. Although Mr. Vidal Lopez and other aggrieved employees reported to work based on the schedule that was provided to them, GOLDEN GATE would send them home before they worked at least half of their usual or scheduled shifts. When this occurred, GOLDEN GATE did not pay Mr. Vidal Lopez and other aggrieved employees for at least half of their scheduled day's work or the minimum reporting time pay.

Accordingly, Mr. Vidal Lopez and other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A).

Mr. Vidal Lopez 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).

### **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."

During the relevant time period, GOLDEN GATE, on a company-wide basis, required that Mr. Vidal Lopez and other aggrieved employees use their own personal vehicles to run company errands. For example, on a number of occasions throughout his employment, Mr. Vidal Lopez was required to use his personal vehicle to drive approximately 8-miles roundtrip to GOLDEN GATE's other Taco Bell restaurant locations to pick up ingredients or supplies, such as tortillas. Although GOLDEN GATE required Mr. Vidal Lopez and other aggrieved employees to utilize their personal vehicles to carry out their work-related responsibilities, GOLDEN GATE failed to reimburse them for their mileage or travel expenses.

Additionally, during the relevant time period, GOLDEN GATE required Mr. Vidal Lopez and other aggrieved employees to wear uniforms bearing the Taco Bell company logo, including uniform shirts and hats. However, GOLDEN GATE did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. For example, GOLDEN GATE only provided Mr. Vidal Lopez and other aggrieved employees with one (1) shirt and one (1) hat at the time of hire. Because GOLDEN GATE failed to provide Mr. Vidal Lopez and other aggrieved employees with an adequate number of uniform items in relation to their scheduled shifts and for the tasks they were required to perform, Mr. Vidal Lopez and other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of restaurant work, Mr. Vidal Lopez's uniform items would become stained with grease, sweaty, soiled, and/or acquire an unpleasant odor such that he was unable to mix these clothes in

with other laundry. As a result, Mr. Vidal Lopez had to wash his uniform items separately from his regular clothing, thus incurring additional laundry expenses for the upkeep of his uniforms. Specifically, Mr. Vidal Lopez was required to wash his uniform items separately from any other clothing items at a laundromat, usually at a cost of approximately \$10 per week. Thus, GOLDEN GATE failed to maintain uniforms it required Mr. Vidal Lopez and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

GOLDEN GATE could have provided Mr. Vidal Lopez and other aggrieved employees with the actual tools for use on the job, such as company vehicles, as well as an adequate number of uniform items or access to laundering services; or GOLDEN GATE could have reimbursed employees for the costs of their mileage, travel expenses, and laundering expenses or provided a uniform maintenance allowance. Instead, GOLDEN GATE passed these operating costs off onto Mr. Vidal Lopez and other aggrieved employees. At all relevant times, Mr. Vidal Lopez did not earn at least two (2) times the minimum wage.

Thus, GOLDEN GATE 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. Vidal Lopez 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).

#### **Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment**

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

GOLDEN GATE failed to provide Mr. Vidal Lopez and other aggrieved employees written notice that lists all the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). Specifically, GOLDEN GATE failed to provide Mr. Vidal Lopez and other aggrieved employees with the hourly rate(s) of pay, including the overtime rate(s) of pay, in violation of section 2810.5(a)(1)(A). Instead, the wage theft form that GOLDEN GATE provided to Mr. Vidal Lopez is blank where the aforementioned wage information should be filled in. GOLDEN GATE's failure to provide Mr. Vidal Lopez and other aggrieved employees with written notice of basic information regarding their employment with GOLDEN GATE is in violation of Labor Code section 2810.5.

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

Accordingly, Mr. Vidal Lopez 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 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Mr. Vidal Lopez, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for himself, all other aggrieved employees, and the State of California against GOLDEN GATE for violations of California Labor Code sections 201, 202, 204, 221, 223, 224, 226(a), 226.7, 246, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

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

### **Pre-Litigation Demand**

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

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

1. GOLDEN GATE shall pay Mr. Vidal Lopez and all other aggrieved employees employed by GOLDEN GATE at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. GOLDEN GATE 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, provided lawful meal and rest periods, and paid reporting time pay.
3. GOLDEN GATE shall conduct a survey or interview all current and former aggrieved employees in California who worked for GOLDEN GATE 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 and the number of rest periods

which were not authorized and permitted, and the number of employees who were required to pay for mileage expenses, travel expenses, uniform maintenance expenses, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.

