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September 22, 2008

Honorable Ronald M. George, Chief Justice
and the Associate Justices
CALIFORNIA SUPREME COURT
350 McAllister Street
San Francisco, California 94102

Re: *Brinker Restaurant Corp., et al. v. Superior Court (Hohnbaum)*
California Supreme Court Case No. S166350
California Court of Appeal, 4th Appellate District, Division 1, D049331

Dear Chief Justice George and Associate Justices:

Pursuant to rule 8.500(g), California Rules of Court, Morry Brookler respectfully submits this letter in support of the Petition for Review filed on August 29, 2008, in the above referenced matter ("*Brinker*") by petitioners, Adam Hohnbaum, *et al.*

I. Interest of Amicus

On April 7, 2004, Morry Brookler, individually and on behalf of all similarly situated persons, filed a wage and hour class action¹ against his former employer, RadioShack Corp., to recover, *inter alia*, lost wages due to missed meal periods. My firm, the Law Offices of Ian Herzog, the law firm of Daniels, Fine, Israel, Schonbuch & Lebovits, LLP, and the Law Offices of Stephen Glick jointly represent Mr. Brookler and the certified class of current and former, hourly RadioShack employees in California. Plaintiff alleges that RadioShack violated section 11 of Industrial Welfare Commission ("IWC") Wage Order No. 7-2000, and its successor order, 7-2001, by employing people for a period in excess of five hours without an uninterrupted meal period of not less than 30 minutes.² Further, RadioShack violated these IWC Wage Orders and Labor Code

¹ The case, *Bookler v. RadioShack Corp.*, Los Angeles Superior Court, Case No. BC313383, is currently pending before the Honorable Edward A. Ferns, L.A.S.C. Department 69.

² The certified class consists of "All non-exempt employees at RadioShack stores in California from April 7, 2000, through the present who were not provided uninterrupted 30 minute meal periods following every 5 continuous hours of work."

section 226.7 by failing to pay each employee an additional hour of compensation at the employee's regular rate of pay for each day the employee worked through the required meal period.

On February 8, 2007, the Los Angeles Superior Court granted class certification in *Brookler* relying on the holding in *Cicairos v. Summit Logistics, Inc.*, 133 Cal. App. 4th 949, 962-963 (2005), that an employer's "obligation to provide [non-exempt employees] with an adequate meal period is not satisfied by assuming that the meal period was taken, because 'employers have an affirmative obligation to ensure that workers are actually relieved of all duty.'" The trial court's order was also based upon RadioShack's own computerized timekeeping and sales records which included evidence that: (1) employees worked during times when meal periods were recorded, and (2) no meal periods were recorded after five hours of work.

RadioShack filed its first motion to decertify the class, arguing that in *Murphy v. Kenneth Cole Productions, Inc.*, 40 Cal. 4th 1094 (2007), this Court established a new standard that employees must show they were "forced" not to take meal periods and that employers need only make them "available," thereby giving rise to individual issues. The trial court denied the motion on September 6, 2007. Following the Court of Appeal's summary denial of RadioShack's petition for a writ of mandate on October 30, 2007, RadioShack petitioned this Court for review in November 2007. *See RadioShack Corp. v. Superior Court (Brookler)*, Supreme Court Case No. S158083. The Court requested an informal response and received extensive briefing from both sides on some of the same issues discussed in *Brinker*. After reviewing the briefs, this Court (en banc) denied RadioShack's petition on January 3, 2008.

The *Brinker* opinion was issued on July 22, 2008. Two and a half weeks later, on August 8, 2008, RadioShack filed a second decertification motion arguing under *Brinker* that California law merely obligates employers to make meal periods "available" to employees, and that employees can choose to take them or not, without any obligation on the part of the employer to ensure the employees are relieved of work or the payment of the premium wage when the employees work through the meal period. RadioShack argued that the trial court must decertify the class because the issue of whether employees take meal periods would require individual inquiries, e.g., whether the employee "chose" to forego a meal period, which would predominate over common questions. Plaintiffs'

motion to stay the hearing pending this Court's decision in *Brinker* was denied, and RadioShack's decertification motion is currently set to be heard on October 6, 2008.

