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January 28, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.govfa.net/308>)

Subject: *Jesus Estrada v. Staffpay, LLC dba Emplcity, et al.*

Dear PAGA Administrator:

This office represents Jesus Estrada in connection with his claims under the California Labor Code. Mr. Estrada was an employee of STAFFPAY, LLC dba EMPLICIT; ECLIPSE RTO, LLC; EMPLICIT ADMINISTRATIVE SERVICES, LLC; and/or RENT-A-CENTER WEST, INC. For the purpose of this letter, Mr. Estrada collectively refers to these entities as "RAC."

The employers may be contacted directly at the addresses below:

STAFFPAY, LLC
1475 S. PRICE RD
CHANDLER, AZ 85286

ECLIPSE RTO, LLC
7250 DALLAS PARKWAY SUITE 800
PLANO, TX 75024

EMPLICIT ADMINISTRATIVE SERVICES, LLC
1475 S. PRICE RD
CHANDLER, AZ 85286

RENT-A-CENTER WEST, INC.
5501 HEADQUARTERS DR.
PLANO, TX 75024

Mr. Estrada intends to seek civil penalties, attorneys' fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Mr. Estrada seeks relief on behalf of himself, the State of California, and other persons who are or were employed by RAC as a non-exempt, hourly paid employee in California and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

RAC employed Mr. Estrada as an hourly paid, non-exempt employee from approximately November 2022 to August 2024. Mr. Estrada worked for RAC as a Lead Delivery Driver at one of their Rent-A-Center stores (located at 1310 East Alondra Blvd., Compton, California 90221). During his employment, Mr. Estrada typically worked eight (8) hours per day and five (5) days per week. At the time his employment ended, Mr. Estrada was compensated approximately \$18.00 per hour. His job

duties included, without limitation, loading trucks, delivering furniture to customers and other Rent-A-Center locations, and assembling furniture.

RAC committed each of the following Labor Code violations against Mr. Estrada, the facts and theories of which follow, making him an “aggrieved employee” pursuant to California Labor Code section 2699(c)(1):¹

RAC’s Company-Wide and Uniform Payroll and HR Practices

STAFFPAY, LLC dba EMPLICIT and EMPLICIT ADMINISTRATIVE SERVICES, LLC are California limited liability companies. ECLIPSE RTO, LLC is a Texas limited liability company and RENT-A-CENTER WEST, INC. is a Delaware corporation. Together, they operate a chain of Rent-A-Center franchise stores, which sell furniture, appliances, electronics, and other name-brand items on a rent-to-own basis, with approximately 99 locations in California. Upon information and belief, RAC maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Chandler, Arizona or Plano, Texas, for all non-exempt, hourly paid employees working for RAC in California, including Mr. Estrada and other aggrieved employees. At all relevant times, RAC issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Mr. Estrada and other aggrieved employees, regardless of their location or position.

Upon information and belief, RAC maintains a centralized Payroll department at its corporate headquarters in Chandler, Arizona or Plano, Texas, which processes payroll for all non-exempt, hourly paid employees working for RAC in California, including Mr. Estrada and other aggrieved employees. Further, RAC issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees in California, including Mr. Estrada and other aggrieved employees, irrespective of their location, position, or manner in which each employee’s employment ended. In other words, RAC utilized the same methods and formulas when calculating wages due to Mr. Estrada and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

¹ These facts, theories, and claims are based on Mr. Estrada’s experience and counsel’s review of those records currently available relating to Mr. Estrada’s employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law’s requirements, the employer misinformed its employee of the law’s requirements, or because the employer effectively hid the violations). Thus, Mr. Estrada reserves the right to supplement this letter with additional facts, theories, and claims if he becomes aware of them subsequent to the submission of this letter.

During the relevant time period, RAC willfully failed to pay all overtime wages owed to Mr. Estrada and other aggrieved employees. During the relevant time period, Mr. Estrada and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were not recorded.

First, during the relevant time period, upon information and belief, RAC had a policy and/or practice of discouraging and impeding Mr. Estrada and other aggrieved employees from recording hours worked that were outside of their scheduled shifts, in order to limit the amount of overtime employees could accrue. On information and belief, this policy of limiting overtime, coupled with RAC's practices of understaffing and/or single-staffing and assigning heavy workloads (*see infra*), led Mr. Estrada and other aggrieved employees to work off-the-clock before and after their scheduled shift times in order to complete assigned tasks.

