

HEARING OFFICER ADMINISTRATIVE APPEAL HEARING

CITY AND COUNTY OF SAN FRANCISCO

In the Matter of the Appeal:)	Case No. HSCO-1313
)	
City and County of San Francisco Office of)	Hearing Officer's Decision
Labor Standards Enforcement,)	
)	
Plaintiff/Respondent.)	Hearing Date: December 16, 2025
)	Hearing Officer: Stephen Biersmith
vs.)	Time: 9:00 am
)	Place: Virtual
Herrington Tavern, Inc., dba The Grotto)	
("The Grotto"))	
)	
Defendant/Appellant)	
)	

INTRODUCTION

Herringbone Tavern, Inc. dba The Grotto (“Appellant” or “The Grotto”) is appealing a July 2, 2025, San Francisco Office of Labor Standards Enforcement (“OLSE” or “Plaintiff”) Determination of Violation (“DOV”) which alleged a failure to comply with certain provisions of the Health Care Security Ordinance, San Francisco Labor and Employment Code Article 21 (“HCSO”). The HCSO requires employers in the City and County of San Francisco with 20 or more employees to make minimum required health care expenditures on behalf of their employees. OLSE is the governmental agency with jurisdiction to investigate HCSO noncompliance and to enforce the HCSO.

After receiving several complaints from former workers, OLSE began an investigation into a restaurant called the Herringbone Tavern or the “the Fisherman’s Herringbone Tavern” located on Fisherman’s Wharf, dba The Grotto. As part of its investigation, OLSE requested records from the Grotto to substantiate compliance with the HCSO. After the Grotto failed to

produce the requested documents, OLSE requested and subsequently received from their former payroll processor payroll information for those individuals it believed were employees during the audit period October 1, 2020, to September 30, 2023 (“Audit Period”). The information was used by OLSE to prepare a spreadsheet which calculated the amounts cited in the DOV.

The DOV prepared by OLSE ordered the Grotto to pay \$126,704.16 in restitution, \$13,991 in administrative penalties for failing to make the required health care expenditures, and an additional \$6,000 for failing to submit the necessary Annual Reporting Forms for 2021, 2022 and 2023. The Grotto appealed this OLSE determination on July 24, 2025. Per San Francisco Labor and Employment Code Section 21.4, the hearing on the appeal was governed by rules implementing the HCSO (“HCSO Rules”) and held on December 16, 2025. HCSO Rule 10 provides that an appellant has the burden of proving compliance with the HCSO. As set forth below, the Hearing Officer determines that the Appellant in this case has failed to carry that burden.

STATEMENT OF ISSUES

The Grotto’s three bases for appeal are as follows:

- 1) The DOV is inaccurate because OLSE calculated restitution for 43 workers even though the Appellant’s restaurant was closed for a substantial portion of the audit period and only employed 2 or 3 people at other times.
- 2) The Appellant made all the required health care expenditures and either submitted the mandatory 2021, 2022 and 2023 HCSO Annual Reporting forms in a timely fashion or was excused from doing so.
- 3) Jesus Cardoza was an independent contractor and not an employee

EXHIBITS

For OLSE:

Ex.	Date	Description
1.	July 2, 2025	Determination of Violation (with Exhibit A)
2.	July 23, 2025	Herringbone Tavern Appeal from Determination of Violation of HCSO 3.
3.	Current	San Francisco Labor and Employment Code Article 21: Health Care Security Ordinance
4.	Current	OLSE Rules Implementing the HCSO
5.	Dec. 14, 2023 - Sept. 26, 2025	OLSE Case Notes (redacted for attorney client privilege/work product and employee personal information)
6.	October 2020 - Sept. 2023	HCSO Audit Spreadsheet
7.	January 3, 2024	Angel Briceno HCSO Claim
8.	January 9, 2024	First Notice of Potential Violation (NOPV)
9.	Feb. 13, 2024	Second Notice of Potential Violation (NOPV)
10.	June 12, 2024	OLSE Subpoenas and Proofs of Service to Herringbone Tavern and Apple Annie
11.	July 30, 2024	Emails between OLSE and George Benetatos
12.	August 1, 2024 - August 29, 2024	Emails between OLSE and George Benetatos
13.	August 1, 2024 - August 29, 2024	Emails between OLSE and George Benetatos
14.	August 1, 2024- Sept. 3, 2024	Emails between OLSE and George Benetatos
15.	Sept.10, 2024	Emails between OLSE and George Benetatos
16.	August 1, 2024	Emails between OLSE and George Benetatos
17.	Oct. 11, 2024 - Oct. 23, 2024	Emails between OLSE and George Benetatos
18.	2022 to 2023	Documents provided to OLSE by Jorge Molina
19.	2022 to 2023	Documents provided to OLSE by Luis Molina
20.	Dec. 16, 2022	Customer Receipt provided by Luis Molina
21.	Dec. 31, 2024	OLSE Subpoena to Automatic Data Processing, Inc. (ADP)

