

SUMMONS (CITACION JUDICIAL)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

8/29/2025 12:00:31 PM

Clerk of the Superior Court
By J. Centeno , Deputy Clerk

NOTICE TO DEFENDANT: (AVISO AL DEMANDADO):

S.C. HOTEL, LLC, a California limited liability company; DKN HOTEL, LLC, a California limited liability company; and DOES 1-50, Inclusive,

YOU ARE BEING SUED BY PLAINTIFF: (LO ESTÁ DEMANDANDO EL DEMANDANTE):

CURTIS EMMANUEL and SARA VELEZ, on behalf of the State of California in Plaintiffs' representative capacity as a private attorney general

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es): San Diego Superior Court

North County Courthouse - 325 South Melrose Drive, San Diego CA 92081

CASE NUMBER:
(Número del Caso):

25CU045896N

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Perssia Razma, Esq. T: (619)599-8292 JCL Law Firm, APC - 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121

DATE: September 2, 2025
(Fecha)

Clerk, by _____, Deputy
(Secretario) _____ (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

J. Centeno

[SEAL]



NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):
4. ☐ by personal delivery on (date):

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN DIEGO

CURTIS EMMANUEL and SARA VELEZ, on
behalf of the State of California in Plaintiffs'
representative capacity as a private attorney
general,

Plaintiffs,

v.

S.C. HOTEL, LLC, a California limited liability
company; DKN HOTEL, LLC, a California
limited liability company; and DOES 1-50,
Inclusive,

Defendants.

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
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Clerk of the Superior Court
By J. Centeno ,Deputy Clerk

Case No: 25CU045896N

REPRESENTATIVE ACTION
COMPLAINT FOR:

- 1) VIOLATIONS OF THE PRIVATE
ATTORNEYS GENERAL ACT [LABOR
CODE §§ 2698 ET SEQ.]

1 PLAINTIFFS CURTIS EMMANUEL (“Plaintiff Emmanuel”) and SARA VELEZ
2 (“Plaintiff Velez”) (hereinafter collectively, “PLAINTIFFS”), individuals, in PLAINTIFFS’
3 representative capacity and on behalf of PLAINTIFFS, the people of the State of California, and as
4 an “aggrieved employee” acting as a private attorney general under the Labor Code Private Attorney
5 General Act of 2004, Section 2699, *et seq.* (“PAGA”) only, alleges on information and belief, except
6 for PLAINTIFFS’ own acts and knowledge which are based on personal knowledge, the following:

7 **INTRODUCTION**

8 1. PLAINTIFFS bring this action against Defendant S.C. HOTEL, LLC (“Defendant
9 SC Hotel”) and Defendant DKN HOTEL, LLC (“Defendant DKN Hotel”) (collectively,
10 “DEFENDANTS”) seeking only to recover PAGA civil penalties on behalf of all current and
11 former aggrieved employees who worked for DEFENDANTS. PLAINTIFFS do **not seek to**
12 **recover anything other than penalties as permitted by California Labor Code Section 2699.**

13 To the extent that statutory violations are mentioned for wage violations, PLAINTIFFS do not seek
14 underlying general and/or special damages for those violations, but simply the civil penalties
15 permitted by California Labor Code Section 2699.

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

19 3. Accordingly, PLAINTIFFS seek to obtain all applicable relief for DEFENDANTS’
20 violations under PAGA and solely for the relief as permitted by PAGA that is, penalties and any
21 other relief the Court deems proper pursuant to PAGA. Nothing in this complaint should be
22 constructed as attempting to obtain any relief that would not be available in a PAGA- only action.

23 4. PLAINTIFFS bring this representative action pursuant to PAGA on behalf of the
24 Labor and Workforce Development Agency (“LWDA”) and other current and former aggrieved
25 employees of DEFENDANTS for engaging in a pattern and practice of wage and hour violations
26 under the California Labor Code.

27 5. PLAINTIFFS are informed and believe, and thereon alleges, that DEFENDANTS
28 decreased their employment-related costs by systematically violating California wage and hour

1 laws.

2 6. DEFENDANTS' systematic pattern of wage and hour and Industrial Welfare
3 Commission ("IWC") Wage Order violations toward PLAINTIFFS and other aggrieved employees
4 in California include, *inter alia*:

- 5 a. Failure to provide compliant meal and rest periods;
- 6 b. Failure to allow employees to take duty-free meal and rest periods;
- 7 c. Failure to pay all minimum, sick pay, regular and overtime wages;
- 8 d. Failure to correctly calculate the regular rate of pay;
- 9 e. Failure to pay within seven (7) days of the close of payroll;
- 10 f. Failure to pay for all hours worked;
- 11 g. Failure to maintain true and accurate records;
- 12 h. Failure to reimburse for required business expenses;
- 13 i. Failure to pay statutory gratuities;
- 14 j. Failure to provide accurate itemized wage statements; and
- 15 k. Failure to timely pay wages due during, and upon termination of employment.

16 7. PLAINTIFFS reserve the right to name additional representatives throughout the
17 State of California.

18 **THE PARTIES**

19 8. Defendant S.C. HOTEL, LLC ("Defendant SC Hotel") is a California limited
20 liability company that at all relevant times mentioned herein conducted and continues to conduct
21 substantial and regular business throughout California.

22 9. Defendant DKN HOTEL, LLC ("Defendant DKN Hotel") is a California limited
23 liability company that at all relevant times mentioned herein conducted and continues to conduct
24 substantial and regular business throughout California.

25 10. Defendant SC Hotel and Defendant DKN Hotel were the joint employers of
26 PLAINTIFFS and the AGGRIEVED EMPLOYEES as evidenced by the documents issued to
27 PLAINTIFFS and the AGGRIEVED EMPLOYEES, by the company PLAINTIFFS and the
28 AGGRIEVED EMPLOYEES performed work for respectively, and as these entities each exerted

1 control over the hours, wages and/or working conditions of PLAINTIFFS and the AGGRIEVED
2 EMPLOYEES. Therefore, Defendant SC Hotel and Defendant DKN Hotel are jointly responsible
3 as employers for the conduct alleged herein as “DEFENDANTS.”

4 11. DEFENDANTS own and operate hotels in California, including in the County of
5 San Diego.

6 12. Plaintiff Emmanuel has been employed by DEFENDANTS in California since
7 August of 2024, as a non-exempt employee, paid on an hourly basis, and entitled to the legally
8 required meal and rest periods and payment of minimum and overtime wages due for all time
9 worked.

10 13. Plaintiff Velez was employed by DEFENDANTS in California from January of
11 2025 to April of 2025 as a non-exempt employee, paid on an hourly basis, and entitled to the legally
12 required meal and rest periods and payment of minimum and overtime wages due for all time
13 worked.

14 14. PLAINTIFFS, and such persons who may be added from time to time who satisfy
15 the requirements and exhaust the administrative procedures under the PAGA, bring this
16 Representative Action on behalf of the State of California with respect to PLAINTIFFS and all
17 individuals who are or previously were employed by Defendant SC Hotel and/or Defendant DKN
18 Hotel in California and classified as non-exempt employees (“AGGRIEVED EMPLOYEES”)
19 during the time period of June 24, 2024, and the present (“PAGA PERIOD”).

20 15. PLAINTIFFS are “AGGRIEVED EMPLOYEES” within the meaning of Labor
21 Code Section 2699(c) because PLAINTIFFS were employed by DEFENDANTS and personally
22 suffered each of the alleged Labor Code violations committed by DEFENDANTS.

23 16. PLAINTIFFS and all other AGGRIEVED EMPLOYEES are, and at all relevant
24 times were, employees of DEFENDANTS, within the meanings set forth in the California Labor
25 Code and the applicable IWC Wage Order.

26 17. Each of the fictitiously named defendants participated in the acts alleged in this
27 Complaint. The true names and capacities of the Defendants named as DOES 1 THROUGH 50,
28 inclusive, are presently unknown to PLAINTIFFS. PLAINTIFFS will amend this Complaint,

1 setting forth the true names and capacities of these fictitiously named Defendants when their true
2 names are ascertained. PLAINTIFFS are informed and believe, and on that basis allege, that each
3 of the fictitious Defendants have participated in the acts alleged in this Complaint.

4 18. DEFENDANTS, including DOES 1 THROUGH 50 (hereinafter collectively
5 “DEFENDANTS”), were PLAINTIFF’S employers or persons acting on behalf of PLAINTIFFS’
6 employer, within the meaning of California Labor Code Section 558, who violated or caused to be
7 violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating
8 hours and days of work in any order of the IWC and, as such, are subject to civil penalties for each
9 underpaid employee, as set forth in Labor Code Section 558, at all relevant times.

10 19. DEFENDANTS were PLAINTIFFS’ employer or persons acting on behalf of
11 PLAINTIFFS’ employer either individually or as an officer, agent, or employee of another person,
12 within the meaning of California Labor Code Section 1197.1, who paid or caused to be paid to any
13 employee a wage less than the minimum fixed by California state law, and as such, are subject to
14 civil penalties for each underpaid employee.

15 **JURISDICTION AND VENUE**

16 20. This Court has jurisdiction over this Action pursuant to California Code of Civil
17 Procedure, Section 410.10 and California Business and Professions Code, Section 17203. This
18 Court has jurisdiction over AGGRIEVED EMPLOYEES’ claims for civil penalties under the
19 Private Attorney General Act of 2004, California Labor Code Section 2698, *et seq.*

20 21. Venue is proper in this Court pursuant to California Code of Civil Procedure,
21 Sections 395 and 395.5, because DEFENDANTS (i) currently maintain and at all relevant times
22 maintained offices and facilities in this County and/or conduct substantial business in this County,
23 and (ii) committed the wrongful conduct herein alleged in this County against AGGRIEVED
24 EMPLOYEES.

25 **THE CONDUCT**

26 22. In violation of the applicable sections of the California Labor Code and the
27 requirements of the IWC Wage Order, DEFENDANTS as a matter of company policy, practice,
28 and procedure, intentionally, knowingly, and systematically failed to provide legally compliant

1 meal and rest periods, failed to accurately compensate PLAINTIFFS and AGGRIEVED
2 EMPLOYEES for missed meal and rest periods, failed to pay PLAINTIFFS and AGGRIEVED
3 EMPLOYEES for all time worked, failed to compensate PLAINTIFFS and AGGRIEVED
4 EMPLOYEES for off-the-clock work, failed to pay PLAINTIFFS and AGGRIEVED
5 EMPLOYEES overtime at the correct regular rate of pay, failed to compensate PLAINTIFFS and
6 AGGRIEVED EMPLOYEES meal rest premiums at the regular rate, failed to reimburse
7 PLAINTIFFS and other AGGRIEVED EMPLOYEES for business expenses, and knowingly and
8 intentionally failed to issue to PLAINTIFFS and AGGRIEVED EMPLOYEES accurate itemized
9 wage statements showing, among other things, all applicable hourly rates in effect during the pay
10 periods and the corresponding amount of time worked at each hourly rate. DEFENDANTS'
11 uniform policies and practices are intended to purposefully avoid the accurate and full payment for
12 all time worked as required by California law which allows DEFENDANTS to illegally profit and
13 gain an unfair advantage over competitors who comply with the law. To the extent equitable tolling
14 operates to toll claims by the AGGRIEVED EMPLOYEES against DEFENDANTS, the PAGA
15 PERIOD should be adjusted accordingly.

