HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

October 8, 2025

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Michele Petersen v. AYA Healthcare Services, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Ms. Michele Petersen ("Ms. Petersen") in claims arising from her employment with AYA Healthcare Services, Inc., a Delaware Corporation; and DOES 1 through 100 ("Defendants"). Ms. Petersen is an "aggrieved employee" within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate a travel nurse staffing agency in California. Ms. Petersen worked as a travel nurse through Defendants from 2023 until approximately February 2025, during which she was assigned to multiple hospitals, including facilities located in Pasadena and Loma Linda. Ms. Petersen's standard work schedule was a 12 hour shift, 3 days a week. Unless otherwise specified, all allegations herein occurred during Ms. Petersen's employment with Defendants.

Defendants failed to compensate Ms. Petersen and other aggrieved employees for all hours worked, including time under Defendants' control and/or time suffered or permitted to work. Although Defendants utilize an electronic timekeeping system, it does not accurately record all compensable hours. Ms. Petersen frequently performed work after clocking out from her shifts, including charting and completing required patient documentation to ensure continuity of care. Defendants knew or should have known that employees regularly performed this off-the-clock work but failed to pay them for it. As a result of these timekeeping practices, Ms. Petersen and other aggrieved employees were denied minimum, overtime, and double-time wages owed to them.

Ms. Petersen routinely worked in excess of 8.0 hours per workday and/or 40.0 hours per workweek but did not receive overtime compensation equal to one and one-half times her regular rate of pay for those overtime hours. Ms. Petersen also routinely worked in excess of 12.0 hours per workday but did not receive double-time compensation equal to two times her regular rate of pay for those double-time hours. Ms. Petersen and other aggrieved employees earned non-discretionary incentive bonuses, shift differentials, per diem payments, sick pay, meal period premiums, rest period premiums, and other forms of pay that cannot be excluded from the regular rate of pay as a matter of law (hereinafter collectively referred to as "Incentive Pay"). As a result of paying Incentive Pay, Defendants failed to properly calculate the regular rate of pay in pay periods when both Incentive Pay was earned and overtime, double-time, sick pay, or meal and rest period premium wages were paid, resulting in underpayment of wages owed to Ms. Petersen and other aggrieved employees.

Defendants failed to provide Ms. Petersen and other aggrieved employees with legally compliant meal periods due to unlawful meal period policies and practices that did not provide timely, uninterrupted, duty-free 30.0-minute meal periods before the end of the fifth hour of work. Specifically, Defendants failed to provide a "net" 30.0-minute meal period as required by law, for the same reasons discussed below regarding rest periods. Defendants also failed to account for the time Ms. Petersen and other aggrieved employees were required to walk to and from the designated rest area after clocking out and before clocking in, thereby reducing their meal periods to less than 30.0 minutes "net" away from their workstations. Defendants further failed to provide Ms. Petersen and other aggrieved employees with compliant second meal periods on shifts exceeding 10.0 hours. As a result, Ms. Petersen and other aggrieved employees did not always receive one additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants maintained unlawful rest period policies and practices that failed to authorize and permit Ms. Petersen and other aggrieved employees to take duty-free 10.0-minute rest periods for every four hours worked, or major fraction thereof. Due to work demands imposed by Defendants, Ms. Petersen and other aggrieved employees were often unable to take legally compliant rest periods. On occasions when rest breaks were taken, Defendants failed to authorize and permit a "net" 10.0-minute rest period for every four hours worked, or major fraction thereof. Under California law, Defendants are required to authorize and permit a "net" rest period of 10-minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. *See e.g.*, Division of Labor Standards Enforcement Manual ("DLSE Manual") §45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual § 45.3.3 for the proposition that "the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest"); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time"). As with meal periods, Defendants only authorized and permitted rest periods of exactly 10.0 minutes, beginning the moment employees left their workstations and requiring them to return by the end of the 10.0 minutes. However, after leaving their workstations, Ms. Petersen and other aggrieved employees were required to walk to and from the designated rest area, thereby reducing their rest periods to less than 10.0 minutes "net" away from their workstations. Defendants also failed to authorize and permit second and third 10.0-minute rest periods on shifts exceeding 10.0 hours, as required by California law. On occasions when Ms. Petersen and other aggrieved employees were not authorized and permitted to take all lawful rest periods to which they were entitled, Defendants failed to pay one additional hour of premium pay at the employees' respective regular rates of pay for each workday in which a rest period violation occurred, as required by Labor Code § 226.7.