22. Feb. 5, 2025 Emails between OLSE and ADP re Records Transmittal

23. Aug.1, 2021-
May 12, 2023
ADP Earnings Statements (redacted)

24. 2021 ADP Employee Summary (redacted)

25. 2022 ADP Employee Summary (redacted)

26. 2023 ADP Employee Summary (redacted)

27. Aug. 19, 2021-
May 12, 2023
ADP Payroll Details (redacted)

28. Oct. 14, 2021 ADP Earnings Records (redacted)
- Nov. 23, 2022

29. August 22, 2025 Email from San Francisco City Option

30. 2020-2023 HCSO Health Care Expenditure Rates 2020-2023

31. Dec. 30, 2019 Declaration of Christian Henry in the matter of *Tarantino's Inc., et al. v. Chris Henry, et al.*, San Francisco Superior Court Case No. CGC-19-581505

32. July 31, 2020 Complaint in the matter of *Apple Annie, LLC v. Oregon Mutual Insurance Company, et al.*, S. F. Superior Court Case CGC-20-585712

33. June 28, 2021 Complaint in the matter of *Creditors Bureau USA v. Chris Henry, et al.*, S. F. Superior Court Case No. CGC 21- 93134

34. Feb. 12, 2023 Best Restaurant Recognition from Restaurant for Barrel House Tavern

35. July 2015 Report of Sale of Tommy's Joint by Restaurant Realty Company

36. Sept. 29, 2023 The Real Deal article: "Herringbone Tavern and Tarantino's leave SF's Fisherman's Wharf for rent non-payment"

37. April 20, 2016 Articles of Incorporation of Herringbone Tavern, Inc.

38. Sept. 12, 2016 Consent to Assignment between the City and County of San Francisco
San Francisco Port Commission, Fisherman's Herringbone Tavern
Restaurant, and Herringbone Tavern, Inc.

39. April 29, 2016 Articles of Incorporation of Herringbone Tavern

For the Appellant:

None

TESTIMONY PROVIDED

Maura Prendiville

Prendiville serves as a Supervising Compliance Officer at OLSE, which includes investigating matters involving the HSCO. The HCSO requires certain employers to make health care expenditures on behalf of their covered employees by making payments towards medical insurance or a medical reimbursement account program. Over the years, she has been involved in hundreds of such cases.

For purposes of the HCSO, a business with 20 to 99 employees is considered a medium-sized business. Those with 100 or more employees worldwide are characterized as a large employer. The Grotto was deemed to be a large business given its affiliation with several other restaurants and more than 100 employees.

Employers covered by the HCSO ordinance must submit an annual report every April to show how much was spent on health care in the prior calendar year. Usually, an investigation of potential noncompliance is started with an employee complaint. Afterwards, OLSE will reach out to the employer and request records for an audit. In doing so, OLSE does not look just at the complainants but also includes in the audit all those who worked at the restaurant. In this case OLSE issued subpoenas, but it still did not get any responsive documents. OLSE knows that this request was received because OLSE was subsequently contacted by an attorney who said he was providing representation.

In some correspondence from this attorney, there were claims about not being able to locate the former manager or payroll records. They did supply some payroll records for “Tommy’s Joint” even though those records were not requested. It was uncommon for an employer to get a subpoena and not respond to records.

In order to see who worked for the Appellant, OLSE subpoenaed records from ADP, which was the Grotto's payroll processor for much of the Audit Period. OLSE was unable to secure additional payroll records beyond those provided by the employees. If they were unable to get the missing information from the employee, OLSE did not extrapolate in making their calculations. As a result, the DOV assessment was conservative. A review of other documents showed the Appellant did make such payments back in 2018 but not during the Audit Period. With the data it did have, OLSE prepared a schedule of how much the employer needed to pay/contribute for each hour worked.