16 **A. Meal Period Violations**

17 23. Pursuant to the IWC Wage Orders, DEFENDANTS were required to pay
18 PLAINTIFFS and AGGRIEVED EMPLOYEES for all their time worked, meaning the time during
19 which an employee is subject to the control of an employer, including all the time the employee is
20 suffered or permitted to work. From time to time during the PAGA PERIOD, DEFENDANTS
21 required PLAINTIFFS and AGGRIEVED EMPLOYEES to work without paying them for all the
22 time they were under DEFENDANTS' control. Specifically, DEFENDANTS required
23 PLAINTIFFS to work while clocked out during what was supposed to be PLAINTIFFS' off-duty
24 meal break. Indeed, there were many days where PLAINTIFFS did not even receive a partial lunch.
25 As a result, the PLAINTIFFS and other AGGRIEVED EMPLOYEES forfeited minimum wage and
26 overtime compensation by regularly working without their time being accurately recorded and
27 without compensation at the applicable minimum wage and overtime rates. DEFENDANTS'
28

1 uniform policy and practice not to pay PLAINTIFFS and other AGGRIEVED EMPLOYEES for
2 all time worked is evidenced by DEFENDANTS' business records.

3 24. During the PAGA PERIOD, as a result of their rigorous work schedules and
4 DEFENDANTS' inadequate staffing practices, PLAINTIFFS and other AGGRIEVED
5 EMPLOYEES were from time to time unable to take thirty (30) minute off-duty meal breaks and
6 were not fully relieved of duty for their meal periods. PLAINTIFFS and other AGGRIEVED
7 EMPLOYEES were from time to time required to perform work as ordered by DEFENDANTS for
8 more than five (5) hours during some shifts without receiving a meal break. Further, from time to
9 time DEFENDANTS failed to provide PLAINTIFFS and AGGRIEVED EMPLOYEES with a
10 second off-duty meal period for some workdays in which DEFENDANTS require these employees
11 to work ten (10) hours of work. The nature of the work performed by PLAINTIFFS and other
12 AGGRIEVED EMPLOYEES does not qualify for the limited and narrowly construed "on-duty"
13 meal period exception. When they were provided with meal periods, PLAINTIFFS and other
14 AGGRIEVED EMPLOYEES were, from time to time, required to remain on duty and on call.
15 Further, DEFENDANTS from time to time required PLAINTIFFS and other AGGRIEVED
16 EMPLOYEES to maintain cordless communication devices in order to receive and respond to
17 work-related communications during what was supposed to be their off-duty meal breaks.
18 DEFENDANTS' failure to provide PLAINTIFFS and the AGGRIEVED EMPLOYEES with
19 legally required meal breaks is evidenced by DEFENDANTS' business records. PLAINTIFFS and
20 AGGRIEVED EMPLOYEES therefore forfeit meal breaks without additional compensation and in
21 accordance with DEFENDANTS' strict corporate policy and practice.

22 **B. Rest Period Violations**

23 25. During the PAGA PERIOD, PLAINTIFFS and other AGGRIEVED EMPLOYEES
24 were from time to time also required to work in excess of four (4) hours without being provided ten
25 (10) minute rest periods as a result of their rigorous work requirements and DEFENDANTS'
26 inadequate staffing. Further, for the same reasons, these employees were from time to time denied
27 their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2) to four
28 (4) hours, denied from time to time a first and second rest period of at least ten (10) minutes for

1 some shifts worked of between six (6) and eight (8) hours, and denied from time to time a first,
2 second and third rest period of at least ten (10) minutes for some shifts worked of ten (10) hours or
3 more. When they were provided with rest breaks, PLAINTIFFS and other AGGRIEVED
4 EMPLOYEES were, from time to time, required to remain on premises, on duty and/or on call.
5 Further, DEFENDANTS from time to time required PLAINTIFF and other AGGRIEVED
6 EMPLOYEES to maintain cordless communication devices in order to receive and respond to
7 work-related communications during what was supposed to be their off-duty rest breaks.
8 PLAINTIFFS and other AGGRIEVED EMPLOYEES were also not provided with one-hour wages
9 *in lieu* thereof. As a result of their rigorous work schedules and DEFENDANTS' inadequate
10 staffing, PLAINTIFFS and other AGGRIEVED EMPLOYEES were from time to time denied their
11 proper rest periods by DEFENDANTS and DEFENDANTS' managers.

12 **C. Unreimbursed Business Expenses**

13 26. DEFENDANTS as a matter of corporate policy, practice, and procedure,
14 intentionally, knowingly, and systematically failed to reimburse and indemnify the PLAINTIFFS
15 and the other AGGRIEVED EMPLOYEES for required business expenses incurred by the
16 PLAINTIFFS and other AGGRIEVED EMPLOYEES in direct consequence of discharging their
17 duties on behalf of DEFENDANTS. Under California Labor Code Section 2802, employers are
18 required to indemnify employees for all expenses incurred in the course and scope of their
19 employment. California Labor Code Section 2802 expressly states that "an employer shall
20 indemnify his or her employee for all necessary expenditures or losses incurred by the employee in
21 direct consequence of the discharge of his or her duties, or of his or her obedience to the directions
22 of the employer, even though unlawful, unless the employee, at the time of obeying the directions,
23 believed them to be unlawful."

24 27. In the course of their employment, DEFENDANTS required PLAINTIFFS and
25 other AGGRIEVED EMPLOYEES to incur personal expenses as a result of and in furtherance of
26 their job duties for the use of their personal cell phones and for the maintenance of their work
27 uniforms. Specifically, PLAINTIFFS and other AGGRIEVED EMPLOYEES were required to use
28 their own cell phones and maintain their uniforms in order to perform work related tasks. However,

1 DEFENDANTS unlawfully failed to reimburse PLAINTIFFS and other AGGRIEVED
2 EMPLOYEES for the personal expenses incurred for the use of their personal cell phones and for
3 the maintenance of their work uniforms. As a result, in the course of their employment with
4 DEFENDANTS, the PLAINTIFFS and other AGGRIEVED EMPLOYEES incurred unreimbursed
5 business expenses that included, but were not limited to, costs related to the use of their personal
6 cell phones and for the maintenance of their work uniforms, all on behalf of and for the benefit of
7 DEFENDANTS.

8 **D. Wage Statement Violations**

9 28. California Labor Code Section 226 requires an employer to furnish its employees an
10 accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours
11 worked, (3) the number of piece-rate units earned and any applicable piece-rate, (4) all deductions,
12 (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the
13 name of the employee and only the last four digits of the employee's social security number or an
14 employee identification number other than a social security number, (8) the name and address of
15 the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay
16 period and the corresponding number of hours worked at each hourly rate by the employee.

17 29. From time to time during the PAGA PERIOD, when PLAINTIFFS and other
18 AGGRIEVED EMPLOYEES missed meal and rest breaks, or were paid inaccurately for missed
19 meal and rest period premiums, or were not paid for all hours worked, DEFENDANTS also failed
20 to provide PLAINTIFFS and other AGGRIEVED EMPLOYEES with complete and accurate wage
21 statements which failed to show, among other things, all deductions, the total hours worked and all
22 applicable hourly rates in effect during the pay period, and the corresponding amount of time
23 worked at each hourly rate, correct rates of pay for penalty payments or missed meal and rest
24 periods.

25 30. In addition to the foregoing, DEFENDANTS, from time to time, failed to provide
26 PLAINTIFFS and the AGGRIEVED EMPLOYEES with wage statements that comply with
27 California Labor Code Section 226(a)(1)-(9).
28

1 31. As a result, DEFENDANTS issued PLAINTIFFS and AGGRIEVED EMPLOYEES
2 with wage statements that violate California Labor Code Section 226. Further, DEFENDANTS'
3 violations are knowing and intentional; they were not isolated due to an unintentional payroll error
4 due to clerical or inadvertent mistake.

5 **E. Off-the-Clock Work Resulting in Minimum Wage and Overtime Violations**

6 32. During the PAGA PERIOD, from time to time DEFENDANTS failed and continue
7 to fail to accurately pay PLAINTIFFS and AGGRIEVED EMPLOYEES for all hours worked.

8 33. During the PAGA PERIOD, from time to time DEFENDANTS required
9 PLAINTIFFS and AGGRIEVED EMPLOYEES to perform pre-shift or post-shift work, including
10 but not limited to sending and receiving work-related communications and performing keyholder
11 duties. This resulted in PLAINTIFFS and AGGRIEVED EMPLOYEES having to work while off-
12 the-clock.

13 34. DEFENDANTS directed and directly benefited from the undercompensated off-the-
14 clock work performed by PLAINTIFFS and the other AGGRIEVED EMPLOYEES.

15 35. DEFENDANTS controlled the work schedules, duties, protocols, applications,
16 assignments, and employment conditions of PLAINTIFFS and AGGRIEVED EMPLOYEES.

17 36. DEFENDANTS were able to track the amount of time PLAINTIFFS and
18 AGGRIEVED EMPLOYEES spent working; however, DEFENDANTS failed to document, track,
19 or pay PLAINTIFFS and AGGRIEVED EMPLOYEES all wages earned and owed for all the work
20 they performed.

21 37. PLAINTIFFS and AGGRIEVED EMPLOYEES were non-exempt employees,
22 subject to the requirements of the California Labor Code.

23 38. DEFENDANTS' policies and practices deprived PLAINTIFFS and the other
24 AGGRIEVED EMPLOYEES of all minimum regular, overtime, and double time wages owed for
25 the off-the-clock work activities. Because PLAINTIFFS and AGGRIEVED EMPLOYEES
26 typically worked over forty (40) hours in a workweek, and more than eight (8) hours per day,
27 DEFENDANTS' policies and practices also deprived them of overtime pay.

1 39. DEFENDANTS knew or should have known that PLAINTIFFS and AGGRIEVED
2 EMPLOYEES' off-the-clock work was compensable under the law.