It has always been the law in California that nonexempt workers are paid for the time they work. *See e.g.*, Cal. Lab. Code §§ 200, *et seq.*; 1171, *et seq.* An employer is not entitled to free labor. Here, there is no dispute that employees worked through their meal periods. Under Labor Code section 226.7(b), the employer must pay for the services received in much the same manner as if the employee had worked overtime. However, rather than the premium wage of time and a half for overtime, the employee receives one hour's compensation for each half hour meal period missed.

We are not trying to suggest that an employer is required to "force" an employee to take a meal period. For whatever reason the employee does not take a meal period, the Labor Code makes it clear the employee must be paid for the time worked.

After all, the employer is in charge of the workplace. The employer is in the best position to "ensure" that the employee takes a meal break. If the employee does not, the Labor Code's remedy is simple. The employer pays one hour for each one-half hour meal break missed. This is the Labor Code's method for "ensuring" that an employer is incentivized to "ensure" that the employee is both given and actually takes the meal period. The bottom line is that employers want free labor. They want this Court to adopt a scheme by which they can potentially "game" the system – have the employees work through their meal periods and preserve a technical reason not to compensate them for the time worked.

This is contrary to the Labor Code's mandate that if you work, you get paid. Under such a construct, nobody is "forced" to do anything. Rather, an employer is required to pay for services rendered – no more, but no less. Since the employer is in charge of the workplace, this is eminently fair. The suggestion that, under such a system, employees will somehow "game" the system is not corroborated by any credible evidence that such a systemic problem exists. Rather, common sense tells us that a conscientious employer in charge of the workplace is in the best position to advance the humanitarian policy that workers should not be treated as machines, but should have their human needs met, *i.e.*, they should be able to take time out to eat a meal without interruption.

Quite apart from this humanitarian reason are public safety issues illustrated by the recent Metrolink crash. The Los Angeles Times' article on Saturday, September 20, 2008, makes the point.³ In *Murphy*, this Court explained that mandatory meal periods

³ **Metrolink Contractor Lobbied For Delays In Meal Breaks**

The firm's workers include engineers for the rail line and public transit bus drivers. The rule change was unsuccessful and the company disputes whether it would've applied to engineers.

By Patrick McGreevy, Los Angeles Times Staff Writer
September 20, 2008

SACRAMENTO -- The company that provides engineers for Metrolink trains spent \$105,000 during the last two years lobbying state lawmakers to give it flexibility to delay meal breaks for employees, including those who drive public transit buses.

Investigators looking into the Sept. 12 crash between Metrolink commuter train and a Union Pacific freight train have been examining human fatigue, including work schedules, as a possible contributing factor to the wreck, which occurred after the Metrolink sped through a red signal.

Five months ago, state lawmakers rejected legislation pushed by Veolia Transportation that would have allowed meal breaks for transportation workers to be delayed until nearly the seventh hour of a work shift. The current rules require at least a half-hour meal break at the start of the fifth hour of a shift that lasts more than five hours.

The company disputes whether the proposed rule change would have applied to Metrolink, but said it would have applied to its employees who drive mass transit buses. Investigators are trying to determine whether the Metrolink engineer, an employee of Veolia, missed signal lights because he was fatigued by working back-to-back split shifts that began before dawn and ended at 9 p.m.

Engineer Robert M. Sanchez was on a schedule of working 53 hours over five days at the time of the accident, in which 25 people, including Sanchez died. His workday was split between a 3-1/2 hour shift in the morning and a 7-hour shift in the evening, with a 4-1/2 hour break in between.

There has been a running battle in Sacramento for the last two years over the issue of breaks for transportation workers and others.

Veolia, part of a French multinational company, hired lobbyists to influence two bills in Sacramento that could have changed the rules on meal breaks. The firm and its executives have also made more than \$80,000 in contributions during the last decade to California politicians.

Current state law requires that employees who work more than six consecutive hours be provided a meal break of at least half an hour at the beginning of their fifth hour. The bills, which died in committee, would have allowed meal breaks to be provided as late as the completion of the sixth hour of work.

Veolia lobbyist William E. Barnaby argued that the current meal requirements add to the expense of services.