Prendiville stated this was a complex case because of the business owner's failure to engage and provide documentation. Her investigation found there were multiple overlapping ownerships of other business locations with the Grotto. She secured other information from the public record and from wage and time records provided by employees. The latter included receipts which showed customers were charged for costs associated with complying with the ordinance. By doing so, these receipts indicated the employer was aware of the law's requirements.

In its appeal, the employer claimed they were mostly closed and did not have more than 2-3 employees during the audit period. Prendiville disagreed with this assertion because, in addition to the payroll records, she talked to several individuals who said that they were working there during the Audit Period. The employer also claimed that it had made all of the required health care expenditures, but there was no documentation which supported that position. The Appellant also represented that the 2021-2023 reporting forms had either been submitted or that it was excused from doing so. As to the claim that Cardoza was an independent contractor, the payroll records and noted withholdings showed he was treated as an employee.

Janet Man

Man has served as an OLSE Compliance Officer for the last 8 years. Her responsibilities have included performing audits and investigating compliance with the HCSO. She was the investigator in this case, which was initiated after OLSE received an employee complaint towards the end of 2023. In January 2024, she subsequently sent out a notice of non-compliance. After it was returned, another was sent in February to the additional addresses the OLSE able to locate. In that transmittal, OLSE requested that the employer complete an audit spreadsheet which included a request for information such as the names of employees, hours worked, health insurance invoices and/or evidence of contributions to the coverage option.

When OLSE did not receive any of the requested information back, they issued a subpoena. Man was unsure whether any responsive documents were received. They were able to get some of the information after issuing a subpoena to ADP. They allowed OLSE to download payroll information for 2022 and 2023 which included hire/termination date, job title, hourly rate, withholding and other data. Using this information and some additional data provided by records obtained from employees, OLSE was able to calculate, and create a spreadsheet to show the amounts owed per the ordinance. Since ADP was not the payroll processor for the entire Audit Period, additional amounts which might have been owing were not added to the calculation.

Jorge Molina

Molina was employed at the Grotto from April 2022 until September 2023, as a waiter, bus person and one who worked at the bar. At that time, Jesus Cardoza was the chef in charge of the restaurant, which was open five (5) days a week and could serve more than 100 customers at

a time. During his time working there, Molina did not receive any health benefits and was never reimbursed for any health care expense.

Molina turned over some documents to OLSE. With the exception of six individuals he did not recognize, he confirmed the others on this list compiled by OLSE had worked in the restaurant.

Luis Molina

Molina worked at the Grotto from the beginning of 2022 until around October 2023. He was hired as a waiter but did everything in the restaurant. The business, which could handle 160-180 people, was open every day except for Tuesdays and Wednesdays. During this period, he never received any health benefits from this employer. He provided OLSE with a customer receipt which showed a charge for health benefits

With the exception of about five (5) names on the OLSE compiled spreadsheet, he recognized everyone else as having been the restaurant. He also testified that Jesus Cardoza was in charge of the restaurant.

Angel Briceno

Briceno worked at the Grotto from October 2021 until October 2023 as a cook in charge of the kitchen. At the time, Jesus Cardoza was in charge of the recipes and of the preparers. The restaurant was open from Thursday to Monday from 12 pm until 9 p.m. and on some days only until 6 p.m. Briceno did not receive any health insurance or payment for a medical bill while working there. With the exception of a few of those listed, he knew everyone else on OLSE's spreadsheet from his time at the restaurant.

DISCUSSION

In late December 2023 and early January 2024, OLSE received complaints from several individuals who claimed to have worked at the Grotto, which was located at Fisherman's Wharf. These individuals contended their employer did not provide them with any health benefits. (Ex 7). Based in part on the information provided in the complaint, OLSE opened an investigation and on January 9, 2024, sent Appellant Chris Henry ("Mr. Henry") a "Notice of Potential Violations" ("NOPV") which informed him that they were looking into whether there was compliance with the HCSO during the Audit Period running from October 1, 2020, through September 30, 2023 (Ex 8).

After the first NOPV was returned, a second was sent out on February 13, 2024 (Ex 9). Both included a request for certain documents to show that the employer had complied with the HCSO. The deadline for a response to the latter request was March 14, 2024. When there was no response, on June 25, 2024, OLSE sent out a subpoena requesting additional information as to the ownership structure and employees working for the entity (Ex 10). No responsive documents were produced.