3 40. As a result, PLAINTIFFS and AGGRIEVED EMPLOYEES forfeited wages due to
4 them for all hours worked at DEFENDANTS' direction, control, and benefit for the time spent
5 working while off-the-clock. DEFENDANTS' uniform policy and practice to not pay
6 PLAINTIFFS and AGGRIEVED EMPLOYEES wages for all hours worked in accordance with
7 applicable law is evidenced by DEFENDANTS' business records.

8 **F. Regular Rate Violation – Overtime, Double Time, Meal and Rest Period Premiums, and**
9 **Redeemed Sick Pay**

10 41. From time to time during the PAGA PERIOD, DEFENDANTS failed and continue
11 to fail to accurately calculate and pay PLAINTIFFS and the other AGGRIEVED EMPLOYEES for
12 their overtime and double time hours worked, meal and rest period premiums, and redeemed sick
13 pay. As a result, PLAINTIFFS and the other AGGRIEVED EMPLOYEES forfeited wages due to
14 them for working overtime without compensation at the correct overtime and double time rates,
15 meal and rest period premiums, and redeemed sick pay rates. DEFENDANTS' uniform policy and
16 practice not to pay PLAINTIFFS and the AGGRIEVED EMPLOYEES at the correct rate for all
17 overtime and double time worked, meal and rest period premiums, and redeemed sick pay in
18 accordance with applicable law is evidenced by DEFENDANTS' business records.

19 42. State law provides that employees must be paid overtime at one-and-one-half times
20 their "regular rate of pay." (Cal. Lab. Code § 510.) PLAINTIFFS and other AGGRIEVED
21 EMPLOYEES were compensated at an hourly rate plus incentive pay that was tied to specific
22 elements of an employee's performance.

23 43. The second component of PLAINTIFFS' and other AGGRIEVED EMPLOYEES'
24 compensation was DEFENDANTS' non-discretionary incentive program that paid PLAINTIFFS
25 and other AGGRIEVED EMPLOYEES' incentive wages based on their performance for
26 DEFENDANTS. The non-discretionary bonus program provided all employees paid on an hourly
27 basis with bonus compensation when the employees met the various performance goals set by
28 DEFENDANTS.

1 44. From time to time, when calculating the regular rate of pay, in those pay periods
2 where PLAINTIFFS and other AGGRIEVED EMPLOYEES worked overtime, double time, paid
3 meal and rest period premium payments, and/or redeemed sick pay, and earned non-discretionary
4 bonus, DEFENDANTS failed to accurately include the non-discretionary bonus compensation as
5 part of the employees' "regular rate of pay" and/or calculated all hours worked rather than just all
6 non-overtime hours worked. Management and supervisors described the incentive/bonus program
7 to potential and new employees as part of the compensation package. As a matter of law, the
8 incentive compensation received by PLAINTIFFS and other AGGRIEVED EMPLOYEES must be
9 included in the "regular rate of pay." The failure to do so has resulted in a systematic underpayment
10 of overtime and double time compensation, meal and rest period premiums, and redeemed sick pay
11 to PLAINTIFFS and other AGGRIEVED EMPLOYEES by DEFENDANTS. Specifically,
12 California Labor Code Section 246 mandates that paid sick time for non-exempt employees shall
13 be calculated in the same manner as the regular rate of pay for the workweek in which the non-
14 exempt employee uses paid sick time, whether or not the employee actually works overtime in that
15 workweek. DEFENDANTS' conduct, as articulated herein, by failing to include the incentive
16 compensation as part of the "regular rate of pay" for purposes of sick pay compensation was in
17 violation of California Labor Code Section 246 the underpayment of which is recoverable under
18 California Labor Code Sections 201, 202, 203 and/or 204.

19 45. In violation of the applicable sections of the California Labor Code and the
20 requirements of the IWC Wage Order, DEFENDANTS as a matter of company policy, practice,
21 and procedure, intentionally and knowingly failed to compensate PLAINTIFFS and AGGRIEVED
22 EMPLOYEES at the correct rate of pay for all overtime and double time worked, meal and rest
23 period premiums, and sick pay. This uniform policy and practice of DEFENDANTS is intended to
24 purposefully avoid the payment of the correct overtime and double time compensation, meal and
25 rest period premiums, and sick pay as required by California law which allowed DEFENDANTS
26 to illegally profit and gain an unfair advantage over competitors who complied with the law. To
27 the extent equitable tolling operates to toll claims by the AGGRIEVED EMPLOYEES against
28 DEFENDANTS, the PAGA PERIOD should be adjusted accordingly.

1 **G. Sick Pay Violations**

2 46. California Labor Code Section 246 (a)(1) mandates that “An employee who, on or
3 after July 1, 2015, works in California for the same employer for 30 or more days within a year
4 from the commencement of employment is entitled to paid sick days as specified in this section.”
5 Further, California Labor Code Sections 246(b)-(d) provide for the sick day accrual requirements.
6 From time to time, DEFENDANTS failed to have a policy or practice in place that provided
7 PLAINTIFFS and AGGRIEVED EMPLOYEES with sick days and/or paid sick leave. As of
8 January 1, 2024, DEFENDANTS failed to adhere to the law in that they failed to provide and allow
9 employees to use at least forty hours or five days of paid sick leave per year.

10 47. California Labor Code Section 246(i) requires an employer to furnish its employees
11 with written wage statements setting forth the amount of paid sick leave available. From time to
12 time, DEFENDANTS violated California Labor Code Section 246 by failing to furnish
13 PLAINTIFFS and AGGRIEVED EMPLOYEES with wage statements setting forth the amount of
14 paid sick leave available.

15 **H. Violations for Untimely Payment of Wages**

16 48. Pursuant to California Labor Code section 204, PLAINTIFFS and the AGGRIEVED
17 EMPLOYEES were entitled to timely payment of wages during their employment. PLAINTIFFS
18 and the AGGRIEVED EMPLOYEES, from time to time, did not receive payment of all wages,
19 including, but not limited to, overtime wages, minimum wages, meal period premium wages, and
20 rest period premium wages within the permissible time period.

21 49. Pursuant to California Labor Code Section 201, “If an employer discharges an
22 employee, the wages earned and unpaid at the time of discharge are due and payable immediately.”
23 Pursuant to California Labor Code Section 202, if an employee quits his or her employment, “his
24 or her wages shall become due and payable not later than 72 hours thereafter, unless the employee
25 has given 72 hours previous notice of his or her intention to quit, in which case the employee is
26 entitled to his or her wages at the time of quitting.” PLAINTIFFS and the AGGRIEVED
27 EMPLOYEES were, from time to time, not timely provided the wages earned and unpaid at the
28 time of their discharge and/or at the time of quitting, in violation of California Labor Code Sections

201 and 202. Further, DEFENDANTS' violations are willful and intentional; they were not isolated due to an unintentional payroll error due to clerical or inadvertent mistake.

50. As such, PLAINTIFFS demands up to thirty days of pay as penalty for not timely paying all wages due at time of termination for all AGGRIEVED EMPLOYEES whose employment ended during the PAGA PERIOD.

I. Unlawful Deductions

51. DEFENDANTS, from time to time unlawfully deducted wages from PLAINTIFFS and AGGRIEVED EMPLOYEES' pay without explanations and without authorization to do so or notice to PLAINTIFFS and the AGGRIEVED EMPLOYEES. As a result, DEFENDANTS violated Labor Code Section 221.

J. Unlawful Rounding Practices

52. During the PAGA PERIOD, DEFENDANTS did not have in place an immutable timekeeping system to accurately record and pay PLAINTIFFS and other AGGRIEVED EMPLOYEES for the actual time these employees worked each day, including overtime hours. Specifically, DEFENDANTS had in place an unlawful rounding policy and practice that resulted in PLAINTIFFS and AGGRIEVED EMPLOYEES being undercompensated for all of their time worked. As a result, DEFENDANTS were able to and did in fact unlawfully, and unilaterally round the time recorded in DEFENDANTS' timekeeping system for PLAINTIFFS and AGGRIEVED EMPLOYEES in order to avoid paying these employees for all their time worked, including the applicable overtime compensation for overtime worked. As a result, PLAINTIFFS and other AGGRIEVED EMPLOYEES, from time to time, forfeited compensation for their time worked by working without their time being accurately recorded and without compensation at the applicable overtime rates.

53. Further, the mutability of DEFENDANTS' timekeeping system and unlawful rounding policy and practice resulted in PLAINTIFFS and AGGRIEVED EMPLOYEES' time being inaccurately recorded. As a result, from time to time, DEFENDANTS' unlawful rounding policy and practice caused PLAINTIFFS and AGGRIEVED EMPLOYEES to perform work as

1 ordered by DEFENDANTS for more than five (5) hours during a shift without receiving an off-
2 duty meal break.

3 **K. Timekeeping Manipulation**

4 54. During the PAGA PERIOD, DEFENDANTS, from time to time, did not have an
5 immutable timekeeping system to accurately record and pay PLAINTIFFS and AGGRIEVED
6 EMPLOYEES for the actual time PLAINTIFFS and AGGRIEVED EMPLOYEES worked each
7 day, including regular time, overtime hours, sick pay, meal and rest breaks. As a result,
8 DEFENDANTS was able to and did in fact, unlawfully, and unilaterally alter the time recorded in
9 DEFENDANTS' timekeeping system for PLAINTIFFS and AGGRIEVED EMPLOYEES in order
10 to avoid paying these employees for all hours worked, applicable overtime compensation,
11 applicable sick pay, missed meal breaks and missed rest breaks.

12 55. As a result, PLAINTIFFS and AGGRIEVED EMPLOYEES, from time to time,
13 forfeited time worked by working without their time being accurately recorded and without
14 compensation at the applicable pay rates.

15 56. The mutability of the timekeeping system also allowed DEFENDANTS to alter
16 employee time records by recording fictitious thirty (30) minute meal breaks in DEFENDANTS'
17 timekeeping system so as to create the appearance that PLAINTIFFS and AGGRIEVED
18 EMPLOYEES clocked out for thirty (30) minute meal breaks when in fact the employees were not
19 at all times provided an off-duty meal break. This practice is a direct result of DEFENDANTS'
20 uniform policy and practice of denying employees uninterrupted thirty (30) minute off-duty meal
21 breaks each day or otherwise compensating them for missed meal breaks.

22 57. As a result, PLAINTIFFS and AGGRIEVED EMPLOYEES forfeited wages due to
23 them for all hours worked at DEFENDANTS' direction, control and benefit for the time the
24 timekeeping system was inoperable. DEFENDANTS' uniform policy and practice to not pay
25 PLAINTIFFS and AGGRIEVED EMPLOYEES wages for all hours worked in accordance with
26 applicable law is evidenced by DEFENDANTS' business records.