For example, about 1-2 times per week, upon threat of discipline, Mr. Estrada was required to work approximately 30 minutes to an hour off the clock prior to the start of his shifts to make deliveries that were not completed the day prior. As a further example, RAC's management called Mr. Estrada to discuss work-related matters, for about 5-10 minutes each occurrence, on his days off, time for which he was not paid. As another example, Mr. Estrada was required to travel to and attend mandatory events while off-the-clock prior to the start of his shifts. On at least two (2) occasions, Mr. Estrada was required to drive approximately 20 minutes to RAC's location in East Los Angeles, California, attend a mandatory meeting for 30 minutes to an hour, then travel 25 minutes to RAC's location in Compton, California, before he was allowed to clock in for the start of his shift. Additionally, on information and belief, RAC's management would alter and/or falsify time records to shave off time that Mr. Estrada spent working in order to limit overtime accrual. This off-the-clock work could have been recorded by RAC, but it refused to do so to avoid payment of additional wages to Mr. Estrada and other aggrieved employees.

Second, RAC had, and continues to have, a company-wide policy and/or practice of understaffing while assigning heavy workloads, including pressuring employees to meet productivity quotas. In particular, RAC pressured Delivery Drivers, such as Mr. Estrada, to make 10-12 furniture deliveries per day (most of which included assembly), resulting in a failure to provide Mr. Estrada and other aggrieved employees with adequate meal period coverage. Also, RAC systematically, and on a company-wide basis, understaffed its store locations, including by adopting a single-staffing model for some of its positions, whereby only one (1) employee was scheduled to work at certain times, thereby failing to provide adequate meal period coverage to permit those employees to take compliant meal periods.

RAC also had a practice of failing to schedule meal periods and/or failing to adhere to a schedule for meal periods, which further caused Mr. Estrada and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, Mr. Estrada's meal periods were interrupted and/or cut short about 2-3 times per week due to the number of deliveries he was responsible for making and the distances he had to drive. For the same reasons, he had to work through his meal periods 2-3 times per week. However, RAC did not compensate Mr. Estrada and other aggrieved employees for the time they spent working off the clock during unpaid meal periods.

Third, because RAC frowned upon employees accruing meal period premiums, RAC pressured Mr. Estrada and other aggrieved employees to clock out for meal periods to reflect compliant meal periods, often on threat of discipline, even when they did not receive a compliant meal period. For

example, RAC's management threatened Mr. Estrada with write-ups if he did not record compliant meal periods regardless if he was able to take them. Thus, RAC did not record all hours worked during meal periods and Mr. Estrada and other aggrieved employees performed work during meal periods for which they were not paid.

RAC knew or should have known that as a result of these company-wide practices and/or policies, Mr. Estrada and other aggrieved employees were performing their assigned duties off-the-clock before and after their shifts and during meal periods, and were suffered or permitted to perform work for which they were not paid. Because Mr. Estrada and other aggrieved employees worked shifts of eight (8) hours or more a day, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Mr. Estrada and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

RAC's failure to pay Mr. Estrada and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code sections 510 and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 7-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. Tit. 8, § 11070(2)(H) (defining "Hours Worked").

First, as set forth above, due to RAC's company-wide policies and/or practices of limiting the amount of overtime employees could accrue, RAC failed to pay Mr. Estrada and other aggrieved employees for work performed outside their scheduled shifts, including, but not limited to, making pre-shift deliveries, fielding calls from management during off-hours, and traveling to and attending mandatory meetings outside of their shifts. Additionally, as set forth above, on information and belief, RAC's management would alter and/or falsify time records to shave off time Mr. Estrada and other aggrieved employees spent working in order to limit overtime accrual. As a result, RAC failed to track this time Mr. Estrada and other aggrieved employees spent working off-the-clock, and Mr. Estrada and other aggrieved employees received no compensation for this time.

Second, as also stated above, due to RAC's company-wide practices of understaffing and/or single-staffing certain positions, assigning heavy workloads (including productivity quotas), and failing to schedule meal periods and/or adhere to a schedule for meal periods, Mr. Estrada and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work during their meal periods, time for which they were not paid.

