
February 13, 2023

VIA ONLINE FILING

Natalie Palugyai, Secretary
California Labor and Workforce Development Agency

VIA CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Starbucks Corporation
2401 Utah Avenue S.
Ms: S-La1 Suite 800
Seattle, WA 98134

CSC - Lawyers Incorporating Service
2710 Gateway Oaks Dr Ste 150N
Sacramento, CA 95833

Starbucks LLC
1728 Goldentree Dr.
San Jose, CA 95131

LEGALZOOM.COM, INC.
101 N Brand Blvd., 11th Floor
Glendale, CA 91203

Starbucks Coffee Company
429 Los Cerritos Center
Cerritos, CA 90703

Re: Raycine Michelle Sanchez vs. Starbucks Corporation

To Whom It May Concern:

This office represents Raycine Michelle Sanchez (“Claimant”) who was employed by Starbucks Corporation and related entities (collectively “Respondents”). This letter is notice, and a request, pursuant to Labor Code §2699.3 that your agency investigate the claims in this impending civil action. If the agency does not intend to investigate the alleged violations, we specifically request such notification to allow Claimant to file a civil action to pursue PAGA claims.

This action is brought on behalf of Claimant and all aggrieved employees at all of Respondents’ locations in California (referred to herein as “similarly situated employees”), to recover penalties for unlawfully withheld wages for unpaid minimum and overtime wages, unlawfully withheld wages for meal and rest period violations, payroll reporting violations, and violations of other California laws, as well as other statutory penalties and damages owed to Claimant by Respondents.

Continuously during the year prior to the date of this notice, prior to that, and continuing through the pendency of this claim, Respondents engaged in the following main violations:

- (1) Failed and continue to fail to pay Claimant and other similarly situated employees all minimum wages due;
- (2) Failed and continue to fail to pay Claimant and other similarly situated employees overtime pay (one and a half times their hourly rate) for their work over eight hours per day and 40 hours per week and double-time pay (two times their hourly rate) for their work over 12 hours per day;
- (3) Failed and continue to fail to allow Claimant and other similarly situated employees to take an uninterrupted, statutorily required 30-minute meal period every for five hours and 10-minute rest period every four hours of work, or major fraction thereof, and failed to provide the wages and premiums due for missed meal periods and rest periods on a daily basis; and
- (4) Failed and continue to fail to provide Claimant with accurate, itemized wage statements reflecting actual wages, overtime, and meal/rest period premiums.

All of the above violations were suffered by Claimant and similarly situated non-exempt, aggrieved employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice and continuing throughout the pendency of this claim.

Failure to Pay Minimum Wages

Pursuant to California Labor Code Sections 558, 558.1, 1182.12, 1194, 1197, and IWC Wage Orders, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Respondents failed to pay Claimant and all similarly situated non-exempt employees minimum wages for all hours worked. First, Respondents routinely interrupted Claimant and all similarly situated non-exempt employee's meal breaks with work related activities while Claimant was clocked out and did not pay Claimant minimum wages for the time she spent working off the clock. Second, at all relevant times, Respondents required Claimant and all similarly situated non-exempt employees to go through a COVID-19 "clearing process" before beginning their shifts each day and *before clocking in*. Claimant's manager instructed Claimant to complete the clearing process before clocking in. Respondents did not pay Claimant and similarly situated non-exempt employees minimum wages for time spent going through the clearing process. Claimant alleges on information and belief that Respondents also may have used a rounding system that diminished the amount of pay of aggrieved employees as it relates to some of the aforementioned practices detailed throughout this notice.

Respondents are liable to Claimant for all minimum wages unlawfully withheld, waiting time penalties, and any other penalties imposed by the Labor Code which include but are not limited to, interest, and attorneys' fees and costs.

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

Failure to Pay Overtime Compensation

Respondents have violated Labor Code section 510 and are subject to Labor Code sections 1194 and other relevant Labor Code sections such as 558, 558.1, 1194, 1194.2, 1194.3, 1197, 1198, and other pertinent sections of the Labor Code. Labor Code section 510 provides that any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee and any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. Labor Code section 1194

provides that any employee who receives less than the legal overtime compensation due said employee is entitled to recover in a civil action the full amount of the overtime compensation, interest on said compensation, and reasonable attorneys' fees and costs of suit.