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1 **L. Tip Pooling**

2 58. During the PAGA PERIOD, pursuant to DEFENDANTS' company policies and
3 practices, PLAINTIFFS and other AGGRIEVED EMPLOYEES were forced to forfeit gratuities
4 left for them by customers to DEFENDANTS' agents who provided no service to the customers
5 that resulted in the gratuity.

6 59. During the PAGA PERIOD, PLAINTIFFS and other AGGRIEVED EMPLOYEES
7 were in the "chain of service" and earned gratuities based on their service for their customers.
8 However, PLAINTIFFS and AGGRIEVED EMPLOYEES were forced to forfeit portions of their
9 gratuities, which said gratuities were kept by DEFENDANTS' employees who were not in the
10 chain of service from which the gratuity resulted. PLAINTIFFS and other AGGRIEVED
11 EMPLOYEES contend that any gratuities kept by DEFENDANTS' non-service employees were
12 illegal and in violation of California law because PLAINTIFFS and other AGGRIEVED
13 EMPLOYEES provided the service for to whom the gratuity should have been paid.

14 60. California Labor Code Section 351 establishes the requirements for an employer
15 regarding the payment of gratuities. Specifically, gratuities are the sole property of the employees.
16 California Labor Code Section 351 expressly prohibits employers and their agents from collecting,
17 taking, or receiving any portion of a gratuity. California Labor Code § 350(e) defines the term
18 "gratuity" as including any money that has been paid or given or left for an employee by a patron
19 of a business over and above the actual amount due the business for services rendered or for goods,
20 food, drink or articles sold or served to such patron. Labor Code § 353 requires employers to keep
21 accurate records of all gratuities they receive, directly or indirectly.

22 61. Although tip pooling is not expressly prohibited by the Labor Code, employees who
23 mandate tip pooling must only distribute pooled tips to employees in the "chain of service." By
24 distributing tips to employees who were not in the "chain of service," DEFENDANTS have
25 violated and continue to violate the legal requirements for handling pooled tips.

26 62. Specifically, as to PLAINTIFFS, PLAINTIFFS were from time to time unable to
27 take off-duty meal and rest breaks and were not fully relieved of duty for PLAINTIFFS' rest and
28 meal periods. PLAINTIFFS were required to perform work as ordered by DEFENDANTS for

1 more than five (5) hours during a shift without receiving an off-duty meal break. Further,
2 DEFENDANTS failed to provide PLAINTIFFS with a second off-duty meal period each workday
3 in which DEFENDANTS required PLAINTIFFS to work ten (10) hours of work. When
4 DEFENDANTS provided PLAINTIFFS with a rest break, they required PLAINTIFFS to remain
5 on premises, on-duty and on-call for the rest break. DEFENDANTS' policy caused PLAINTIFFS
6 to remain on-call and on-duty during what was supposed to be PLAINTIFF'S off-duty meal
7 periods. PLAINTIFFS therefore forfeited meal and rest breaks without additional compensation
8 and in accordance with DEFENDANTS' strict corporate policy and practice. Moreover,
9 DEFENDANTS also provided PLAINTIFFS with paystubs that failed to comply with California
10 Labor Code Section 226. Further, DEFENDANTS also failed to reimburse PLAINTIFFS for
11 required business expenses related to the personal expenses incurred for the use of PLAINTIFFS'
12 personal cell phone and for the purchase and maintenance of work uniforms, on behalf of and in
13 furtherance of PLAINTIFFS' employment with DEFENDANTS. To date, DEFENDANTS have
14 not fully paid PLAINTIFFS the minimum, overtime and double time compensation still owed to
15 PLAINTIFFS or any penalty wages owed to PLAINTIFFS under California Labor Code Section
16 203. The amount in controversy for PLAINTIFFS individually does not exceed the sum or value
17 of \$75,000.

18 **FIRST CAUSE OF ACTION**

19 **VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT**

20 **(Cal. Lab. Code §§2698 *et seq.*)**

21 **(Alleged by PLAINTIFFS against all DEFENDANTS)**

22 63. PLAINTIFFS reallege and incorporate by this reference, as though fully set forth
23 herein, the prior paragraphs of this Complaint.

24 64. PAGA is a mechanism by which the State of California itself can enforce state labor
25 laws through the employee suing under the PAGA who do so as the proxy or agent of the state's
26 labor law enforcement agencies. An action to recover civil penalties under PAGA is fundamentally
27 a law enforcement action designed to protect the public and not to benefit private parties. The
28 purpose of the PAGA is not to recover damages or restitution, but to create a means of "deputizing"

1 citizens as private attorneys general to enforce the Labor Code. In enacting PAGA, the California
2 Legislature specified that "it was ... in the public interest to allow aggrieved employees, acting as
3 private attorneys general to recover civil penalties for Labor Code violations ..." (Stats. 2003, ch.
4 906, § 1.) Accordingly, PAGA claims cannot be subject to arbitration.

5 65. At all relevant times, for the reasons described herein and others, PLAINTIFFS and
6 the AGGRIEVED EMPLOYEES were aggrieved employees of DEFENDANTS within the
7 meaning of Labor Code Section 2699(c).

8 66. Labor Code Sections 2699(a) and (k) authorize an AGGRIEVED EMPLOYEE, like
9 PLAINTIFFS, on behalf of PLAINTIFFS and other current or former employees, to bring a civil
10 action to recover civil penalties pursuant to the procedures specified in Labor Code Section 2699.3

11 67. PLAINTIFFS complied with the procedures for bringing suit specified in Labor
12 Code Section 2699.3. By certified letter, return receipt requested, dated June 24, 2025,
13 PLAINTIFFS gave written notice to the Labor and Workforce Development Agency ("LWDA")
14 and to DEFENDANTS of the specific provisions of the Labor Code alleged to have been violated,
15 including the facts and theories to support the alleged violations. (See Exhibit #1.)

16 68. As of the date of this complaint, more than sixty-five (65) days after serving the
17 LWDA with notice of DEFENDANTS' violations, the LWDA has not provided any notice by
18 certified mail of its intent to investigate the DEFENDANTS' alleged violations as mandated by
19 Labor Code Section 2699.3(a)(2)(A). Accordingly, pursuant to Labor Code Section
20 2699.3(a)(2)(A), PLAINTIFFS may commence and is authorized to pursue this cause of action.

21 69. Pursuant to Labor Code Sections 2699(a) and (f), PLAINTIFFS and the
22 AGGRIEVED EMPLOYEES are entitled to civil penalties for DEFENDANTS' violations of
23 Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7,
24 227.3, 246, 351, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199,
25 2802 and 2804 in the following amounts:

- 26 a. For violation of Labor Code Sections 201, 202, 203, and 204, up to (\$200)
27 per AGGRIEVED EMPLOYEE per pay period [penalty per Labor Code
28 Section 2699(f)];

1 b. For violations of Labor Code Section 226(a), a civil penalty in the amount
2 of two hundred fifty dollars (\$250) for each AGGRIEVED EMPLOYEE for
3 any initial violation and one thousand dollars for each subsequent violation
4 [penalty per Labor Code Section 226.3];

5 c. For violations of Labor Code Sections 204, a civil penalty in the amount of
6 one hundred dollars (\$100) for each AGGRIEVED EMPLOYEE for any initial
7 violation and two hundred dollars (\$200) for AGGRIEVED EMPLOYEE for
8 each subsequent violation [penalty per Labor Code Section 210];

9 d. For violations of Labor Code Sections 226.7, 510 and 512, a civil penalty
10 in the amount of fifty dollars (\$50) for each underpaid AGGRIEVED
11 EMPLOYEE for the initial violation and one hundred dollars (\$100) for each
12 underpaid AGGRIEVED EMPLOYEE for each subsequent violation [penalty
13 per Labor Code Section 558];

14 e. For violations of Labor Code Section 1174(d), a civil penalty in the amount
15 of five hundred (\$500) dollars for each AGGRIEVED EMPLOYEE [penalty
16 per Labor Code Section 1174.5].

17 f. For violations of Labor Code Sections 1194, 1194.2, 1197, 1198 and 1199,
18 a civil penalty in the amount of one hundred dollars (\$100) for each
19 AGGRIEVED EMPLOYEE per pay period for the initial violation and two
20 hundred dollars fifty (\$250) for each AGGRIEVED EMPLOYEE per pay
21 period for each subsequent violation [penalty per Labor Code Section 1197.1].

22 70. For all provisions of the Labor Code for which civil penalty is not specifically
23 provided, Labor Code Section 2699(f) imposes upon DEFENDANTS a penalty of up to two
24 hundred dollars (\$200) for each AGGRIEVED EMPLOYEE per pay period. PLAINTIFFS and
25 the AGGRIEVED EMPLOYEES are entitled to an award of reasonable attorney's fees and costs
26 in connection with their claims for civil penalties pursuant to Labor Code Section 2699(k)(1).

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1. For reasonable attorney's fees and costs of suit to the extent permitted by law, including pursuant to Labor Code Section 2699, *et seq.*;
2. For civil penalties to the extent permitted by law pursuant to the Labor Code under the Private Attorneys General Act; and
3. For such other relief as the Court deems just and proper.

JCL LAW FIRM, APC

Attorney for PLAINTIFFS

EXHIBIT 1

June 24, 2025

Via Online Filing to LWDA and Certified Mail to Defendants
Labor and Workforce Development Agency
Online Filing

S.C. HOTEL, LLC
DKN HOTEL, LLC
c/o Kiran Dahya
42 Corporate Park, Ste 200
Irvine, CA 92606

Sent via Certified Mail and Return Receipt No. 9289 0710 5270 2308 6647 69

Re: Notice of Violations of California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 351, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, 2804, and Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant to California Labor Code Section 2699.5

Dear Sir/Madam:

This notice is being sent in compliance with California Labor Code Section 2699.3. Our offices represent Plaintiff CURTIS EMMANUEL (“Plaintiff”) and other aggrieved employees. Plaintiff has been employed by Defendant S.C. HOTEL, LLC (“Defendant SC Hotel”) and Defendant DKN HOTEL, LLC (“Defendant DKN Hotel”) (hereinafter, collectively, “Defendants”) in California since August of 2024 as a bartender and worked at Defendants’ hotel at 3136 Carlsbad Blvd, Carlsbad, CA 92008. Plaintiff is employed by Defendants as a non-exempt employee, paid on an hourly basis, and entitled to payment of all wages and the legally required meal and rest breaks.

Plaintiff alleges that within the past year, Plaintiff personally suffered violations of the following Labor Code Sections as a result of Defendants’ failure to pay Plaintiff for all time worked, provide Plaintiff with compliant meal periods, provide Plaintiff with compliant rest periods, provide Plaintiff with accurate itemized wage statements that facially comply with the requirements provided for in Labor Code Section 226, furnish wages to Plaintiff with the frequency as set forth under Labor Code Section 204, and reimburse Plaintiff for necessary business expenses pursuant to Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 351, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, and 2804. These violations are actionable under California Labor Code Section 2699.3.