After further investigation, which included securing certain records from the third-party payroll service provider, on July 2, 2025, OLSE issued a Notice of Determination of Violation which ordered the Grotto to pay back wages and assessed several penalties for failing to comply with the HCSO. An appeal was filed on July 24, 2025, and subsequently a hearing date was set.

As required by HCSO Rule 10, on November 17, 2025, OLSE submitted a pre-hearing statement. After the Grotto secured new counsel, the hearing date was continued to December 16, 2025. The Appellant did not submit a pre-hearing statement, which was to include a list of the witnesses it intended to call or documents to be relied on during the hearing. Chris Henry was the only individual who attended the hearing on behalf of Appellant.

The rules for the proceeding state that absent good cause, an employer may not submit evidence at a hearing if it failed to provide the documents requested by OLSE prior to the issuance of a DOV. Even though this was a procedural parameter and given OLSE spent a fair amount of time in its pre-hearing statement responding to the arguments raised in the appeal notice, it was fair to consider the prior back and forth correspondence between the parties as well as the additional points of rebuttal made by the OLSE witnesses.

During the hearing, Mr. Henry repeatedly objected to moving forward, arguing that he had been unable to secure counsel and requested a continuance. In this regard, it is important to note that his original attorney withdrew just weeks before the scheduled hearing. Subsequently, a second attorney contacted the Plaintiff to state that they were representing the Appellant, only to withdraw a few days later. A third attorney made contact the day before the hearing but withdrew that same evening. A prior continuance had been granted to Appellant while he was between counsel.

At the hearing, OLSE objected to continuance and the continuance request was denied. After reviewing an itemized summary of the numerous contacts between the parties regarding the Appellant's representation and scheduling, the Hearing Officer found there was no good cause to delay the hearing process any further. As OLSE noted, it was the Grotto's appeal and it was up to them to proceed and prosecute it. The goal of the investigation and then hearing process was to ensure the complaints are promptly addressed. OLSE was more than flexible in trying to accommodate the Appellant.

During the online hearing, Mr. Henry dropped off from the call. When that occurred, the hearing was recessed for a period of time. Multiple attempts were made then and later after the hearing resumed to re-establish contact. Although voice messages were left, there was no

indication Mr. Henry tried to call back or subsequently give a reason why he had been unable to remain online. After presentation of the Respondent's case in chief, the hearing was adjourned.

In short, despite being given ample opportunity to do so, the Appellant provided little, if any, evidence of its compliance with the HCSO, either before or during the hearing, and thus did not carry the burden imposed on it by HCSO Rule 10. This failure to prove compliance is enough to provide the basis of the Hearing Officer's decision. However, for the sake of discussing the evidence and argument put forth by OLSE, Appellant's three bases for appeal are also addressed, and rejected, below.

1. What was the Number of Individuals Employed by Appellant During the Audit Period the Audit Period

Prior to making a finding as to whether an employer complied with the contribution and reporting provisions of the HCSO, it is necessary to determine the number of people it employed during the Audit Period. The HCSO requires those with 20 or more employees working in San Francisco to make certain minimum required health care expenditures. Entities with more than a hundred employees are required to expend even more.

In its initial response, the Appellant argued it was not required to make any such contributions for the Audit Period because its restaurant was either closed or only had two or three employees working because of the COVID-19 pandemic. The Appellant failed to present any payroll records to support its arguments. Since the Grotto did not respond to the information request, OLSE subpoenaed ADP which had been their payroll processor for part of the Audit Period (Ex 28). From the voluminous payroll records ADP provided, OLSE was able to create a spreadsheet which listed some 43 individuals on the payroll during at least part of the Audit

Period. In addition, each of the three witnesses confirmed the great majority of those listed on the spreadsheet had worked in the restaurant.

In some correspondence exchanged with OLSE, counsel for Appellant represented several reasons why the Grotto was unable to produce the requested payroll documentation. They represented the bookkeeper, who had provided services during the time in question, could not be located and might have left town (Ex 13). In their October 11, 2024 letter, the Appellant also claimed they had tried to get payroll records from ADP, but none were produced. It was their representation the vendor would delete such records from the system if the account was inactive for more than six (6) months. At no time did the Appellant give an explanation why, if such record retention policy or procedure at ADP existed, was OLSE able to get the sought after payroll information from that same source.

Further, after Appellant failed to respond to OLSE's request for ownership information, OLSE reviewed court documents and other public records and discovered that Appellant shared common ownership with several restaurants. Taken together, OLSE believed these affiliated entities – Herringbone Tavern, another establishment located in San Francisco, and a third in Sausalito – together employed up to 250 people (Ex 32, 33-39). As such, OLSE considered the Grotto to be a large employer for purposes of the HCSO.

