

The Tasting MENU

APPETIZERS

Hold the Breaks – Prospective Meal Break Waivers Permitted

Under California law, employees can waive their (1) meal break if the employees work fewer than six hours, or (2) second meal break if they work more than 10 hours, but fewer than 12, if they took a first meal period. Many employers inform employees of this option and obtain employee consent by providing a prospective meal break waiver. Plaintiffs in a recent case, *Bradsbery v. Vicar Operating*, challenged the use of these “blanket” prospective waivers, arguing that the defendant employer was required to enter into a separate agreement for each and every meal period waived. The California Court of Appeal rejected this theory and affirmed that employers may continue to use single agreement, prospective meal period waivers so long as they are revocable by the employee at any time—a win for employers and restaurants in particular, which have long been the targets of meal and rest break litigation. Read more on our [blog](#), or contact [Paul Cowie](#) and [Gal Gressel](#).

Claims Against Dunkin’ Donuts Had Holes

Private litigants have entered the fight against so-called junk fees. In *Taferner v. Inspire Brands*, No. 2:24-cv-05711 (C.D. Cal.), plaintiff, on behalf of a putative class, alleged that defendants charged dine-in or other hidden fees at Dunkin’ branded franchises pursuant to a nationwide corporate policy—fees that were not disclosed to consumers prior to purchase. The court ultimately dismissed the complaint, but primarily on grounds that the court lacked personal jurisdiction over defendants and plaintiffs lacked standing. The court’s decision not to address the merits of the claims leaves the door open for plaintiffs to plead that similar fees or surcharges constitute violations of California’s Unfair Competition Law and Consumers Legal Remedies Act (among other causes of action). At a time when junk fees have come under increasing scrutiny from legislators, regulators, and now, the plaintiffs’ bar, companies should take inventory of their pricing hygiene and ensure that any fees or surcharges are conspicuously disclosed to consumers. Contact [Joy Siu](#) for further details.

Restaurant Work | Task Force

The Sheppard Mullin Restaurant Task Force is a vertically integrated team of attorneys who coordinate their institutional knowledge of the restaurant industry and legal expertise to provide seamless representation. The team delivers a full menu of resources on matters that particularly affect the restaurant industry, including counseling clients through acquisitions, joint ventures and fund formation, franchise, supplier, and distribution agreements, data privacy, labor and employment, financing, bankruptcy and restructurings, ADA, and lease issues. The Tasting Menu is a collection of emerging issues we see impacting this industry.

MAINS

Skip the Trip to Amsterdam: Dine & Puff in California

Assembly Bill 1775, which took effect on January 1, 2025, allows certain cannabis retailers in California to prepare and sell non-cannabis food and drinks, as well as host and sell tickets to live events at the retailer’s licensed premises. The key provisions of the new law are detailed in subsection (g) of Business and Professions Code Section 26200. The new law significantly expands the ability of cannabis retailers to create a social environment where consumers can enjoy cannabis alongside non-cannabis food and drinks, as well as entertainment. Previously, cannabis retailers could only sell prepackaged food and beverages if the local jurisdiction authorized it. However, this new development does not come without strict laws and regulations. For example, non-cannabis food or beverages cannot be contaminated or commingled with any cannabis products sold/served, no alcoholic beverages may be consumed in the cannabis cafe/lounge, and only persons 21 or older have access to the area where cannabis consumption is allowed. Additionally, the activities permitted under the new law require prior approval from local authorities unless a municipality specifically allows for such cafes/lounges, and strict health and safety standards are imposed (including maintaining proper ventilation systems and limits on serving sizes and potency levels for cannabis products). Businesses should aim for strict compliance with California’s laws and regulations with respect to these cafes/lounges as penalties for non-compliance could be substantial. Reach out to [Anurita Varma](#) for more information.

Kraft Heinz Unwinds Its Merger

On September 2, 2025, Kraft Heinz announced a plan to split into two independent, publicly traded companies via a tax-free spin-off, reversing its 2015 merger. Global Taste Elevation Co. will focus on shelf-stable meals and sauces, including Heinz and Kraft Mac & Cheese, with projected sales of \$15.4 billion. North American Grocery Co. will center on staple brands such as Oscar Mayer and Lunchables. The split, unanimously approved by the board, is expected to close in late 2026. The move follows similar industry trends, like Kellogg’s and Keurig Dr Pepper’s separations. Contact [Ana Ramirez](#) for details.

DESSERTS

The trend of stepped-up immigration enforcement continues. ICE is more likely than in the past to show up at an establishment, though it remains unlikely at any single location. Here are some quick bites to prepare for and respond to these situations:

- Use approved digital I-9 software to complete your I-9’s
- If you get an I-9 audit, ask for an extension.
- E-Verify frequently does not catch stolen identities. Avoid it unless required by state or federal law.
- If ICE comes to arrest an employee, ask to see the warrant.
- If it’s a civil warrant (signed by a DHS employee, not a judge), ask ICE to remain in the lobby.
- If it’s a criminal warrant (signed by a judge), allow the agents to do their job.
- Anytime ICE shows up, contact counsel.

Contact our [Immigration Investigations and Compliance Team](#) for assistance.

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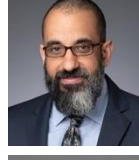
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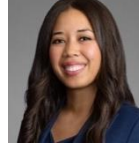
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