The information below provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency’s reference. If the agency needs any further information, please do not hesitate to ask.

Plaintiff seeks to represent a group of aggrieved employees defined as any person currently or formerly employed by Defendant SC Hotel and/or Defendant DKN Hotel who performed work in California and against whom one or more of the alleged violations listed above were committed during the relevant claim period (“Aggrieved Employees”). Plaintiff believes this group to be comprised of all current and former non-exempt employees who performed work for Defendant SC Hotel and/or Defendant DKN Hotel in California during the period beginning one year prior to the date of this Notice and continuing through the present.

In violation of the applicable sections of the California Labor Code and the requirements of the Industrial Welfare Commission (“IWC”) Wage Order, Defendants as a matter of company policy, practice, and procedure, intentionally, knowingly, and systematically failed to provide legally compliant meal and rest periods, failed to accurately compensate Plaintiff and other Aggrieved Employees for missed meal and rest periods, failed to pay Plaintiff and other Aggrieved Employees for all time worked, failed to compensate Plaintiff and other Aggrieved Employees for off-the-clock work, failed to pay Plaintiff and other Aggrieved Employees overtime at the correct regular rate of pay, failed to compensate Plaintiff and other Aggrieved Employees meal and rest premiums at the regular rate of pay, failed to pay Plaintiff and other Aggrieved Employees redeemed sick pay at the regular rate of pay, failed to reimburse Plaintiff and other Aggrieved Employees for business expenses, and failed to issue to Plaintiff and other Aggrieved Employees accurate itemized wage statements showing, among other things, all applicable hourly rates in effect during the pay periods and the corresponding amount of time worked at each hourly rate. Defendants’ uniform policies and practices are intended to purposefully avoid the accurate and full payment for all time worked as required by California law which allows Defendants to illegally profit and gain an unfair advantage over competitors who comply with the law.

Meal Period Violations: Pursuant to the Industrial Welfare Commission Wage Orders, Defendants were required to pay Plaintiff and the Aggrieved Employees for all their time worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work. From time to time during the last year, Defendants required Plaintiff and other Aggrieved Employees to work without paying them for all the time they were under Defendants’ control. Specifically, Defendants required Plaintiff to work while clocked out during what was supposed to be Plaintiff’s off-duty meal break. Indeed, there were many days where Plaintiff did not even receive a partial lunch. As a result, Plaintiff and other Aggrieved Employees forfeited minimum wage and overtime compensation by regularly working without their time being accurately recorded and without compensation at the applicable minimum wage and overtime rates. Defendants’ uniform policy and practice not to pay Plaintiff and other Aggrieved Employees for all time worked is evidenced by Defendants’ business records.

During the last year, as a result of their rigorous work schedules and Defendants’ inadequate staffing practices, Plaintiff and other Aggrieved Employees were from time to time unable to take thirty (30) minute off duty meal breaks and were not fully relieved of duty for their meal periods. Plaintiff and other Aggrieved Employees were required to perform work as ordered by Defendants for more than five (5) hours during some shifts without receiving a meal break. Further, Defendants failed to provide Plaintiff and other Aggrieved Employees with a second off-duty meal period for some workdays in which these employees were required by Defendants to work ten (10) hours of work. The nature of the work performed by Plaintiff and other Aggrieved Employees does not qualify for the limited and narrowly construed “on-duty” meal period exception. When they were

provided with meal periods, Plaintiff and other Aggrieved Employees were, from time to time, required to remain on duty and on call. Defendants' failure to provide Plaintiff and other Aggrieved Employees with legally required meal breaks is evidenced by Defendants' business records. As a result of their rigorous work schedules and Defendants' inadequate staffing, Plaintiff and other Aggrieved Employees therefore forfeited meal breaks without additional compensation and in accordance with Defendants' strict corporate policy and practice.

Rest Period Violations: From time to time during the past year, Plaintiff and other Aggrieved Employees were also required to work in excess of four (4) hours without being provided ten (10) minute rest periods as a result of their rigorous work requirements and Defendants' inadequate staffing. Further, for the same reasons, these employees were from time to time denied their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2) to four (4) hours, from time to time denied a first and second rest period of at least ten (10) minutes for some shifts worked of between six (6) and eight (8) hours, and from time to time denied and a first, second and third rest period of at least ten (10) minutes for some shifts worked of ten (10) hours or more. When they were provided with rest breaks, Plaintiff and other Aggrieved Employees were, from time to time, required to remain on premises, on duty and/or on call, and not fully relieved of all duties. Plaintiff and other Aggrieved Employees were also not provided with one-hour wages in lieu thereof. As a result of their rigorous work schedules and Defendants' inadequate staffing, Plaintiff and other Aggrieved Employees were from time to time denied their proper rest periods by Defendants and Defendants' managers. For example, during the pay period of April 16, 2025, to April 30, 2025, Plaintiff was denied at least one rest period. However, as evidenced by the example below, Defendants failed to pay Plaintiff a rest period premium.

Earnings Statement

Pay Date:	05/05/2025	Company: 0LL99 - SC HOTEL LLC	Emp #: [REDACTED]
Period Start:	04/16/2025	42 CORPORATE PARK STE 200	Dept: 26 - Bar/Lounge
Period End:	04/30/2025	IRVINE CA 92606	Pay Basis: Hourly

	Rate	Hours/Units	Current Period	Year To Date
Earnings				
Regular Open Rate	16.50	40.93	675.35	4196.97
Tip Paid Out			603.42	4125.43
Gross		40.93	1278.77	8322.40
W/H Taxes				
Federal W/H(S)			68.52	462.77
Medicare			18.54	120.67
Social Security			79.28	515.99
California State W/H(S/O)			18.13	136.27
CaliforniaSDI Tax			15.35	99.87
Deductions				
Net Pay			1078.95	6986.83 Voucher No. [REDACTED]

Unreimbursed Business Expenses: Defendants as a matter of corporate policy, practice, and procedure, intentionally, knowingly, and systematically failed to reimburse and indemnify the

Plaintiff and other Aggrieved Employees for required business expenses incurred by the Plaintiff and other Aggrieved Employees in direct consequence of discharging their duties on behalf of Defendants. Under California Labor Code Section 2802, employers are required to indemnify employees for all expenses incurred in the course and scope of their employment. California Labor Code Section 2802 expressly states that "an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."

Within the last year, in the course of their employment, Defendants required Plaintiff and other Aggrieved Employees to incur personal expenses as a result of and in furtherance of their job duties for the use of their personal cell phones and for the maintenance of their work uniforms. Specifically, Plaintiff and other Aggrieved Employees were required to incur personal expenses for the use of their personal cell phones and for the maintenance of their work uniforms in order to perform work related tasks. However, Defendants unlawfully failed to reimburse Plaintiff and other Aggrieved Employees for the personal expenses incurred for the use of their personal cell phones and for the maintenance of their work uniforms. As a result, in the course of their employment with Defendants, the Plaintiff and other Aggrieved Employees incurred unreimbursed business expenses that included, but were not limited to, costs related to the personal expenses incurred for the use of their personal cell phones and for the maintenance of their work uniforms, all on behalf of and for the benefit of Defendants. For example, during the pay period of January 16, 2025 to January 31, 2025, Defendants required Plaintiff to use Plaintiff's personal cell phone, and incur personal expenses for the maintenance of Plaintiff's work uniform. However, as evidenced by the example below, Defendants failed to reimburse Plaintiff for the use of Plaintiff's personal cell phone or for the maintenance of his work uniform.

Earnings Statement

Pay Date:	02/05/2025	Company:	0LL99 - SC HOTEL LLC	Emp #:	
Period Start:	01/16/2025		42 CORPORATE PARK STE 200	Dept:	26 - Bar/Lounge
Period End:	01/31/2025		IRVINE CA 92606	Pay Basis:	Hourly

	Rate	Hours/Units	Current Period	Year To Date
Earnings				
Regular Open Rate	16.50	48.86	806.19	806.19
Tip Paid Out			683.04	683.04
Gross		48.86	1489.23	1489.23
W/H Taxes				
Federal W/H(S)			93.77	93.77
Medicare			21.59	21.59
Social Security			92.33	92.33
California State W/H(S/O)			27.07	27.07
CaliforniaSDI Tax			17.87	17.87
Deductions				
Net Pay			1236.60	1236.60 Voucher No. XXXXXXXXXX
Net Pay Distribution				
Direct Deposit Net Check			1236.60	1236.60 A/C:5700

Wage Statement Violations: California Labor Code Section 226 requires an employer to furnish its employees and accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked, (3) the number of piece-rate units earned and any applicable piece-rate, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of the employee's social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. From time to time during the last year, when Plaintiff and other Aggrieved Employees missed meal and rest breaks, or were paid inaccurately for missed meal and rest period premiums, or were not paid for all hours worked, Defendants also failed to provide Plaintiff and other Aggrieved Employees with complete and accurate wage statements which failed to show, among other things, all deductions, the total hours worked and all applicable hourly rates in effect during the pay period, and the corresponding amount of time worked at each hourly rate, correct rates of pay for penalty payments or missed meal and rest periods. Defendants also failed to provide Plaintiff and other Aggrieved Employees with complete and accurate wage statements that included all required elements listed above.

As a result, Defendants issued Plaintiff and other Aggrieved Employees with wage statements that violate California Labor Code Section 226. Further, Defendants' violations are knowing and intentional; they were not isolated due to an unintentional payroll error due to clerical or inadvertent mistake.

Off-the-Clock Work Resulting in Minimum Wage and Overtime Violations: During the last year, from time-to-time, Defendants failed and continue to fail to accurately pay Plaintiff and other Aggrieved Employees for all hours worked. During the last year, from time-to-time Defendants required Plaintiff and other Aggrieved Employees to perform pre-shift or post-shift work. This resulted in Plaintiff and other Aggrieved Employees having to work while off-the-clock. Defendants directly benefited from the undercompensated off-the-clock work performed by Plaintiff and other Aggrieved Employees. Defendants controlled the work schedules, duties, and protocols, applications, assignments, and employment conditions of Plaintiff and other Aggrieved Employees.

Defendants were able to track the amount of time Plaintiff and other Aggrieved Employees spent working; however, Defendants failed to document, track, or pay Plaintiff and other Aggrieved Employees all wages earned and owed for all the work they performed. Plaintiff and other Aggrieved Employees were non-exempt employees, subject to the requirements of the California Labor Code. Defendants' policies and practices deprived Plaintiff and other Aggrieved Employees of all minimum regular, overtime, and double time wages owed for the off-the-clock work activities. Because Plaintiff and other Aggrieved Employees typically worked over forty (40) hours in a workweek, and more than eight (8) hours per day, Defendants' policies and practices also deprived them of overtime pay.