"The inflexibility of existing law has significantly increased business expenses. . . and has made it impossible to accommodate employee requests for meal period adjustments so they can take care of personal and family needs," Barnaby wrote to lawmakers.

serve important health and safety concerns. “Employees denied their rest and meal periods face greater risk of work-related accidents and increased stress, especially low-wage workers who often perform manual labor. [Citations]. Indeed, health and safety considerations (rather than purely economic injuries) are what motivated the IWC to adopt mandatory meal and rest periods in the first place.” *Murphy*, 40 Cal. 4th at 1113 (citations omitted). Finally, in *Murphy*, this Court reiterated that “statutes regulating conditions of employment are to be liberally construed with an eye to protecting employees.” *Id.* at 1111 (citations omitted). The issue is not, as *Brinker* frames it, forcing employees not to take meal periods against their will. It is instead requiring employers to comply with legal requirements designed to promote the health and welfare of employees, to support the business of employers, and to benefit the public.

The danger posed by the analysis and conclusions in *Brinker* is manifest. The requirements regarding meal periods and rest breaks apply to non-exempt employees, that is, that large subset of employees who are primarily engaged in production work. These include truck drivers, health care workers, persons operating any manner of machinery, and numerous other types of occupations where the regulations regarding the “health and safety” of the employee are not lip service to an empty phrase but are truly vital to an injury-free workplace. If such protections are to be removed, then it must be done after careful analysis and consideration through the Legislature and rule making bodies and not by judicial fiat based upon self-serving legal arguments of employers acting out of economic self-interest.

Under *Cicairos*, California law imposes on employers the affirmative duty to ensure that their employees break for meals. What *Cicairos* does not articulate – but strongly implies – is the economic consequences to an employer if it fails to do so. If the employee does not take or get the meal period, but rather works through it, the employer pays for the services received. This is no more than the employer’s legal obligation (as intended by the IWC Wage Orders and Labor Code section 226.7) to keep accurate records of their employees’ meal periods, and either: (1) have their employees take meal

Union groups including the California Labor Federation argued that the law would “permit employers to wait until the seventh hour of work to take a meal, period.”

The federation’s Caitlin Vega warned legislators that such delays could put people at risk. “Taking regular breaks is essential for worker health and safety and is key to preventing workplace injuries,” she wrote to legislators.

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periods, or (2) pay them an additional hour's wage for each day a required meal period is missed.

Many issues of interest to the *Brookler* class have already been thoroughly argued by the *Brinker* Petitioners and in numerous briefs by their *amici*. While we join those arguments, for the sake of judicial economy we will not rehash them here. We would like, however, to emphasize two issues.

First, we address the employers' attempt to escape the enforcement mechanism (premium wages) for their refusal to comply with the meal period requirements enacted for the employees' protection. The workplace must not be allowed to return to the "good old days" before the 2000 enactment of Labor Code section 226.7, when missed meal periods for nonexempt employees did not result in the imposition of a premium payment. All of the *Brinker* arguments were made at that time, but were rejected by the California Legislature and the IWC which decided to put teeth into the meal period requirement by imposing the premium wage.

Second, we address the issue of waiver. The Wage Orders carefully prescribe how and under what circumstances an employer and employee may agree to a waiver of a meal period by the employee without requirement for payment of the premium wage. Yet, under *Brinker* the requirements for waiver are completely ignored so that meal periods are provided or not, according to whim, and the employer is entirely freed from paying the premium wage. Worse yet, the employee is saddled with proving that the employer "forced" the employee not to take the meal period. As discussed further below, these holdings not only invite mischief on the part of the employers who stand to gain an economic advantage akin to free overtime work, but they also remove protections for the health and safety of employees which were the very purposes for the Labor Code provisions and the Wage Orders in the first place.

By rolling back both the clock and fundamental workplace protections, employers ask the courts to usurp the roles of the Legislature and IWC in establishing the minimum conditions of labor in this State, and this Court should decline these requests in favor of affording non-exempt employees the protections enacted for their benefit.

II. Review is Warranted

The Petition before this Court involves the critical issue of whether employers can avoid their obligation to ensure meal periods or whether they can merely make meal periods available to employees and refuse to pay premium wages when the employees work through the meal period. The answer will ultimately determine whether employers pay for work they receive or regain their pre-Labor Code section 226.7 ability to ignore meal period requirements with impunity. For this fundamental reason, we urge the Court to grant review.