Third, as stated, in order to limit meal period premiums that RAC would otherwise owe, RAC pressured Mr. Estrada and other aggrieved employees to clock out for meal periods, often on threat of discipline, even when they did not receive a compliant meal period. Thus, RAC systematically

failed to pay Mr. Estrada and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

RAC did not pay at least minimum wages for all hours worked by Mr. Estrada and other aggrieved employees. To the extent that these off-the-clock hours did not qualify for overtime premium payment, RAC did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, RAC regularly failed to pay at least minimum wages to Mr. Estrada and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

First, during the relevant time period, as stated, RAC had, and continues to have, company-wide policies and/or practices of understaffing and/or single-staffing while assigning heavy workloads, including pressuring employees to meet productivity quotas, which has resulted in a lack of meal period coverage and prevented Mr. Estrada and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. Further, as stated, RAC had a company-wide practice and/or policy of failing to schedule meal periods and/or adhere to a schedule for meal periods, which further caused Mr. Estrada and other aggrieved employees to not be relieved of their duties for compliant meal periods. For example, as stated, Mr. Estrada had to work through his meal periods about 2-3 times per week due to the number of deliveries and furniture assemblies he had to complete per shift. For the same reasons, his meal periods were cut short, and he regularly had to take his meal periods late, after the fifth hour of work.

Second, as stated, in order to limit meal period premiums that RAC would otherwise owe, RAC pressured Mr. Estrada and other aggrieved employees to clock out for meal periods to reflect compliant meal periods, often on threat of discipline. For example, as stated above, RAC's

management pressured Mr. Estrada and other aggrieved employees to record compliant meal periods when they had not, in fact, received these timely, uninterrupted meal periods.

Third, Mr. Estrada and other aggrieved employees worked shifts in excess of ten (10) hours without receiving an uninterrupted second 30-minute meal period. For example, during his employment, Mr. Estrada worked shifts in excess of ten (10) or more hours per day, but was not provided a second 30-minute meal period. Mr. Estrada and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

Moreover, RAC had a company-wide policy of requiring Mr. Estrada and other aggrieved employees to sign blanket meal period waivers at or near their time of hire. RAC took the position that non-exempt, hourly paid employees had waived their rights to second meal periods for the entirety of their employment and, on that basis, did not provide them with all meal periods to which they were entitled. Furthermore, RAC's "ERTO- Meal Waiver" requires employees to provide advance written notice should they wish to revoke the waiver. RAC's presumption that meal periods would not be provided for shifts in excess of ten (10) hours, due to blanket meal period waivers signed at or near the time of hire, and imposition on employees to revoke the waivers in advance and in writing, discouraged and impeded Mr. Estrada and other aggrieved employees from taking all meal periods to which they were entitled.

Furthermore, an employer's obligation to provide a meal period is only "triggered" when the employer "employs an employee for a work period of more than five hours per day." *Brinker*, 53 Cal. 4th at 1039 ("If an employer engages, suffers, or permits anyone to work for a full five hours, its meal break obligation is triggered.").

[A]fter the meal break obligation is triggered . . . an employer is put to a choice: it must (1) afford an off-duty meal period; (2) consent to a mutually agreed-upon waiver if one hour or less will end the shift; or (3) obtain written agreement to an on-duty meal period if circumstances permit. Failure to do one of these will render the employer liable for premium pay.

Id. (citing Cal. Labor Code § 226.7; Wage Order No. 5, subd. 11(A), (B)). That RAC require Mr. Estrada and other aggrieved employees to sign meal period waivers simultaneously at or near their time of hire (as opposed to on a specific work day) renders them invalid and unenforceable, because RAC's obligation to provide Mr. Estrada and other aggrieved employees with meal periods did not arise until they had employed them for a full five (5) hours.

At all times herein mentioned, RAC knew or should have known that, as a result of these policies, Mr. Estrada and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods. RAC further knew or should have known that it did not pay Mr. Estrada and other aggrieved employees meal period premiums when meal periods were missed, shortened, interrupted, and/or late.

Moreover, RAC engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Mr. Estrada and other aggrieved employees have not received premium pay for all missed, late, and interrupted meal periods.

Accordingly, RAC failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 512(a), 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, RAC regularly failed to authorize and permit Mr. Estrada and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, RAC's company-wide policies and practices, including understaffing/single-staffing and assigning heavy workloads, prevented Mr. Estrada and other aggrieved employees from being able to take rest periods. RAC also failed to schedule rest periods, which, coupled with RAC's failure to provide adequate rest period coverage, further led to Mr. Estrada and other aggrieved employees not being authorized and permitted to take rest periods.

Furthermore, during the relevant time period, on information and belief, RAC maintained a company-wide on-premises rest period policy, which effectively required that Mr. Estrada and other aggrieved employees remain on the work premises during their rest periods. Because Mr. Estrada and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands. Thus, RAC effectively maintained control over Mr. Estrada and other aggrieved employees during rest periods.