Defendants knew or should have known that Plaintiff's and other Aggrieved Employees' off-the-clock work was compensable under the law. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for all hours worked at Defendants' direction, control, and benefit for the time spent working while off-the-clock, including but not limited to, undergoing pre-shift and

post-shift work. Defendants' uniform policy and practice to not pay Plaintiff and other Aggrieved Employees wages for all hours worked in accordance with applicable law is evidenced by Defendants' business records.

Regular Rate Violation – Overtime, Double Time, Meal and Rest Period Premiums, and Redeemed Sick Pay: From time to time during the last year, Defendants failed and continue to fail to accurately calculate and pay Plaintiff and other Aggrieved Employees for their overtime and double time hours worked, meal and rest period premiums, and redeemed sick pay. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for working overtime without compensation at the correct overtime and double time rates, meal and rest period premiums, and redeemed sick pay rates. Defendants' uniform policy and practice not to pay Plaintiff and other Aggrieved Employees at the correct rate for all overtime and double time worked, meal and rest period premiums, and sick pay in accordance with applicable law is evidenced by Defendants' business records.

State law provides that employees must be paid overtime at one-and-one-half times their "regular rate of pay." Plaintiff and other Aggrieved Employees were compensated at an hourly rate plus incentive pay that was tied to specific elements of an employee's performance. The second component of Plaintiff's and other Aggrieved Employees' compensation was Defendants' non-discretionary incentive program that paid Plaintiff and other Aggrieved Employees incentive wages based on their performance for Defendants. The non-discretionary bonus program provided all employees paid on an hourly basis with bonus compensation when the employees met the various performance goals set by Defendants. However, from time to time, when calculating the regular rate of pay in those pay periods where Plaintiff and other Aggrieved Employees worked overtime, double time, paid meal and rest period premium payments, and/or redeemed sick pay, and earned non-discretionary bonuses, Defendants failed to accurately include the non-discretionary bonus compensation as part of the employee's "regular rate of pay" and/or calculated all hours worked rather than just all non-overtime hours worked. Management and supervisors described the incentive/bonus program to potential and new employees as part of the compensation package. As a matter of law, the incentive compensation received by Plaintiff and other Aggrieved Employees must be included in the "regular rate of pay." The failure to do so has resulted in a systematic underpayment of overtime and double time compensation, meal and rest period premium payments, and redeemed sick pay to Plaintiff and other Aggrieved Employees by Defendants.

Specifically, California Labor Code Section 246 mandates that paid sick time for non-exempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the non-exempt employee uses paid sick time, whether or not the employee actually works overtime in that workweek. Defendants' conduct, as articulated herein, by failing to include the incentive compensation as part of the "regular rate of pay" for purposes of sick pay compensation was in violation of California Labor Code Section 246 the underpayment of which is recoverable under California Labor Code Sections 201, 202, 203, and/or 204.

In violation of the applicable sections of the California Labor Code and the requirements of the Industrial Welfare Commission ("IWC") Wage Order, Defendants as a matter of company policy, practice, and procedure, intentionally and knowingly failed to compensate Plaintiff and other Aggrieved Employees at the correct rate of pay for all overtime and double time worked, meal and

rest period premiums, and redeemed sick pay as required by California law which allowed Defendants to illegally profit and gain an unfair advantage over competitors who complied with the law.

Unlawful Deductions: During the last year, Defendants, from time-to-time, unlawfully deducted wages from Plaintiff and Aggrieved Employees' pay without explanations and without authorization to do so or notice to Plaintiff and the Aggrieved Employees. As a result, Defendants violated Labor Code Section 221.

Timekeeping Manipulation: During the last year, Defendants, from time-to-time, did not have an immutable timekeeping system to accurately record and pay Plaintiff and other Aggrieved Employees for the actual time Plaintiff and other Aggrieved Employees worked each day, including regular time, overtime hours, sick pay, meal and rest breaks. As a result, Defendants were able to and did in fact, unlawfully, and unilaterally alter the time recorded in Defendants' timekeeping system for Plaintiff and other Aggrieved Employees in order to avoid paying these employees for all hours worked, applicable overtime compensation, applicable sick pay, missed meal breaks and missed rest breaks. As a result, Plaintiff and other Aggrieved Employees, from time-to-time, forfeited time worked by working without their time being accurately recorded and without compensation at the applicable pay rates.

The mutability of the timekeeping system also allowed Defendants to alter employee time records by recording fictitious thirty (30) minute meal breaks in Defendants' timekeeping system so as to create the appearance that Plaintiff and other Aggrieved Employees clocked out for thirty (30) minute meal breaks when in fact the employees were not at all times provided an off-duty meal break. This practice is a direct result of Defendants' uniform policy and practice of denying employees uninterrupted thirty (30) minute off-duty meal breaks each day or otherwise compensating them for missed meal breaks. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for all hours worked at Defendants' direction, control and benefit for the time the timekeeping system was inoperable. Defendants' uniform policy and practice to not pay Plaintiff and the Aggrieved Employees wages for all hours worked in accordance with applicable law is evidenced by Defendants' business records.

Unlawful Rounding Practices: During the last year, Defendants did not have in place an immutable timekeeping system to accurately record and pay Plaintiff and other Aggrieved Employees for the actual time these employees worked each day, including overtime hours. Specifically, Defendants had in place an unlawful rounding policy and practice that resulted in Plaintiff and the Aggrieved Employees being undercompensated for all of their time worked. As a result, Defendants were able to and did in fact unlawfully and unilaterally round the time recorded in Defendants' timekeeping system for Plaintiff and the Aggrieved Employees in order to avoid paying these employees for all their time worked, including the applicable overtime compensation for overtime worked. As a result, Plaintiff and other Aggrieved Employees, from time to time, forfeited compensation for their time worked by working without their time being accurately recorded and without compensation at the applicable overtime rates.

Further, the mutability of Defendants' timekeeping system and unlawful rounding policy and practice resulted in Plaintiff's and the Aggrieved Employees' time being inaccurately recorded. As a result, from time to time, Defendants' unlawful rounding policy and practice caused Plaintiff

and other Aggrieved Employees to perform work as ordered by Defendants for more than five (5) hours during a shift without receiving an off-duty meal break.

Untimely Payment of Wages: Pursuant to California Labor Code Section 204, Plaintiff and the Aggrieved Employees were entitled to timely payment of wages during their employment. Plaintiff and the Aggrieved Employees, from time to time, did not receive payment of all wages, including, but not limited to, overtime wages, minimum wages, meal period premium wages, and rest period premium wages within the permissible time period.

Sick Pay Violations: California Labor Code Section 246 (a)(1) mandates that “An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section.” Further, California Labor Code Sections 246(b)-(d) provide for the sick day accrual requirements. From time to time, including within the last year, Defendants failed to have a policy or practice in place that provided Plaintiff and other Aggrieved Employees with sick days and/or paid sick leave. As of January 1, 2024, Defendants failed to adhere to the law in that they failed to provide and allow employees to use at least 40 hours or five days of paid sick leave per year. California Labor Code Section 246(i) requires an employer to furnish its employees with written wage statements setting forth the amount of paid sick leave available. From time to time, including within the last year, Defendants violated California Labor Code Section 246 by failing to furnish Plaintiff and other Aggrieved Employees with wage statements setting forth the amount of paid sick leave available.

Tip Pooling: During the last year, from time-to-time, Plaintiff and other Aggrieved Employees were forced to forfeit gratuities left for them by customers to Defendants’ agents who provided no service to the customers that resulted in the gratuity. Plaintiff and other Aggrieved Employees were in the “chain of service” and earned gratuities based on their service for their customers. However, Plaintiff and other Aggrieved Employees were forced to forfeit portions of their gratuities, which said gratuities were kept by Defendants’ employees who were not in the chain of service from which the gratuity resulted. Plaintiff and other Aggrieved Employees contend that any gratuities kept by Defendants’ non-service employees were illegal and in violation of California law because Plaintiff and other Aggrieved Employees provided the service for to whom the gratuity should have been paid.

California Labor Code Section 351 establishes the requirements for an employer regarding the payment of gratuities. Specifically, gratuities are the sole property of the employees. California Labor Code Section 351 expressly prohibits employers and their agents from collecting, taking, or receiving any portion of a gratuity. California Labor Code § 350(e) defines the term “gratuity” as including any money that has been paid or given or left for an employee by a patron of a business over and above the actual amount due the business for services rendered or for goods, food, drink or articles sold or served to such patron. Labor Code § 353 requires employers to keep accurate records of all gratuities they receive, directly or indirectly.

Although tip pooling is not expressly prohibited by the Labor Code, employees who mandate tip pooling must only distribute pooled tips to employees in the “chain of service.” By distributing tips to employees who were not in the “chain of service,” Defendants have violated and continue to violate the legal requirements for handling pooled tips.

To the extent that entities and/or individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code Sections including, but not limited to 558, 558.1, and 1197.1—Plaintiff reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue.

Any further amendments and changes to this notice shall relate back to the date of this notice. Consequently, Defendants are on notice that Plaintiff continues his investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of any of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein.

This notice is provided in compliance with California Labor Code Section 2699.3, *et seq.*

If you have any questions or concerns, please do not hesitate to contact me at the above number and address.

Very truly yours,

JCL LAW FIRM, APC

A handwritten signature in cursive script that reads "Perssia Razma".

Perssia Razma, Esq.



ZAKAY LAW GROUP
A PROFESSIONAL LAW CORPORATION

Client #100101

June 24, 2025

Via Online Filing to LWDA and Certified Mail to Defendants

Labor and Workforce Development Agency

Online Filing

S.C. HOTEL, LLC

DKN HOTEL, LLC

c/o Kiran Dahya

42 Corporate Park, Ste 200

Irvine, CA 92606

Sent via Certified Mail and Return Receipt No. 9589 07105270 2308 6647 76

Re: Notice of Violations of California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 351, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, 2804, and Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant to California Labor Code Section 2699.5

Dear Sir/Madam:

This notice is being sent in compliance with California Labor Code Section 2699.3. Our offices represent Plaintiff SARA VELEZ ("Plaintiff") and other aggrieved employees. Plaintiff was employed by Defendant S.C. HOTEL, LLC ("Defendant SC Hotel") and Defendant DKN HOTEL, LLC ("Defendant DKN Hotel") (hereinafter, collectively, "Defendants") in California from January of 2025 to April of 2025 as a bartender and worked at Defendants' hotel at 3136 Carlsbad Blvd, Carlsbad, CA 92008. Plaintiff was employed by Defendants as a non-exempt employee, paid on an hourly basis, and entitled to payment of all wages and the legally required meal and rest breaks.

