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February 25, 2021

VIA ELECTRONIC SUBMISSION

Julie A. Su
Acting Secretary
California Labor & Workforce Development Agency
800 Capital Mall, MIC-55
Sacramento, CA 95814

Re: **PALS, LLC, EASTERN LOS ANGELES REGIONAL CENTER, HARBOR
REGIONAL CENTER, INLAND REGIONAL CENTER, and RODNEY
MOJARRO**

California Labor Code section 2698, *et seq.* violations

Dear Ms. Su:

I am writing on behalf of aggrieved employee Eusebio Estrada (“Estrada” or “Plaintiff”). This notice is being made to the Labor & Workforce Development Agency pursuant to the requirement of Labor Code section 2698 *et al.* that Estrada, and other aggrieved employees, who were employed by PALS, LLC (“PALS”), Eastern Los Angeles Regional Center (“ELRC”), Harbor Regional Center (“HRC”), Inland Regional Center (“IRC”) and Rodney Mojarro (“Mojarro”) and collectively and jointly and severally with PALS, ELRC, JRC and IRC referred to hereinafter as “Defendants”) in the job titles of “Direct Support Staff”, “Case Manager”, “Administrator” and “Scheduler” and positions with similar titles/duties (collectively “Aggrieved Employees”) as non-exempt employees.

As set forth herein, Defendants are in violation of numerous sections of the California Labor Code as they pertain to Mr. Estrada and the Aggrieved Employees including California Labor Code §§ 201, 202, 203, 204, 223, 226, 226.7, 227.3, 510, 512, 515, 558, 558.1, 1174, 1175, 1194, 1198, 1199, and 2802.

PALS operates and at all times during the relevant liability period has done business as a provider of various services for adults with developmental disabilities throughout Los Angeles and San Bernardino Counties. In their endeavor, PALS employs nonexempt personnel in California under the titles “Direct Support Staff”, “Case Manager”, “Administrator” and “Scheduler” and positions with similar titles/duties as non-exempt employees and pays them an hourly wage. This notice challenges Defendants’ wage and hour practices as they concern Defendants’ Nonexempt Employees, the Aggrieved Employees. MOJARRO is an “other person

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acting on behalf of an employer” pursuant to California Labor Code § 558.1 and is an owner, director, officer and/or managing agent of PALS and at all times relevant to the instant lawsuit and during the liability period acted in concert with PALS, ELARC, HRC and IRC and was a joint employer with all defendants and is responsible for all injuries and damages suffered by the Aggrieved Employees by Defendants.

ELARC is a private, non-profit organization based in Los Angeles County that partners with PALS and MOJARRO and acts as a “middle man” to PALS and MOJARRO to provide services to adults with developmental disabilities. In its endeavor, ELARC operates its organization by employing hourly paid employees in a joint employment agency relationship with PALS and MOJARRO. Labor Code § 2810.3(b) provides: “A client employer [e.g. ELARC] shall share with a labor contractor [e.g. PALS/MOJARRO] all civil legal responsibility and civil liability for all workers supplied by that labor contractor for both of the following: ... The payment of wages.” This notice alleges that ELARC, PALS and MOJARRO were joint employers of the Aggrieved Employees for all acts alleged herein. This notice also alleges that ELARC is a “client employer” pursuant to Labor Code § 2810.3 and that PALS is a “labor contractor” pursuant to Labor Code § 2810.3.

HRC is a private, non-profit organization based in Los Angeles County that partners with PALS and MOJARRO and acts as a “middle man” to PALS and MOJARRO to provide services to adults with developmental disabilities. In its endeavor, HRC operates its organization by employing hourly paid employees in a joint employment agency relationship with PALS and MOJARRO. Labor Code § 2810.3(b) provides: “A client employer [e.g. HRC] shall share with a labor contractor [e.g. PALS/MOJARRO] all civil legal responsibility and civil liability for all workers supplied by that labor contractor for both of the following: ... The payment of wages.” This notice alleges that HRC, PALS and MOJARRO were joint employers of the Aggrieved Employees for all acts alleged herein. This notice also alleges that HRC is a “client employer” pursuant to Labor Code § 2810.3 and that PALS is a “labor contractor” pursuant to Labor Code § 2810.3.

IRC is a private, non-profit organization based in San Bernardino County that partners with PALS and MOJARRO and acts as a “middle man” to PALS and MOJARRO to provide services to adults with developmental disabilities. In its endeavor, IRC operates its organization by employing hourly paid employees in a joint employment agency relationship with PALS and MOJARRO. Labor Code § 2810.3(b) provides: “A client employer [e.g. IRC] shall share with a labor contractor [e.g. PALS/MOJARRO] all civil legal responsibility and civil liability for all workers supplied by that labor contractor for both of the following: ... The payment of wages.” This notice alleges that IRC, PALS and MOJARRO were joint employers of the Aggrieved Employees for all acts alleged herein. This notice also alleges that IRC is a “client employer” pursuant to Labor Code § 2810.3 and that PALS is a “labor contractor” pursuant to Labor Code § 2810.3.