As a result of RAC's practices and policies, Mr. Estrada and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled. For example, Mr. Estrada had to forgo his rest periods altogether due to heavy workload and lack of coverage.

RAC has also engaged in a systematic, company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice

and/or policy, Mr. Estrada and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, RAC failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code sections 226.7, 516, and 1198, pursuant to Labor Code sections 558 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. RAC has not provided Mr. Estrada and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, RAC has knowingly and intentionally provided Mr. Estrada and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, RAC issued uniform wage statements to Mr. Estrada and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, and the corresponding number of hours worked at each hourly rate. Specifically, RAC violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because RAC did not record the time Mr. Estrada and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), RAC did not list the correct amount of gross wages and net wages earned by Mr. Estrada and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, RAC failed to accurately list the total number of hours worked by Mr. Estrada and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), RAC willfully failed to maintain accurate payroll records for Mr. Estrada and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, RAC engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Mr. Estrada and other aggrieved employees, in violation of section 1198. Furthermore, in light of RAC’s failure to provide Mr. Estrada and other aggrieved employees with second 30-minute meal periods to which they were entitled, RAC kept no records of meal start and end times for second meal periods.

Because RAC failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Mr. Estrada and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Mr. Estrada and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code sections 226(a), 1174(d), and 1198, pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f), and (k).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, RAC willfully failed to pay Mr. Estrada and other aggrieved employees all wages due including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within the time periods specified by California Labor Code section 204.

Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with Labor Code section 204, pursuant to Labor Code sections 210 and/or 2699(a), (f), and (k).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

On information and belief, RAC has a company-wide practice or policy of paying departing employees their final wages late, instead of adhering to the time requirements set forth in Labor Code sections 201 and 202. For example, Mr. Estrada was terminated from his employment on or around August 5, 2024; however, he received his final paycheck on or around August 7, 2024. Thus, RAC failed to pay Mr. Estrada his final wages immediately, in violation of California Labor Code section 201.

Additionally, during the relevant time period, RAC willfully failed to pay Mr. Estrada and other aggrieved employees who are no longer employed by RAC the earned and unpaid wages set forth above, including but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving RAC's employ.

Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with Labor Code sections 201 and 202, pursuant to Labor Code sections 256 and/or 2699(a), (f), and (k).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 5(A) – Failure to Pay Reporting Time Pay

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 further requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

California Code of Regulations, Title 8, section 11070(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, RAC violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A), because RAC failed to pay Mr. Estrada and other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the usual or scheduled day’s work.

RAC had a company-wide practice of sending Mr. Estrada and other aggrieved employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay Mr. Estrada and other aggrieved employees for half of their usual or scheduled shift. For example, when scheduled to work a shift of eight (8) hours, RAC’s managers sent Mr. Estrada home within 2-3 hours after the start of his shift. Although Mr. Estrada and other aggrieved employees reported to work based on the schedule that RAC provided to them, RAC would send them home before they had worked at least half of their scheduled shifts. When this occurred, RAC did not pay Mr. Estrada and other aggrieved employees for at least half of their scheduled day’s work or the minimum reporting time pay.

Accordingly, Mr. Estrada and other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A).

Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code section 1198, pursuant to Labor Code sections 2699(a), (f), and (k).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan’s Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 7-2001, provides that: “[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.” IWC Wage Order No. 7-2001 further provides that: “[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.”

First, RAC had a company-wide policy of requiring Mr. Estrada and other aggrieved employees to utilize their own personal vehicles to carry out company business, but failed to reimburse them for all costs of travel, including mileage. Specifically, RAC required Mr. Estrada and other aggrieved employees to travel to distant cities for mandatory events, but did not reimburse them for all travel expenses. For example, on at least two (2) occasions, Mr. Estrada was required to drive approximately 10 miles to RAC's location in East Los Angeles, California, for mandatory meetings, then travel about 12 miles to RAC's location in Compton, California. Although RAC required Mr. Estrada and other aggrieved employees to utilize their own vehicles to carry out their work-related responsibilities, RAC did not reimburse them for their travel expenses.

Second, during the relevant time period, RAC, on a company-wide basis, required that Mr. Estrada and other aggrieved employees use their own personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties, but failed to fully reimburse them for the costs of their work-related mobile device expenses. For example, Mr. Estrada was required to download the timekeeping application, Emplicity, onto his personal cellular phone to record meal periods. In addition, he used his personal cellular phone for driving directions when he was making deliveries and to communicate with RAC's management regarding work-related matters. Although RAC required Mr. Estrada and other aggrieved employees to utilize their personal mobile devices and/or mobile data to carry out their work-related responsibilities, RAC failed to fully reimburse them for these costs.