In sum, with the payroll data provided, the research concerning shared ownership, and the supplemental testimony presented by three of their former employees, the Grotto's contention they had less than 20 employees during the Audit Period was unpersuasive.

2. Did the Grotto make all the required health care expenditures and timely submit the mandatory 2021, 2022 and 2023 HCSO Annual Reporting forms?

As an employer with over 20 employees, the Grotto was subject to certain provisions of the HCSO. They included providing and/or contributing to health care benefits for its employees. Prendiville, who was involved in the investigation of the Grotto, testified the Appellant had responded to OLSE inquiries claiming it had made such payments or there was good reason why such payments were not made.

Again, the Grotto has the burden of proving compliance with these HCSO provisions. At no time during the investigation or appeal process (in the form of a pre-hearing statement or otherwise) did the Grotto produce any documents which evidenced that such payments were made or present some persuasive reason for failing to make the requisite health care contributions.

HSCO Rule 7.2(c) provides that OLSE may, in certain circumstances, rely on testimony and other evidence in calculating the health care expenditure. All three former employees either testified and/or represented in their Health Case Security Ordinance (HCSO) Complaint form that no payments or reimbursement for health care expenses were made on their behalf by the Grotto (Ex 7). During its investigation, OLSE could not find any evidence of compliance during the selected Audit Period of 2021-2023. As to the possibility they may have done so, Prendiville testified that OLSE went so far as to check San Francisco City Option records but could not find any payments into that plan by the Appellant since 2019 (Ex 19).

During the hearing, Mr. Henry represented he was not involved in the day-to-day operations of the business. Mr. Henry also claimed he was never advised of the violations until he hired an attorney. Despite these representations, the Appellant clearly had knowledge of the requirement to make the contributions required by the HCSO, having done so in the past. More telling as to Appellant's awareness of an ongoing requirement was the fact it continued to charge

customers for such employee health care costs. OLSE was in possession of a paid receipt during the Audit Period which itemized a 4% surcharge for “Health SF” (Ex 5 & 20). The Appellant failed to explain why, if it collected such amounts from customers, it did not use those funds to make the requisite health care contributions for its employees. All three former employees who testified stated that they received no such coverage and/or reimbursement for any health care expense from their employer.

During the investigation and appeal process, it was unclear if the Appellant was taking the position that it had completed the 2021, 2022 and 2023 HCSO Annual Reporting forms. OLSE could find no such records. The Grotto, which again bore the burden of proving compliance in this proceeding, did not produce any document to confirm that they had completed and submitted these forms as required.

3. Was Jesus Cardoza an independent contractor or employee during the Audit Period?

It is well established that under what in California is known as the ABC test, one who performs work for a hiring entity is considered to be an employee unless all three of the following conditions are met: 1) the individual was free from the control and direction of the hiring entity; 2) the individual performed tasks outside the usual course of the hiring entity’s business; and 3) the individual was customarily engaged in an independently established trade or business.

The burden of proof as to whether one meets all three of these test elements rests with the hiring entity (Labor Code 2775). In this instance, the Appellant did not produce any witness or documentation to show that any of the conditions under the ABC test were met. On the other hand, OLSE presented witnesses and documentation to support its assertion there was an

employee/employer relationship between Cardoza and the Grotto. Although the three former employees presented somewhat different pictures as to what Cardoza's duties and responsibilities were in the restaurant, each of them verified he worked in the kitchen in some capacity whether as the chef and/or manager.

Cardoza did not testify but OLSE was able to verify through ADP's records that he was paid wages, had taxes withheld, and was otherwise treated as an employee.

4. Calculating the Amounts Owed

Using the payroll data from ADP as well as information provided by several employees, OLSE calculated the amount of restitution owed by the Grotto to its employees during the Audit Period (Ex 6). On July 2, 2025, OLSE sent a DOV to the Grotto which ordered them to pay \$129,704.16 in restitution to 43 workers (Ex 1). Also included in that transmittal was an order for them to pay \$13,992.54 in penalties for failing to make the required health expenditures mandated by the HCSO and an additional \$6,000 for not submitting the mandatory Annual Reporting Forms for 2021, 2022, and 2023 (Ex 1).