Defendants failed to reimburse Ms. Petersen and other aggrieved employees for the use of their personal cellular phones for necessary work activities, as required by Labor Code § 2802. Defendants required Ms. Petersen and other aggrieved employees to use their personal cellular phones to communicate with coworkers and supervisors regarding work-related matters. Despite requiring such use, Defendants did not reimburse Ms. Petersen and other aggrieved employees for a reasonable portion of their monthly cellular phone bills, as required by *Cochran v. Schwan's Home Service, Inc.*, (2014) 228 Cal.App.4th 1137.

As a result of Defendants' failure to accurately compensate Ms. Petersen and other aggrieved employees for all minimum and overtime wages, meal and rest period premium wages, and sick-pay wages, Defendants maintained inaccurate payroll records, issued non-compliant itemized wage statements, and failed to pay all final wages owed upon separation of employment.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 4 ("Wage Order 4"):

<u>Overtime Wage Violations</u>

Defendants were required to properly pay Ms. Petersen and members of the Overtime Class for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 4. Wage Order 4, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per work day and/or in excess of 40 hours of work in the workweek. Wage Order 4, § 3 also requires an employer to pay an employee double the employee's regular rate of pay for work in excess of 12 hours each workday and/or for work in excess of 8 hours on the seventh consecutive day of work in the workweek. Defendants caused Ms. Petersen and other aggrieved employees to work overtime hours but did not compensate Ms. Petersen or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

<u>Minimum Wage Violations</u>

Wage Order 4, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Ms. Petersen and members of the Minimum Wage Class for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 4.

Meal Period Violations

As alleged above, Defendants failed to provide Ms. Petersen and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 4, § 11. As a result, Ms. Petersen and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As described above, Defendants also failed to authorize and permit Ms. Petersen and other aggrieved employees to take all required and compliant rest periods. See Labor Code §§ 226.7 and 516; Wage Order 4, § 12. As a result, Ms. Petersen and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Failure to Reimburse Necessary Business Expenses

Defendants failed to indemnify Ms. Petersen and the members of the Reimbursement Class for all necessary business expenses incurred, including, among other things, personal cellular phone usage. As a proximate result of Defendants' policies and/or practices in violation of Labor Code §§ 2802 and 2804, Ms. Petersen and members of the Reimbursement Class are entitled to damages, attorneys' fees and costs of suit, and interest thereon, in sums to be shown according to proof at trial, pursuant to Labor Code §2802.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Ms. Petersen and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq*.

Defendants' failures in furnishing Ms. Petersen and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

<u>Waiting Time Penalties</u>

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Ms. Petersen and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Ms. Petersen and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

As an "aggrieved employee", Ms. Petersen will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Ms. Petersen's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Ms. Petersen and other aggrieved employees all overtime compensation earned;

b. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Petersen and other aggrieved employees the statutory minimum wage for all hours worked;

c. Defendants violated Labor Code §§ 226.7, 512, and 558, by failing to provide meal periods to Ms. Petersen and other aggrieved employees as required by law and failing to pay meal period premiums to Ms. Petersen and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Ms. Petersen and other aggrieved employees to take all lawful rest periods to which they are entitled, and failing to pay rest period premiums to Ms. Petersen and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

e. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Petersen and other aggrieved employees for all work-related expenses incurred;

f. Defendants violated Labor Code § 226 by failing to furnish Ms. Petersen and other aggrieved employees with accurate and compliant itemized wage statements;

g. Defendants violated Labor Code § 201-203 by failing to pay all final wages owed to Ms. Petersen and other aggrieved employees upon separation of employment;

h. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Ms. Petersen and aggrieved employees; and

i. Defendants violated Labor Code § 204 by failing to pay Ms. Petersen and other aggrieved employees all wages earned at least twice during each calendar month.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC

Andrew J. Rowbotham

cc: AYA Healthcare Services, Inc., c/o CSC Lawyers Incorporating Service, agent for service of process, 2710 Gateway Oaks Drive, Ste. 150N, Sacramento, CA 95833 (via certified mail)