4. GOLDEN GATE shall pay Mr. Vidal Lopez and 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. GOLDEN GATE also shall pay Mr. Vidal Lopez and 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. GOLDEN GATE shall properly calculate aggrieved employees' rates of pay for overtime, meal and rest period premiums, and/or paid sick leave based on all remuneration paid, pursuant to Labor Code sections 226.7, 510, and 246(l).
6. GOLDEN GATE shall pay accrued legal interest to Mr. Vidal Lopez and all aggrieved employees at the rate of 10% per annum for said unpaid wages.
7. GOLDEN GATE shall provide Mr. Vidal Lopez and all aggrieved employees employed by GOLDEN GATE 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. GOLDEN GATE 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. GOLDEN GATE shall pay each aggrieved employee unpaid wages and compensation for violations arising from its unlawful use payroll debit cards, including unlawful deductions (Labor Code sections 221 and 224) and secret payment of lower wages (Labor Code section 223).
10. GOLDEN GATE shall provide aggrieved employees who are required to report for work and do report but are not put to work or are furnished less than half their usual or scheduled day's work, with pay for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the aggrieved employee's regular rate of pay.
11. GOLDEN GATE shall reimburse those aggrieved employees who were required to pay for any business expenses incurred for GOLDEN GATE's benefit, including, but not limited to, costs of mileage, travel expenses, uniform maintenance expenses, or other expenditures, as required by Labor Code section 2802.
12. GOLDEN GATE shall provide all aggrieved employees written notice of basic information regarding their employment that includes the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C).
13. GOLDEN GATE 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, 248.5, 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:

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

Best Regards,

A handwritten signature in black ink, appearing to read 'Alexander Lima', followed by three dots.

Alexander Lima

Copy: GOLDEN GATE BELL, LLC (via U.S. Certified Mail); GOLDEN GATE BELL RESTAURANT HOLDINGS, LLC (via U.S. Certified Mail); DIVERSIFIED RESTAURANT GROUP, LLC (via U.S. Certified Mail); DIVERSIFIED RESTAURANT GROUP RSC, LLC (via U.S. Certified Mail)

Capstone Law, APC  
1875 Century Park, East, 1000  
Los Angeles, CA. 90067



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PS Form 3800, April 2015 PSN 7530-02-000-9053

See Reverse for Instructions

GOLDEN GATE BELL, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

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.

GOLDEN GATE BELL, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476



9590 9402 7690 2122 7181 57

2. Article Number (transfer from service label)

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PS Form 3871, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒

Agent

☐ Addressee

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D. Is delivery address different from item 1?

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☐ No

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3. Service Type

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4. Restricted Delivery

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Capstone Law, APC  
1875 Century Park, East, 1000  
Los Angeles, CA. 90067



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GROUP, LLC  
465 FIRST STREET WEST  
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SONOMA, CA 95476

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☐ Return Receipt (electronic) \$  
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Postage \$  
Post \$  
Total \$  
Sent \$  
Street \$  
City \$

DIVERSIFIED RESTAURANT  
GROUP, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

PS Form 3811 April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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GROUP, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476



9590 9402 7690 2122 7181 40

2. Article Number (Transfer from service label)

7022 2410 0000 2264 8141

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee

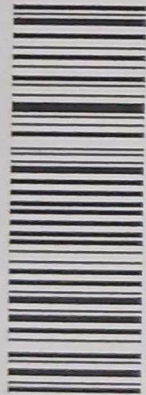
B. Received by (Printed Name) C. Date of Delivery

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

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>™</sup>  
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Postmark

GOLDEN GATE BELL RESTAURANT  
HOLDINGS, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

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

GOLDEN GATE BELL RESTAURANT  
HOLDINGS, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

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GOLDEN GATE BELL RESTAURANT  
HOLDINGS, LLC  
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2ND FLOOR  
SONOMA, CA 95476



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2. Article Number (transfer from service label)

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

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A. Signature ☒ Agent  
☒ Addressee  
B. Received by (Printed Name) C. Date of Delivery

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  
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Vidal Lopez

V. G. G.

Postmark

Certified Mail Fee \$  
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☒ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$

DIVERSIFIED RESTAURANT  
GROUP RSC, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

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

DIVERSIFIED RESTAURANT  
GROUP RSC, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476

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DIVERSIFIED RESTAURANT  
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465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476



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2. Article Number (Transfer from service label)

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

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A. Signature ☒ Agent  
☒ Addressee

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

3. 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  
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☐ Registered Mail™  
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e items 1, 2, and 3.

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GOLDEN GATE BELL RESTAURANT  
HOLDINGS, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476



9590 9402 7690 2122 7181 33

2. Article Number (Transfer from service label)

7022 2410 0000 2264 8134

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4/26/24

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

## Service Type

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☐ Collect on Delivery Restricted Delivery  
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GROUP RSC, LLC  
465 FIRST STREET WEST  
2ND FLOOR  
SONOMA, CA 95476



9590 9402 7690 2122 7181 26

2. Article Number (Transfer from service label)

7022 2410 0000 2264 8127

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4/26/24

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

## Service Type

- ☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
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☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
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9590 9402 7690 2122 7181 57

2. Article Number (Transfer from service label)

7022 2410 0000 2264 8158

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4/26/24

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  
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☐ Registered Mail™  
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9590 9402 7690 2122 7181 40

2. Article Number (Transfer from service label)

7022 2410 0000 2264 8141

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4/26/24

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

## Service Type

- ☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
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☐ Collect on Delivery Restricted Delivery  
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☐ Registered Mail Restricted Delivery

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