Respondents have violated the Labor Code section by not paying Claimant and all similarly situated employees rightfully earned overtime pay for their working more than 8 and 12 hours per day and more than 40 hours per week on a daily and weekly basis. Claimant and other aggrieved, similarly situated employees regularly worked shifts in excess of daily eight hours, without being fully compensated with all overtime premiums due and owing due to working off the clock, as described in the section above.

As a result of Respondents' failure to pay Claimant's rightfully earned overtime pay, Respondents are liable for all back overtime pay, waiting time penalties, and any other penalties imposed by the Labor Code which include but are not limited to, interest, and attorneys' fees and costs.

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice and continuing throughout the pendency of this claim.

Failure to Provide Meal and Rest Periods

Respondents violated Labor Code sections 226.7 and 226.2 by not providing Claimant, and similarly situated non-exempt employees, with a legally required uninterrupted ten-minute rest period during each four-hour segment of work, or major fraction thereof, as required by California law. Respondents further violated Labor Code sections 226.7 and 512 by not providing Claimant, and similarly situated non-exempt employees, with an uninterrupted meal period of not less than 30 minutes for each work period of more than five hours per day and a second uninterrupted meal period of not less than 30 minutes for a work period of more than 10 hours day.

Respondents are liable to Claimant, and similarly situated non-exempt employees, for one hour of additional pay at the regular rate of compensation for each workday that the required rest periods were not provided and one hour of additional pay at the regular rate of compensation for each day that the required meal periods were not provided.

Respondents are also liable for civil penalties pursuant to Labor Code sections 558 and 2698 *et seq.* in the amount of \$50.00 for each pay period during which Claimant was not provided required rest and meal periods for the initial violation; and \$100.00 for each pay period during which Claimant was not provided required rest and meal periods for each subsequent violation. Respondents are also liable for violating Labor Code section 558.1

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

Failure to Furnish Accurate Wage Statements

Labor Code section 226 (a) requires employers to furnish each employee with an accurate statement, which includes but is not limited to, gross wages earned, the total numbers of hours worked, the net wages earned, all deductions and the name and legal address of the employer. Labor Code section 226 (e) provides that if an employer fails to provide a statement complying with section 226 (a), then the employee is entitled to recover the greater of actual damages or \$50.00 for the initial violation and \$100.00 for each subsequent violation, up to \$4,000.00. Respondents failed to furnish and continue to intentionally fail to furnish Claimant and all similarly

situated employees with timely, itemized statements that meet the requirements of Labor Code section 226 (a) because those statements failed to include an accurate itemization of the employees' total hours worked and gross and net wages earned during the applicable time period, as well as all applicable hourly rates in effect during the pay period, and the respective amount of hours worked during those pay periods.

Respondents are therefore liable for all applicable civil penalties pursuant to Labor Code sections 226(a), 226, 226.3, 226.6., 558.1, 1199 and 2698 *et seq.* in the amount of \$250.00 for the initial violation and \$1,000.00 per subsequent violation, or under the default penalties as set forth in Labor Code section 2699 *et seq.*

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

Failure to Maintain Required Records

Under California Labor Code Sections 226(b), 1174, 1199, and IWC Wage Orders, an employer must maintain records of total daily hours worked by each employee, all applicable rates of pay, gross and net wages earned time records showing when each employee begins and ends each work period, including meal periods, and accurate itemized statements.

Here, Respondents knowingly and intentionally failed to maintain records as required under California Labor Code Sections 226, 1174, 1199 and IWC Wage Orders. Specifically, Respondents' failed to pay Claimant and other similarly situated employees: (1) all minimum and overtime wages due for time spent working while clocked out for meal periods and going through COVID-19 clearance procedures; and (2) all wages and premiums due for missed meal periods and rest periods. These violations resulted in Respondents maintaining inaccurate records.

Respondents are therefore liable for civil penalties pursuant to Labor Code sections 226(a), 226, 226.3, 1174, 1174.5, 1199, and 2698 *et seq.* in the amount of \$250.00 for the initial violation and \$1,000.00 per subsequent violation, or as enumerated in the preceding statutes, or the default penalties as set forth in Labor Code section 2699 *et seq.*

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

Failure to Pay Timely Wages During Employment

Pursuant to California Labor Code § 204, for all labor performed between the 1st and 15th days of any calendar month, Respondents are required to pay their nonexempt employees between the 16th and 26th day of the month during which the labor was performed. California Labor Code § 204 also provides that for all labor performed between the 16th and 26th days of any calendar month, Respondents are required to pay their nonexempt employees between the 1st and 15th day of the following calendar month. In addition, California Labor Code § 204 provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday of the next regular payroll period.