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Estrada and the Aggrieved Employees of Defendants were: (i) paid an hourly rate; (ii) not paid overtime for hours worked in excess of 8 hours in a day or over 40 in a workweek; and (iii) were eligible for and received performance-based bonuses that varied in amount and were dependent on their work performance. However, in addition to not being paid statutory overtime, the performance-based bonuses earned by the Aggrieved Employees were not included in their regular rate of pay for overtime pay purposes when they worked in excess of 8 hours in a day and were statutorily entitled to overtime pay.

The Aggrieved Employees were also required to be “on call” 24 hours a day to respond to Defendants’ clients’ needs and expectations. Although under the control of Defendants while on-call, the Aggrieved Employees were not paid for such on-call time. Moreover, when the Aggrieved Employees received a call while on-call and outside of regular working hours, and were required to immediately respond to Defendants’ client, the Aggrieved Employees were only compensated for the time spent on the call and did not receive reporting time pay in violation of Labor Code §§ 510, 558, 558.1, 1198 and 1199, as well as 8 Cal. C. Regs 11010 et seq.

The Aggrieved Employees were also not provided legally adequate meal periods and rest breaks consistent with the requirements of the California Labor Code §§ 226.7, 512, 558, 558.1, 1198 and 1199 and the Industrial Welfare Commission Wage Orders. The Aggrieved Employees were required to work in excess of five and ten hours during their workday and did not receive their first or second meal period as required by California law.

With respect to the Aggrieved Employees, Defendants’ compensation and uniform payroll practices during the last year results in the following uniform violations of California state laws:

- It is Defendants’ uniform policy and procedure to not pay statutory overtime to the Aggrieved Employees for hours worked in excess of 8 in a day in violation of Labor Code §§ 204, 1194, 510, 515, 558, 558.1, 1198 and 1199.
- It is Defendants’ uniform policy and procedure to not include all remuneration required under the California Labor Code in calculating the Aggrieved Employees’ regular and overtime rates of pay, including but not limited to the inclusion of bonus amounts into the calculation of their regular rate of pay in violation of Labor Code §§ 201, 202, 203, 204, 223, 510, 558, 558.1, 1194, 1198, and 1199.
- It is Defendants’ uniform policy and procedure to require the Aggrieved Employees to be on-call 24 hours a day, under Defendants’ control, without compensating them for all such time in violation of Labor Code §§ 201, 202, 203, 204, 223, 510, 558, 558.1, 1194, 1198, and 1199.

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- It is Defendants' uniform policy and procedure to not compensate the Aggrieved Employees with reporting time pay when they are required to respond to work for a second time in one workday, on their days off, or prior to their scheduled shift start time in violation of Labor Code §§ 510, 558, 558.1, 1198 and 1199 and 8 Cal. C. Regs 11010 et seq.
- It is Defendants' uniform policy and procedure to present the Aggrieved Employees with inaccurate and improperly itemized wage statements, failing to indicate all of the lawful and/or correct hourly rates of pay and the correct number of hours worked at each applicable hourly rate of pay in violation of Labor Code § 226(a).
- It is Defendants' uniform policy and procedure to not pay out Aggrieved Employees earned vacation and PTO hours at the time of termination of employment in violation of Labor Code § 227.3.
- It is Defendants' uniform policy and procedure to require Aggrieved Employees to utilize and incur the personal expense of their personal motor vehicles, including but not limited to gas, mileage, parking, tolls, tickets, cellphones and data usage, computers and accessories for Defendants' benefit without reimbursement for such reasonably incurred business expenses in violation of Labor Code § 2802.
- As a consequence of the foregoing unlawful uniform policies and practices of Defendants, it is Defendants' uniform policy and practice to not pay all of the Aggrieved Employees' final wages until more than 72 hours after the termination of their employment in violation of Labor Code §§ 201-203.
- It is Defendants' uniform policy and procedure to not provide Aggrieved Employees with legally adequate meal periods in violation of Labor Code §§ 226.7, 512, 558, 558.1 and 1198.
- It is Defendants' uniform policy and procedure to not provide Aggrieved Employees with legally adequate rest breaks in violation of Labor Code §§ 226.7 and 1198.

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This letter sets forth the specific provisions of the California Labor Code and IWC Wage Orders that have been violated by Defendants and the facts and theories supporting those violations pursuant to California Labor Code section 2699.3.

Very truly yours,

GLEASON & FAVAROTE LLP

A handwritten signature in black ink, appearing to read 'Torey Favarote', with a long horizontal line extending to the right.

Torey Joseph Favarote

TJF/ts

cc: PALS, LLC
c/o Agent for Service of Process
Rodney Michael Mojarro
13203 Hadley St., Ste. 104
Whittier, CA 90601

EASTERN LOS ANGELES REGIONAL CENTER
FOR THE DEVELOPMENTALLY DISABLED, INC.
c/o Agent for Service of Process
Gloria Wong
1000 S. Fremont Ave., Bldg A#3, Unit#23
Alhambra, CA 91803

HARBOR REGIONAL CENTER
21231 Hawthorne Blvd.
Torrance, CA 90503

INLAND COUNTIES REGIONAL CENTER, INC.
c/o Agent for Service of Process
Lavinia Johnson
1365 S. Waterman Ave.
San Bernardino, CA 92408

RODNEY MOJARRO
13203 Hadley St., Ste. 104
Whittier, CA 90601