During the hearing, OLSE represented that the restitution amounts were "conservative" in that they might well have been higher had they been able to secure additional employee wage information for when ADP was not the payroll processor. Despite the Grotto's assertion that the claims were "overblown," there was no reason to call into question the accuracy of OLSE calculated amounts. The Grotto did not present any payroll data or other documents to support any reduction.

Mr. Henry stated he had little to do with the day-to-day operation of the business and was ready to discuss the matter further. Based on that representation, OLSE was asked to contact him before the Hearing Officer's decision was rendered to discuss possible resolution. With the

additional information provided during the appeal/hearing process further discussion might lead to some type of resolution. To date, the Hearing Officer has not received any change in the position of the parties.

FINDINGS OF FACT

1. In December 2023 and early January 2024, OLSE received complaints from several individuals who worked for, or had worked for, the Grotto. It was their contention that their employer did not provide any health care benefits.
2. On January 9, 2024, OLSE opened an investigation and sent a “Notice of Potential Violations (“NOPV”) to Appellant notifying it that OLSE was looking into whether Appellant was in compliance with the HCSO during the Audit Period running from October 1, 2020 through September 30, 2023. As part of the investigation, OLSE asked for certain payroll documentation to be produced.
3. A second NOPV was sent on February 13, 2024 with a March 14, 2024 deadline for submissions of the requested documentation.
4. On June 25, 2024, OLSE sent a subpoena which requested the Grotto provide additional information as to ownership structure, a list of their employees who worked in San Francisco, and evidence of HCSO compliance.
5. On December 31, 2024, OLSE sent a subpoena to ADP, a former payroll processor for the Grotto. ADP subsequently produced payroll data reports and summaries for 2021 through 2023.
6. OLSE checked the San Francisco City Option records but did not find any payment by the Grotto to that plan after 2019.
7. The Grotto employed more than 20 people during the Audit Period and was covered by the provisions of the HCSO.

8. Jorge Molina and Luis Molina provided OLSE with pay stubs clock out receipts which demonstrated hours worked at the Grotto. Also provided was a customer receipt which showed that their employer had included a 4% surcharge for Health SF.

9. On July 2, 2025, OLSE sent a DOV to the Grotto based on accumulated payroll data and information from public records. The notice ordered the Grotto to pay \$129,704.16 in restitution payments to 43 workers. They also ordered the Grotto to pay \$13,992.54 in penalties for failing to make the required health expenditures and an additional \$6,000 for failing to file the mandatory 2021, 2022, and 2023 Annual Reporting Forms.

10. On July 24, 2025, the Controller's Office received an appeal of the DOV from the Grotto.

11. After granting the Grotto several extensions, a hearing on the appeal was held on December 16, 2025.

CONCLUSIONS OF LAW

1. The Grotto was a large employer for purposes of the HCSO.

2. The Grotto failed to comply with the HCSO because it did not make any of the health care expenditures required by the HCSO during the Audit Period.

3. The Grotto failed to comply with the HCSO because it did not submit HCSO Annual Reporting forms as required for the calendar years of 2021, 2022 and 2023.

4. Jesus Cardoza was an employee working for the Grotto and not an independent contractor during the Audit Period.

5. OLSE can investigate and enforce provisions of the HCSO. Employers who violated the HCSO can be required to pay restitution to the affected employee(s) and are subject to an administrative penalty of up to one and one-half times the total expenditures the employer failed to make, not to exceed \$100 per employee per quarter. Under the HCSO, OLSE can also seek a

penalty of \$400 per quarter in those instances when an employer failed to submit the required annual reports. The amounts requested in the DOV were within these penalty parameters.

DETERMINATION

Wherefor all the evidence having been heard and considered, it is the determination of this Hearing Officer that:

1. Appellant failed to prove by a preponderance of the evidence that the basis for the July 2, 2025 DOV was incorrect.
2. Appellant failed to prove that it complied with the HCSO during the Audit Period.
3. The Appellant shall pay the following amounts of wages and penalties consistent with the DOV a total payment of \$181,609.20, including \$129,414.46 in total back wages owed to workers and \$19,991.54 in administrative penalties. Such funds shall be distributed as appropriate and required by applicable law.
4. This decision is final. The sole means of review of the Hearing Officer's decision shall be by filing in the San Francisco Superior Court a petition for a writ of mandate under Section 1094.5 of the California Code of Civil Procedure.

Dated: January 21, 2026

BY: /s/ Stephen Biersmith
Hearing Officer Stephen Biersmith