Plaintiff alleges that within the past year, Plaintiff personally suffered violations of the following Labor Code Sections as a result of Defendants' failure to pay Plaintiff for all time worked, provide Plaintiff with compliant meal periods, provide Plaintiff with compliant rest periods, provide Plaintiff with accurate itemized wage statements that facially comply with the requirements provided for in Labor Code Section 226, furnish wages to Plaintiff with the frequency as set forth under Labor Code Section 204, and reimburse Plaintiff for necessary business expenses pursuant to Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 351, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, and 2804. These violations are actionable under California Labor Code Section 2699.3.

The information below provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. If the agency needs any further information, please do not hesitate to ask.

Plaintiff seeks to represent a group of aggrieved employees defined as any person currently or formerly employed by Defendant SC Hotel and/or Defendant DKN Hotel who performed work in California and against whom one or more of the alleged violations listed above were committed during the relevant claim period (“Aggrieved Employees”). Plaintiff believes this group to be comprised of all current and former non-exempt employees who performed work for Defendant SC Hotel and/or Defendant DKN Hotel in California during the period beginning one year prior to the date of this Notice and continuing through the present.

In violation of the applicable sections of the California Labor Code and the requirements of the Industrial Welfare Commission (“IWC”) Wage Order, Defendants as a matter of company policy, practice, and procedure, intentionally, knowingly, and systematically failed to provide legally compliant meal and rest periods, failed to accurately compensate Plaintiff and other Aggrieved Employees for missed meal and rest periods, failed to pay Plaintiff and other Aggrieved Employees for all time worked, failed to compensate Plaintiff and other Aggrieved Employees for off-the-clock work, failed to pay Plaintiff and other Aggrieved Employees overtime at the correct regular rate of pay, failed to compensate Plaintiff and other Aggrieved Employees meal and rest premiums at the regular rate of pay, failed to pay Plaintiff and other Aggrieved Employees redeemed sick pay at the regular rate of pay, failed to reimburse Plaintiff and other Aggrieved Employees for business expenses, and failed to issue to Plaintiff and other Aggrieved Employees accurate itemized wage statements showing, among other things, all applicable hourly rates in effect during the pay periods and the corresponding amount of time worked at each hourly rate. Defendants’ uniform policies and practices are intended to purposefully avoid the accurate and full payment for all time worked as required by California law which allows Defendants to illegally profit and gain an unfair advantage over competitors who comply with the law.

Meal Period Violations: Pursuant to the Industrial Welfare Commission Wage Orders, Defendants were required to pay Plaintiff and the Aggrieved Employees for all their time worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work. From time to time during the last year, Defendants required Plaintiff and other Aggrieved Employees to work without paying them for all the time they were under Defendants’ control. Specifically, Defendants required Plaintiff to work while clocked out during what was supposed to be Plaintiff’s off-duty meal break. Indeed, there were many days where Plaintiff did not even receive a partial lunch. As a result, Plaintiff and other Aggrieved Employees forfeited minimum wage and overtime compensation by regularly working without their time being accurately recorded and without compensation at the applicable minimum wage and overtime rates. Defendants’ uniform policy and practice not to pay Plaintiff and other Aggrieved Employees for all time worked is evidenced by Defendants’ business records.

During the last year, as a result of their rigorous work schedules and Defendants’ inadequate staffing practices, Plaintiff and other Aggrieved Employees were from time to time unable to take thirty (30) minute off duty meal breaks and were not fully relieved of duty for their meal periods. Plaintiff and other Aggrieved Employees were required to perform work as ordered by Defendants for more than five (5) hours during some shifts without receiving a meal break. Further, Defendants failed to provide Plaintiff and other Aggrieved Employees with a second off-duty meal period for some workdays in which these employees were required by Defendants to work ten (10) hours of work. The nature of the work performed by Plaintiff and other Aggrieved Employees does not qualify for the limited and narrowly construed “on-duty” meal period exception. When they were provided with meal periods, Plaintiff and other Aggrieved Employees were, from time to time,

required to remain on duty and on call. Defendants' failure to provide Plaintiff and other Aggrieved Employees with legally required meal breaks is evidenced by Defendants' business records. As a result of their rigorous work schedules and Defendants' inadequate staffing, Plaintiff and other Aggrieved Employees therefore forfeited meal breaks without additional compensation and in accordance with Defendants' strict corporate policy and practice.

Rest Period Violations: From time to time during the past year, Plaintiff and other Aggrieved Employees were also required to work in excess of four (4) hours without being provided ten (10) minute rest periods as a result of their rigorous work requirements and Defendants' inadequate staffing. Further, for the same reasons, these employees were from time to time denied their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2) to four (4) hours, from time to time denied a first and second rest period of at least ten (10) minutes for some shifts worked of between six (6) and eight (8) hours, and from time to time denied a first, second and third rest period of at least ten (10) minutes for some shifts worked of ten (10) hours or more. When they were provided with rest breaks, Plaintiff and other Aggrieved Employees were, from time to time, required to remain on premises, on duty and/or on call, and not fully relieved of all duties. Plaintiff and other Aggrieved Employees were also not provided with one-hour wages in lieu thereof. As a result of their rigorous work schedules and Defendants' inadequate staffing, Plaintiff and other Aggrieved Employees were from time to time denied their proper rest periods by Defendants and Defendants' managers. For example, during the pay period of January 1, 2025, to January 15, 2025, Plaintiff was denied at least one rest period. However, as evidenced by the example below, Defendants failed to pay Plaintiff a rest period premium.

Earnings Statement

Pay Date:	01/17/2025	Company:	0LL99 - SC HOTEL LLC	Emp #:	
Period Start:	01/01/2025		42 CORPORATE PARK STE 200	Dept:	26 - Bar/Lounge
Period End:	01/15/2025		IRVINE CA 92606	Pay Basis:	Hourly

	Rate	Hours/Units	Current Period	Year To Date
Earnings				
Regular Open Rate	16.50	52.80	871.20	871.20
Tip Paid Out			366.37	366.37
Gross		52.80	1237.57	1237.57
W/H Taxes				
Federal W/H(S)			63.57	63.57
Medicare			17.94	17.94
Social Security			76.73	76.73
California State W/H(S/O)			17.22	17.22
CaliforniaSDI Tax			14.85	14.85
Deductions				
Net Pay			1047.26	1047.26

Check No. [REDACTED]

Unreimbursed Business Expenses: Defendants as a matter of corporate policy, practice, and procedure, intentionally, knowingly, and systematically failed to reimburse and indemnify the Plaintiff and other Aggrieved Employees for required business expenses incurred by the Plaintiff and other Aggrieved Employees in direct consequence of discharging their duties on behalf of Defendants. Under California Labor Code Section 2802, employers are required to indemnify employees for all expenses incurred in the course and scope of their employment. California Labor

Code Section 2802 expressly states that "an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."

Within the last year, in the course of her employment, Defendants required Plaintiff and other Aggrieved Employees to incur personal expenses as a result of and in furtherance of their job duties for the use of their personal cell phones and for the maintenance of their work uniforms. Specifically, Plaintiff and other Aggrieved Employees were required to incur personal expenses for the use of their personal cell phones and for the maintenance of their work uniforms in order to perform work related tasks. However, Defendants unlawfully failed to reimburse Plaintiff and other Aggrieved Employees for the personal expenses incurred for the use of their personal cell phones and for the maintenance of their work uniforms. As a result, in the course of their employment with Defendants, the Plaintiff and other Aggrieved Employees incurred unreimbursed business expenses that included, but were not limited to, costs related to the personal expenses incurred for the use of their personal cell phones and for the maintenance of their work uniforms, all on behalf of and for the benefit of Defendants. For example, during the pay period of February 16, 2025, to February 28, 2025, Defendants required Plaintiff to use Plaintiff's personal cell phone and incur personal expenses for the maintenance of Plaintiff's work uniform. However, as evidenced by the example below, Defendants failed to reimburse Plaintiff for the use of her personal cell phone and for the maintenance of her work uniform.

Earnings Statement

Pay Date:	03/05/2025	Company: 0LL99 - SC HOTEL LLC	Emp #:	
Period Start:	02/16/2025	42 CORPORATE PARK STE 200	Dept:	26 - Bar/Lounge
Period End:	02/28/2025	IRVINE CA 92606	Pay Basis:	Hourly

	Rate	Hours/Units	Current Period	Year To Date
Earnings				
Regular Open Rate	16.50	30.55	504.08	1996.51
Tip Paid Out			880.22	1741.67
Gross		30.55	1384.30	3738.18
W/H Taxes				
Federal W/H(S)			81.18	176.02
Medicare			20.07	54.20
Social Security			85.83	231.77
California State W/H(S/O)			22.45	50.29
CaliforniaSDI Tax			16.61	44.86
Deductions				
Net Pay			1158.16	3181.04

Voucher No. [REDACTED]

Wage Statement Violations: California Labor Code Section 226 requires an employer to furnish its employees and accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked, (3) the number of piece-rate units earned and any applicable piece-rate, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee

is paid, (7) the name of the employee and only the last four digits of the employee's social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. From time to time during the last year, when Plaintiff and other Aggrieved Employees missed meal and rest breaks, or were paid inaccurately for missed meal and rest period premiums, or were not paid for all hours worked, Defendants also failed to provide Plaintiff and other Aggrieved Employees with complete and accurate wage statements which failed to show, among other things, all deductions, the total hours worked and all applicable hourly rates in effect during the pay period, and the corresponding amount of time worked at each hourly rate, correct rates of pay for penalty payments or missed meal and rest periods. Defendants also failed to provide Plaintiff and other Aggrieved Employees with complete and accurate wage statements that included all required elements listed above.

As a result, Defendants issued Plaintiff and other Aggrieved Employees with wage statements that violate California Labor Code Section 226. Further, Defendants' violations are knowing and intentional; they were not isolated due to an unintentional payroll error due to clerical or inadvertent mistake.

Off-the-Clock Work Resulting in Minimum Wage and Overtime Violations: During the last year, from time-to-time, Defendants failed and continue to fail to accurately pay Plaintiff and other Aggrieved Employees for all hours worked. During the last year, from time-to-time Defendants required Plaintiff and other Aggrieved Employees to perform pre-shift or post-shift work, This resulted in Plaintiff and other Aggrieved Employees having to work while off-the-clock. Defendants directly benefited from the undercompensated off-the-clock work performed by Plaintiff and other Aggrieved Employees. Defendants controlled the work schedules, duties, and protocols, applications, assignments, and employment conditions of Plaintiff and other Aggrieved Employees.

Defendants were able to track the amount of time Plaintiff and other Aggrieved Employees spent working; however, Defendants failed to document, track, or pay Plaintiff and other Aggrieved Employees all wages earned and owed for all the work they performed. Plaintiff and other Aggrieved Employees were non-exempt employees, subject to the requirements of the California Labor Code. Defendants' policies and practices deprived Plaintiff and other Aggrieved Employees of all minimum regular, overtime, and double time wages owed for the off-the-clock work activities. Because Plaintiff and other Aggrieved Employees typically worked over forty (40) hours in a workweek, and more than eight (8) hours per day, Defendants' policies and practices also deprived them of overtime pay.

Defendants knew or should have known that Plaintiff's and other Aggrieved Employees' off-the-clock work was compensable under the law. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for all hours worked at Defendants' direction, control, and benefit for the time spent working while off-the-clock, including but not limited to, undergoing pre-shift and post-shift work. Defendants' uniform policy and practice to not pay Plaintiff and other Aggrieved Employees wages for all hours worked in accordance with applicable law is evidenced by Defendants' business records.

Regular Rate Violation – Overtime, Double Time, Meal and Rest Period Premiums, and Redeemed

Sick Pay: From time to time during the last year, Defendants failed and continue to fail to accurately calculate and pay Plaintiff and other Aggrieved Employees for their overtime and double time hours worked, meal and rest period premiums, and redeemed sick pay. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for working overtime without compensation at the correct overtime and double time rates, meal and rest period premiums, and redeemed sick pay rates. Defendants' uniform policy and practice not to pay Plaintiff and other Aggrieved Employees at the correct rate for all overtime and double time worked, meal and rest period premiums, and sick pay in accordance with applicable law is evidenced by Defendants' business records.

State law provides that employees must be paid overtime at one-and-one-half times their "regular rate of pay." Plaintiff and other Aggrieved Employees were compensated at an hourly rate plus incentive pay that was tied to specific elements of an employee's performance. The second component of Plaintiff's and other Aggrieved Employees' compensation was Defendants' non-discretionary incentive program that paid Plaintiff and other Aggrieved Employees incentive wages based on their performance for Defendants. The non-discretionary bonus program provided all employees paid on an hourly basis with bonus compensation when the employees met the various performance goals set by Defendants. However, from time to time, when calculating the regular rate of pay in those pay periods where Plaintiff and other Aggrieved Employees worked overtime, double time, paid meal and rest period premium payments, and/or redeemed sick pay, and earned non-discretionary bonuses, Defendants failed to accurately include the non-discretionary bonus compensation as part of the employee's "regular rate of pay" and/or calculated all hours worked rather than just all non-overtime hours worked. Management and supervisors described the incentive/bonus program to potential and new employees as part of the compensation package. As a matter of law, the incentive compensation received by Plaintiff and other Aggrieved Employees must be included in the "regular rate of pay." The failure to do so has resulted in a systematic underpayment of overtime and double time compensation, meal and rest period premium payments, and redeemed sick pay to Plaintiff and other Aggrieved Employees by Defendants.

Specifically, California Labor Code Section 246 mandates that paid sick time for non-exempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the non-exempt employee uses paid sick time, whether or not the employee actually works overtime in that workweek. Defendants' conduct, as articulated herein, by failing to include the incentive compensation as part of the "regular rate of pay" for purposes of sick pay compensation was in violation of California Labor Code Section 246 the underpayment of which is recoverable under California Labor Code Sections 201, 202, 203, and/or 204.

In violation of the applicable sections of the California Labor Code and the requirements of the Industrial Welfare Commission ("IWC") Wage Order, Defendants as a matter of company policy, practice, and procedure, intentionally and knowingly failed to compensate Plaintiff and other Aggrieved Employees at the correct rate of pay for all overtime and double time worked, meal and rest period premiums, and redeemed sick pay as required by California law which allowed Defendants to illegally profit and gain an unfair advantage over competitors who complied with the law.

Unlawful Deductions: During the last year, Defendants, from time-to-time, unlawfully deducted wages from Plaintiff's and Aggrieved Employees' pay without explanations and without

authorization to do so or notice to Plaintiff and the Aggrieved Employees. As a result, Defendants violated Labor Code Section 221.

Timekeeping Manipulation: During the last year, Defendants, from time-to-time, did not have an immutable timekeeping system to accurately record and pay Plaintiff and other Aggrieved Employees for the actual time Plaintiff and other Aggrieved Employees worked each day, including regular time, overtime hours, sick pay, meal and rest breaks. As a result, Defendants were able to and did in fact, unlawfully, and unilaterally alter the time recorded in Defendants' timekeeping system for Plaintiff and other Aggrieved Employees in order to avoid paying these employees for all hours worked, applicable overtime compensation, applicable sick pay, missed meal breaks and missed rest breaks. As a result, Plaintiff and other Aggrieved Employees, from time-to-time, forfeited time worked by working without their time being accurately recorded and without compensation at the applicable pay rates.

The mutability of the timekeeping system also allowed Defendants to alter employee time records by recording fictitious thirty (30) minute meal breaks in Defendants' timekeeping system so as to create the appearance that Plaintiff and other Aggrieved Employees clocked out for thirty (30) minute meal breaks when in fact the employees were not at all times provided an off-duty meal break. This practice is a direct result of Defendants' uniform policy and practice of denying employees uninterrupted thirty (30) minute off-duty meal breaks each day or otherwise compensating them for missed meal breaks. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for all hours worked at Defendants' direction, control and benefit for the time the timekeeping system was inoperable. Defendants' uniform policy and practice to not pay Plaintiff and the Aggrieved Employees wages for all hours worked in accordance with applicable law is evidenced by Defendants' business records.

Unlawful Rounding Practices: During the last year, Defendants did not have in place an immutable timekeeping system to accurately record and pay Plaintiff and other Aggrieved Employees for the actual time these employees worked each day, including overtime hours. Specifically, Defendants had in place an unlawful rounding policy and practice that resulted in Plaintiff and the Aggrieved Employees being undercompensated for all of their time worked. As a result, Defendants were able to and did in fact unlawfully and unilaterally round the time recorded in Defendants' timekeeping system for Plaintiff and the Aggrieved Employees in order to avoid paying these employees for all their time worked, including the applicable overtime compensation for overtime worked. As a result, Plaintiff and other Aggrieved Employees, from time to time, forfeited compensation for their time worked by working without their time being accurately recorded and without compensation at the applicable overtime rates.

Further, the mutability of Defendants' timekeeping system and unlawful rounding policy and practice resulted in Plaintiff's and the Aggrieved Employees' time being inaccurately recorded. As a result, from time to time, Defendants' unlawful rounding policy and practice caused Plaintiff and other Aggrieved Employees to perform work as ordered by Defendants for more than five (5) hours during a shift without receiving an off-duty meal break.

Untimely Payment of Wages: Pursuant to California Labor Code Section 204, Plaintiff and the Aggrieved Employees were entitled to timely payment of wages during their employment. Plaintiff and the Aggrieved Employees, from time to time, did not receive payment of all wages, including, but not limited to, overtime wages, minimum wages, meal period premium wages, and rest period

premium wages within the permissible time period. Pursuant to California Labor Code Section 201, “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Pursuant to California Labor Code Section 202, if an employee quits his or her employment, “his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 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.” Plaintiff and the Aggrieved Employees were, from time to time, not timely provided the wages earned and unpaid at the time of their discharge and/or at the time of quitting, in violation of California Labor Code Sections 201 and 202. To date, Defendants have not fully paid Plaintiff the minimum, overtime and double time compensation still owed to her or any penalty wages owed to her under California Labor Code Section 203.

Sick Pay Violations: California Labor Code Section 246 (a)(1) mandates that “An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section.” Further, California Labor Code Sections 246(b)-(d) provide for the sick day accrual requirements. From time to time, including within the last year, Defendants failed to have a policy or practice in place that provided Plaintiff and other Aggrieved Employees with sick days and/or paid sick leave. As of January 1, 2024, Defendants failed to adhere to the law in that they failed to provide and allow employees to use at least 40 hours or five days of paid sick leave per year. California Labor Code Section 246(i) requires an employer to furnish its employees with written wage statements setting forth the amount of paid sick leave available. From time to time, including within the last year, Defendants violated California Labor Code Section 246 by failing to furnish Plaintiff and other Aggrieved Employees with wage statements setting forth the amount of paid sick leave available.

Tip Pooling: During the last year, from time-to-time, Plaintiff and other Aggrieved Employees were forced to forfeit gratuities left for them by customers to Defendants’ agents who provided no service to the customers that resulted in the gratuity. Plaintiff and other Aggrieved Employees were in the “chain of service” and earned gratuities based on their service for their customers. However, Plaintiff and other Aggrieved Employees were forced to forfeit portions of their gratuities, which said gratuities were kept by Defendants’ employees who were not in the chain of service from which the gratuity resulted. Plaintiff and other Aggrieved Employees contend that any gratuities kept by Defendants’ non-service employees were illegal and in violation of California law because Plaintiff and other Aggrieved Employees provided the service for to whom the gratuity should have been paid.

California Labor Code Section 351 establishes the requirements for an employer regarding the payment of gratuities. Specifically, gratuities are the sole property of the employees. California Labor Code Section 351 expressly prohibits employers and their agents from collecting, taking, or receiving any portion of a gratuity. California Labor Code § 350(e) defines the term “gratuity” as including any money that has been paid or given or left for an employee by a patron of a business over and above the actual amount due the business for services rendered or for goods, food, drink or articles sold or served to such patron. Labor Code § 353 requires employers to keep accurate records of all gratuities they receive, directly or indirectly.

Although tip pooling is not expressly prohibited by the Labor Code, employees who mandate tip pooling must only distribute pooled tips to employees in the “chain of service.” By distributing

tips to employees who were not in the “chain of service,” Defendants have violated and continue to violate the legal requirements for handling pooled tips.

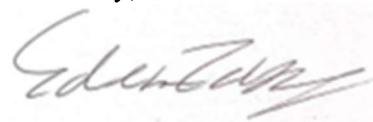
To the extent that entities and/or individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code Sections including, but not limited to 558, 558.1, and 1197.1—Plaintiff reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue.

Any further amendments and changes to this notice shall relate back to the date of this notice. Consequently, Defendants are on notice that Plaintiff continues her investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of any of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein.

This notice is provided in compliance with California Labor Code Section 2699.3, *et seq.*

If you have any questions or concerns, please do not hesitate to contact me at the above number and address.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eden Zakay", is written over a light pink rectangular stamp.

Eden Zakay
Attorney for Plaintiff