Respondents knowingly and willfully failed to pay Claimant, and similarly situated non-exempt employees all the wages earned when due as required by California Labor Code § 204.

Pursuant to California Labor Code § 210, failure to pay the wages of each employee as provided in California Labor Code § 204 will subject Respondents to a civil penalty of: (1) one hundred dollars (\$100) for each failure to pay each employee for each initial violation; and (2) two hundred dollars (\$200) for each failure to pay each employee, plus twenty-five percent (25%) of the amount unlawfully withheld, for each subsequent violation.

Respondents' conduct described herein violates California Labor Code § 204. As a proximate result of the aforementioned violations, Claimant has been damaged in an amount according to proof at trial. Therefore, pursuant to California Labor Code §§ 200, 210, 226, 558, 1194, 1197.1, 2699, and other applicable provisions under the Labor Code and IWC Wage Orders, Claimant is entitled to recover the unpaid balance of wages owed to them by Respondents, plus interest, penalties, attorneys' fees, expenses, and costs of suit.

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

Paid Sick Leave

As a result of the aforementioned violations, Respondents failed to properly provide, make available, and pay for sick leave as required by law. Since it did not even pay full minimum wage for all time worked, Respondents could not have credited and paid paid sick leave in accordance to the law as it relates to Claimant and all aggrieved employees, discriminating against all of them in violation of Labor Code Section 98.6. This violates Labor Code Sections 233, 245 through 248.5, 233, 98.6, amongst other Labor Code sections. In addition, Claimant alleges on information and belief that Respondents failed to properly itemize paystubs, showing amount of expenditures *and* the proper payment of these expenditures of paid sick time, amongst other requirements under these provisions, in addition to Labor Code Section 2810.5 and Labor Code Section 226.

All of the above violations were suffered by Claimant and similarly situated non-exempt employees at all of Respondents' locations in California on a daily basis in the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

Failure to Pay Timely Wages to Discharged and/or Quitting employees

Pursuant to California Labor Code Sections 201, 202, and 203, employers are required to pay all earned and unpaid wages to an employee who is discharged. California Labor Code Section 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately. Furthermore, pursuant to California Labor Code Section 202, Employers are required to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or her employment, unless the employee provided 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or wages at the time of quitting. California Labor Code Section 203 provides that if an employer willfully fails to pay, in accordance with California Labor Code Sections 201 and 202, any wages of an employee who is discharged or who quits, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to 30 workdays.

Respondents have willfully failed to pay accrued wages and other compensation to Claimant after being discharged in accordance with California Labor Code Sections 201 and 202. As a result, Claimant is entitled to all available statutory and civil penalties, including the waiting time penalties provided in California Labor Code sections 203 and 256, together with interest thereon, as well as other available remedies. In the same manner as above, Respondents have failed to pay all similarly situated employees their rightfully earned accrued wages and other compensation upon being discharged or quitting.

All of the above violations were suffered by Claimants and similarly situated non-exempt employees at all of Respondents' locations in California during the entire year preceding the date of this notice, and continuing throughout the pendency of this claim.

* * * * *

Respondents are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We provide notice under the Private Attorney's General Act of 2004, Labor Code sections 2699, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may file a complaint against Respondents for the violations discussed in this letter.

By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency ("LWDA") before he or she can invoke the provisions of § 2699, et seq., by seeking redress in court. (Labor Code § 2699.3(a)(1).) The LWDA must then notify the employer and the employee within 65 calendar days regarding whether it intends to investigate the alleged violation. (Labor Code § 2699.3(a)(2)(B).) If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code section 2699. (Labor Code § 2699.3(a)(2)(A).) It is the intention of this office to file a civil complaint and to bring the appropriate claims under Labor Code section 2699 should your office not address these matters within this time.

Sincerely,

ELKIN | GAMBOA LLP

A handwritten signature in dark ink, appearing to read "Michael Elkin", written over a light blue horizontal line.

Michael Elkin