A. Employers Should Pay if Employees Miss Meal Periods

Brinker, White v. Starbucks, and all of the cases which parrot them, fail to address the simple requirement under California law that, if an employee works through a meal period, the employee is entitled to be paid. No one can argue, as a matter of law, that if an employee works overtime the employer can avoid payment by claiming that the overtime was voluntary. The issue has nothing to do with “forcing,” “ensuring,” “providing,” or “making available.” It has everything to do with requiring employers to pay employees for the work they perform.

The employers’ obligation with respect to the meal period requirement is similar to their obligation with respect to overtime work. *See, e.g., Murphy v. Kenneth Cole Prods., Inc.*, 40 Cal. 4th 1094, 1109-1114 (2007). Laws regulating both the meal periods and break and overtime laws serve the fundamental salutary public policy of protecting the health and safety of employees. *See Gentry v. Superior Court*, 42 Cal. 4th 443, 456 (2007). An employee may work overtime, but the employer must pay a premium wage for that work. Where an employee works through a meal period, it is no different than overtime work; in each instance the employer must pay a premium wage for the work which exceeds the standard working conditions which have been determined by the Legislature and the Industrial Welfare Commission. *Murphy*, 40 Cal. 4th at 1110 (“The IWC intended that, like overtime pay provisions, payment for missed meal and rest periods be enacted as a premium wage to compensate employees, while also acting as an incentive for employers to comply with labor standards”).

In both contexts, the employer must compensate for labor which is for the benefit of and controlled by the employer. If employers do not want to pay the premium wages for employees who work through meal periods or work overtime hours, then the employer is free to establish compliance procedures, monitor employees, keep accurate records, and discipline employees who work excessive overtime or do not take required meal periods. In fact, employers routinely monitor and enforce compliance with overtime laws in order to maintain labor costs and to preclude “off-the-clock” claims, and there is no reason at all why meal periods should be treated any differently.

The suggestion that employers are unable to control whether their employees work through meal periods is nonsensical. The notion is as inconceivable as one which claims that employers are unable to control whether their employees work overtime. Similarly, employers cannot plausibly argue that they are unable to: (1) control discrimination in the workplace, (2) prevent sexual harassment, (3) assure that prices and scales are correct, or (4) assure that employees wear hair nets or safety goggles or comply with myriad, highly detailed rules, regulations, and laws controlling the workplace. Employers must follow these employment laws or face civil, administrative and even criminal liability.

With an eye to the proverbial “bottom line,” employers can and will make certain their employees do not work if the employers do not want to pay for it, just as they do with overtime. “In all such cases it is the duty of the management to exercise its control and see that work is not performed if it does not want it to be performed.” *Morillion v. Royal Packing Co.*, 22 Cal. 4th 575, 584-585 (2000) (quoting 29 C.F.R. § 785.13) (underscoring added). The principles enunciated in *Morillion* control an employer’s obligation to relieve employees of all duty during a required meal periods. The principles apply when calculating overtime and the total number of hours worked in a day or week. 22 Cal. 4th at 584-585. They also apply when calculating the number of meal periods that do not comply with Labor Code section 512 and the Wage Orders. *Cicairos*, 133 Cal. App. 4th at 962-963.

We have indeed reached a remarkable point in our history if an employer can make an employee give a blood sample for drug screening, wear a specific pair of pants, dress and shirt to work, provide criminal and financial histories, monitor the employee’s e-mails and internet use, prescribe the employee’s behavior, dictate when the employee is to arrive and depart, etc., and yet that same employer can be deemed helpless to

determine whether or not that employee (a) worked through or (b) took a lunch. If the employer is allowed to argue that it should not have to pay the employee because the employee wanted to work for free instead of taking a lunch, we have passed through the looking glass.

Employers cannot be allowed to regress to the halcyon days before the meal period requirements had teeth, *i.e.*, before the enforcement mechanism of imposing a premium payment for missed meal periods was enacted. In order to uphold the employee-protective provisions of Labor Code sections 512 and 226.7 and the applicable IWC Wage Orders, Brookler urges the Court to clarify that employers either allow their employees take required meal periods or pay those employees one hour of premium pay for each day they miss a meal.

