

File No. 240773

Committee Item No. _____

Board Item No. 62

COMMITTEE/BOARD OF SUPERVISORS

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Committee: _____
Board of Supervisors Meeting

Date: _____
Date: July 23, 2024

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- Form 126 – Ethics Commission
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OTHER

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Prepared by: Lisa Lew

Date: July 19, 2024

Prepared by: _____

Date: _____

1 [Supporting Workers Exploited at Subway Franchises in San Francisco]

2

3 **Resolution supporting workers at Subway franchises in San Francisco who have been**
4 **denied minimum wages, overtime wages, and breaks, and urging these Subway**
5 **franchises to pay all current and former workers the wages stolen from them and to**
6 **immediately comply with state minimum wage laws mandating payment of at least \$20**
7 **per hour to all workers for all hours worked.**

8

9 WHEREAS, Subway is a multinational fast food restaurant corporation specializing in
10 sandwiches and wraps, that is valued at nearly \$10 billion; and

11 WHEREAS, Marta Gebreslasie and Christopher Van Buren own two companies,
12 Marvan Enterprises, Inc. and Van Buren Enterprises, Inc., which do business as Subway
13 franchises; and

14 WHEREAS, Marvan Enterprises, Inc. and Van Buren Enterprises, Inc. together operate
15 seven Subway restaurants in San Francisco, located at 1400 Mission Street, Suite 131; 1500
16 Fillmore Street; 1501B Sloat Boulevard; 376 Larkin Street; 388 Market Street; 5650 Geary
17 Boulevard; and 595 Buckingham Way, Suite 587; and

18 WHEREAS, Multiple workers at these stores have made allegations that they
19 experienced egregious wage theft, including, but not limited to: being paid at a sub-minimum
20 wage rate of \$13 or \$14 per hour; not receiving their wages at all; and being denied overtime
21 wages; and

22 WHEREAS, Multiple workers at these stores also allege that they have not been
23 permitted to take meal and rest breaks as required under California law; and

24

25

1 WHEREAS, The majority of workers at these seven San Francisco Subway franchises
2 are recently-arrived immigrants, a community that is vulnerable and often exploited in the
3 workplace; and

4 WHEREAS, The California Department of Industrial Relations Bureau of Field
5 Enforcement has found that both Marvan Enterprises, Inc. and Van Buren Enterprises, Inc.
6 violated state and local minimum wage laws, violated overtime laws, failed to provide or pay
7 sick leave, and failed to provide employees with wage statements on each pay date; and

8 WHEREAS, The California Department of Industrial Relations Bureau of Field
9 Enforcement has issued Notices to Discontinue Labor Law Violations to both Marvan
10 Enterprises, Inc. and Van Buren Enterprises, Inc.; and

11 WHEREAS, The State of California and the City and County of San Francisco have
12 enacted some of the strongest labor laws in the United States, and both the State and the City
13 encourage workers to speak up to ensure that their rights under those laws are enforced; and

14 WHEREAS, Despite these protections, the employment rights of fast food workers
15 continue to be violated at unacceptably high rates; and

16 WHEREAS, The failure by some employers to comply with state and local labor laws
17 allows them to gain an unfair and illegal competitive advantage with respect to other similar
18 businesses, and therefore harms other law-abiding businesses; and

19 WHEREAS, This is not the first instance of serious labor violations at local Subway
20 restaurant locations; and

21 WHEREAS, In 2021, an investigation by the U.S. Department of Labor found that a
22 separate set of Subway franchises in the San Francisco Bay Area illegally hired underage
23 workers, withheld tips, and failed to pay regular wages to their staff; and

24 WHEREAS, Another recent lawsuit against a separate set of Subway franchises in
25 Northern California alleged that 3,000 workers were severely underpaid; now, therefore, be it

1 RESOLVED, That the City and County of San Francisco supports all workers at
2 Subway franchises Marvan Enterprises, Inc. and Van Buren Enterprises, Inc., in particular
3 those who have spoken up to demand that they be paid at least the minimum wage, that they
4 be paid overtime wages for overtime hours worked, that they be provided with and paid for
5 sick leave, and that they be permitted to take breaks authorized by law; and, be it

6 FURTHER RESOLVED, That the San Francisco Board of Supervisors strongly advises
7 Marvan Enterprises, Inc. and Van Buren Enterprises, Inc. against taking any retaliatory
8 actions against any workers who have spoken up about their rights to receive wages and
9 other rights, as such retaliatory acts would be unlawful; and, be it

10 FURTHER RESOLVED, That the San Francisco Board of Supervisors urges Marvan
11 Enterprises, Inc. and Van Buren Enterprises, Inc. to immediately come into compliance with
12 state and local labor laws by paying all workers at least \$20 per hour, by paying overtime
13 wages for overtime hours worked, by providing and paying workers for sick leave, and by
14 permitting all workers to take legally required breaks; and, be it

15 FURTHER RESOLVED, That the San Francisco Board of Supervisors urges Marvan
16 Enterprises, Inc. and Van Buren Enterprises, Inc. to compensate all former and current
17 workers for all wages and penalties owed to them under the law; and, be it

18 FURTHER RESOLVED, That the San Francisco Board of Supervisors urges The
19 Subway Group, the variety of companies doing business as Subway at the multinational and
20 national levels, to take affirmative steps to prevent violations of state and local labor laws at all
21 of its franchise locations; and, be it

22 FURTHER RESOLVED, That the San Francisco Board of Supervisors directs the Clerk
23 of the Board to transmit a copy of this Resolution upon adoption to Van Buren Enterprises,
24 Inc., a California Corporation; Marvan Enterprises, Inc., a California Corporation; and The
25 Subway Group's Franchise World Headquarters.

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquiries..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: