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VIA EMAIL & ELECTRONIC SUBMISSION

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**RE: Our Client: May Alhariri, MD v. TPMG, Inc.
NOTICE OF PAGA CLAIM**

To Whom it May Concern:

My firm represents Mayssoun Alhariri ("Plaintiff") in her claims against The Permanente Management Group, Inc. ("the Company" or "TPMG"). Pursuant to the Private Attorney General Act of 2004, Labor Code Sections 2699, *et seq.* ("PAGA"), Plaintiff hereby provides notice of violations of California statutes including the Labor Code affecting Plaintiff and other former, current, and future similarly aggrieved women and employees of color (employees of non-European American descent), and Middle Eastern (female) employees, who work for the Company in California.

Plaintiff wishes to pursue a PAGA representative action on behalf of herself as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California at all times within the applicable statutory period (hereafter, the "Aggrieved Employees"). Plaintiff and the Aggrieved Employees of Defendant suffered the violations described herein.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Santa Clara County. As such, Defendant is subject to the California statutes, Labor Code and Wage Orders issued by the Industrial Welfare Commission ("IWC")

Plaintiff is an exemplary doctor of Syrian origin. After twenty-two years at TPMG Milpitas and as one of thirty-eight internists at TPMG Milpitas, even in her seniority, she is currently paid the second lowest salary of all other doctors employed as internists in Milpitas.

The Company is aware of this pay inequality has failed to remedy said pay disparities and unlawful job stratification for women and people of non-European descent, including Middle Eastern women like Plaintiff. This constitutes a violation of Labor Code Section 1197.5(a). Labor Code Section 1197.5 prohibits an employer from paying "any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions . . . ," as well as 1197.5(b), which prohibits an employer from paying "any of its employees at wage rates less than the rates paid to employees of another race or ethnicity for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions." Upon information and belief, analysis of the Company's personnel data demonstrates that women and employees of non-European descent are paid less than their counterparts for doing the same or similar work. Upon information and belief, the Company's human resources and compensation departments regularly run pay equity analyses that prove the labor code violations complained of herein and that top leadership is aware of the disparities and has failed to remedy them.

I. Unequal Pay on the Basis of Sex and Race in Violation of Labor Code § 1197.5

The Company pays women, employees of color, and female employees of color, including Plaintiff, less than male and white employees for substantially similar work, and has limited female and non-white employees' career progression through discriminatory compensation and employment policies. The Company's compensation and job evaluation policies lack sufficient standards, quality controls, implementation metrics, transparency, and oversight which lead to unequal pay for the same or similar work.

More specifically, Plaintiff is more experienced in her position than her white and male comparators who have fewer years of experience. These colleagues who are not of Middle Eastern origin with similar job duties and half the level of experience are being paid more than her for doing substantially similar work.

During Plaintiff's twenty-two years with TPMG, her supervisor Dr. Ed Hattler, Chief of Internal Medicine at TPMG Milpitas held annual one-on-one evaluations. During these meetings, Dr. Hattler always complimented her hard work but never warned her of the negative impact of

her Member Patient Satisfaction rating would have on her salary. He always assured her that she was within the \$1,000-\$2,000 range of the average pay in her department. But upon Dr. Hattler's resignation in 2018, Plaintiff found that she was in fact the second lowest paid doctor in her department at the Milpitas location.

Dr. Alhariri confronted the Company multiple times in 2019 regarding this pay disparity to ask: (1) Why she was led to believe that she was within range of the average pay of internists at Milpitas; (2) Why they deprived her of the opportunity to improve her score rather than letting her go for twenty-two years without awareness; and (3) Why she was denied the right to appeal the salary ranking system with its inherent flaws which awarded complacent doctoring.

On first meeting about this matter in December 2019, Dr. Ha Le, then-Chief of Medicine at TPMG in Milpitas, disclosed to Dr. Alhariri that the majority of the physicians—none of which are Middle Eastern and female—in the department were making between \$310,000 and \$335,000. At the time, Dr. Alhariri was earning \$276,000 annually. Dr. Le promised to look into the discrepancy but never returned to Plaintiff with an explanation. Plaintiff then filed an official internal complaint in February 2020 following protocol and procedure only to be routed through multiple HR departments in Oakland, Santa Clara, and Milpitas without avail. By May 14, 2020, *six months after her first meeting with Dr. Le*, Plaintiff finally called the Administrative Issue Committee (“the Committee”) only to be told that despite what was written in the HR manual, the Committee did not handle matters related to compensation, much to Plaintiff's dismay.

The Committee also divulged during that phone call that Ms. Alhariri's case had been reviewed **earlier in the year**. However, Plaintiff was never notified that there was a review, nor was she ever notified as to any result until this call.

Finally, on May 28, 2020, Plaintiff was invited to a meeting with Dr. Le (Milpitas Chief of Medicine), Dr. Todd Dray (Human Resources physician), and other HR personnel where she was able to express her dismay at the lack of transparency in salary among the doctors similarly situated to her. Still, at this meeting she was given no explanation. While explaining that Dr. Le had told her about her ranking, Dr. Dray immediately admonished Dr. Le for being **too transparent**. Dr. Dray's exclamation toward Dr. Le speaks to the deliberate stonewalling culture promoted by the Company. Plaintiff, to this day, has been given no explanation for the lack of transparency regarding why her salary is so low compared to others similarly situated and/or junior to her.

The Company has failed to remedy unequal pay disparities and unlawful job stratification for women and people of non-European descent, including Middle Eastern women like Plaintiff. This constitutes a violation of Labor Code Section 1197.5(a). Labor Code Section 1197.5 prohibits an employer from paying “any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions . . .,” as well as 1197.5(b), which prohibits an employer from paying “any of its employees at wage rates less than the rates paid to employees of another race or ethnicity for substantially similar work, when viewed as a composite

of skill, effort, and responsibility, and performed under similar working conditions.” Upon information and belief, analysis of the Company’s personnel data demonstrates that women and employees of non-European descent are paid less than their white and/or male counterparts for doing the same or similar work. Upon information and belief, the Company’s human resources and compensation departments regularly run pay equity analyses that prove the labor code violations complained of herein and that top leadership is aware of the disparities and has failed to remedy them.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to both herself and the Aggrieved Employees: California Labor Code § 1197.5: Compensating women and employees of color at salary rates less than the rates paid to employees of the opposite gender and/or race for substantially similar work and retaliation against employees for invoking and/or assisting in the enforcement of 1197.5.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address, as indicated on the first page.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Very truly yours,
COSTANZO LAW FIRM, APC

A handwritten signature in blue ink, appearing to read "LJ Costanzo".

Lori J. Costanzo
Mallory A. Barr
Attorneys for May Alhariri, MD
cc: Client