B. *Brinker's* Holding That Employees May Forego Meal Periods At Will Cannot Be Harmonized With The Wage Orders' Specific Requirements For Waiving Meal Periods

Meal periods, like overtime pay and minimum wage, are mandatory. *Murphy*, 40 Cal. 4th at 1106, 1111, 1113. Thus, like overtime and minimum wage, the right to meal period premiums is generally unwaivable. See *Gentry*, 42 Cal. 4th at 456. “As with the minimum wage obligation, the employer is not entitled to excuse the fact that he or she employed an employee for a period of more than five hours without a meal period on the failure of the employee to take the meal period.” DLSE *Enforcement Policies & Interpretations Manual* § 45.2.1, at 45-4 (underscoring added).

The Wage Orders expressly provide that meal periods may be waived by the employee only under certain circumstances, and even then the waiver must be in accordance with strictly prescribed standards and methods. The Wage Order requires an off-duty meal period during which time the employee must be “relieved of all duty.” There are only two circumstances, set out in the Wage Orders, when this required off-duty meal period is not strictly mandated.⁴ All of the IWC’s 17 industry or occupational

⁴ For example, Wage Order 7 provides:

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than thirty (30) minutes, except that when a work period

Wage Orders, excepting Wage Order 14 (agricultural occupations), contain this same core requirement for meal periods.

If, as employers argue, an employee can voluntarily choose to work during a required meal period (without requiring the employer to pay the premium under Labor Code section 226.7(b)), the IWC would have had absolutely no reason to set out in the Wage Orders any circumstances under which there could be (1) a meal period waiver and (2) an on-the-job meal period. “Well-established canons of statutory construction preclude a construction [that] renders a part of a statute meaningless or inoperative.” *Manufacturers Life Ins. Co. v. Superior Court*, 10 Cal. 4th 257, 274 (1995).

If employers need do nothing more than make meal periods “available” to employees, then no purpose is served by the Wage Orders’ strict requirements governing when, under what circumstances, and how a meal period can be waived or an on-the-job meal period provided. Statutes are to be construed so as to harmonize their requirements and avoid anomaly. *Coachella Valley Mosquito & Vector Control Dist. v. California Public Employment Relations Bd.*, 35 Cal.4th 1072, 1089 (2005).

While employers contend that employees should be able to waive meal periods in a manner not proscribed by the Wage Orders or Labor Code section 512, it is well established that “where exceptions to a general rule are specified by statute, other exceptions are not to be presumed unless a contrary legislative intent can be discerned.” *Mountain Lion Foundation v. Fish & Game Com’n*, 16 Cal. 4th 105, 116 (1997). “[I]f exemptions are specified in a statute, we may not imply additional exemptions unless there is a clear legislative intent to the contrary.” *Sierra Club v. State Bd. of Forestry*, 7 Cal. 4th 1215, 1230 (1994).

of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and employee.

(B) An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

....

IWC Wage Order 7 § 11 (A) & (B) (underscoring added). The wording in Wage Order 5 is the same.

The applicable Wage Orders mandate that employers relieve employees of all duty during meal periods. If the employer allows employees to perform work during the meal period (except when there has been a valid waiver under one of the two exceptions provided by the Wage Order), the employer has to pay the premium for that work.

The *Brinker* court cannot be allowed to judicially create and adopt an interpretation of the law which states, in effect, "An employee may waive any meal period without the employer's consent." Such an interpretation would contravene and render meaningless the portions of Labor Code section 512 and the applicable Wage Orders that expressly dictate when an employee may and may not waive a meal period. This Court has had ample opportunity to create a standard of permitting employees to waive their meal periods without the employer's consent, in direct contravention to the Labor Code and Wage Orders, but has so far declined to do so.

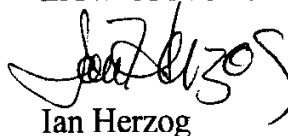
The unassailable fact is that there is no "free working lunch." If the employer receives the fruits of the employee's labors, it must pay for them.

III. Conclusion

Courts are struggling with inconsistent holdings on the issue of whether employers are legally obligated to ensure that their employees take meal periods (or pay a premium for missed meals) or whether they can merely make meal periods available to (and easily waivable by) their employees. Resolution of the issue will have a profound effect on employees and employers throughout California.

Accordingly, Morry Brookler and the *Brookler* class respectfully request that this Court grant the Petition for Review by Petitioner, Adam Hohnbaum.

Respectfully submitted,
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cc: Courts/Counsel of Record

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