Third, during the relevant time period, RAC required Mr. Estrada and other aggrieved employees to purchase tools that were necessary for the completion of their work-related duties. For example, during his employment, Mr. Estrada spent about \$70 on a drill and drill accessories because RAC failed to provide him with these tools, which were necessary to complete his assigned duties. Although RAC required Mr. Estrada and other aggrieved employees to purchase and use their own tools in the performance of their duties, it did not reimburse them for these expenses.

Fourth, during the relevant time period, RAC, on a company-wide basis, required Mr. Estrada and other aggrieved employees to wear uniforms bearing the company's logo, including a shirt. However, RAC did not provide their employees with sufficient uniforms to wear for their shifts throughout the week. For example, RAC only provided Mr. Estrada with two (2) uniform shirts. Because RAC failed to provide Mr. Estrada and other aggrieved employees with an adequate number of uniform shirts in relation to their scheduled shifts and for the tasks they were required to perform, Mr. Estrada and other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of delivering and assembling furniture, Mr. Estrada's uniform items would become sweaty, soiled, and/or acquire an unpleasant odor such that he was unable to mix these clothes in with other laundry. As a result, Mr. Estrada had to wash his uniform items more frequently and separately from his regular clothing, thus incurring additional laundry expenses for the upkeep of his uniforms. Thus, RAC failed to maintain uniforms they required Mr. Estrada and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

RAC could have provided Mr. Estrada and other aggrieved employees with the actual equipment for use on the job, such as company vehicles, company mobile devices, tools, as well as an adequate number of uniform items and access to laundering services. Or, RAC could have reimbursed employees for the costs of their mileage, travel expenses, mobile device usage, tools, and laundering expenses or provided a uniform maintenance allowance. Instead, RAC passed these operating costs

onto Mr. Estrada and other aggrieved employees. At all relevant times, Mr. Estrada did not earn at least two (2) times the minimum wage.

Thus, RAC had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Mr. Estrada and other aggrieved employees are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon, and seek injunctive relief to bring RAC into compliance with the applicable IWC Wage Order and Labor Code section 2802, pursuant to Labor Code sections 2699(a), (f), and (k).

California Labor Code § 558(a)

California Labor Code section 558(a) provides “[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid” Labor Code section 558(c) provides that “[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.” RAC, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Mr. Estrada’s and other aggrieved employees’ rights by violating various sections of the California Labor Code.

Accordingly, Mr. Estrada seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699(k), 2699.3(a), 2699.3(c), 2699.5, and 558, Mr. Estrada acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for himself, all other aggrieved employees, and the State of California against RAC for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Mr. Estrada seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Sairah Budhwani
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

A handwritten signature in black ink, reading "Sairah Budhwani". The signature is written in a cursive, flowing style with a small dot at the end.

Sairah Budhwani

Copy: STAFFPAY, LLC (via U.S. Certified Mail); ECLIPSE RTO, LLC (via U.S. Certified Mail);
EMPLICITY ADMINISTRATIVE SERVICES, LLC (via U.S. Certified Mail); RENT-A-CENTER
WEST, INC. (via U.S. Certified Mail)

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA 90067



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1475 S. PRICE RD
CHANDLER, AZ 85286

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CHANDLER, AZ 85286



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- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
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Signature of Addressee

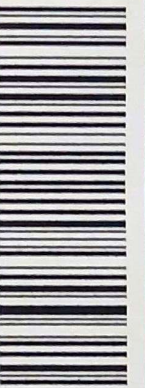
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Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 1479

ECLIPSE RTO, LLC
7250 DALLAS
PARKWAY SUITE 800
PLANO, TX 75024

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ECLIPSE RTO, LLC
7250 DALLAS
PARKWAY SUITE 800
PLANO, TX 75024



9590 9402 7706 2122 1526 61

2. Article Number (Transfer from service label)

7022 2410 0000 2265 1479

PS Form 3811, July 2020 PSN 7530-02-000-9053

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A. Signature

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☐ Agent
☐ Addressee

B. Received by (Printed Name)

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|--|---|
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| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Signature Confirmation™ |
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| ☐ Collect on Delivery Restricted Delivery | |
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☐ Cx

☐ A/c

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Postage

Total \$

Sent \$

Street

City

State

Zip

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7250 DALLAS
PARKWAY SUITE 800
PLANO, TX 75024

ESTRADA V.
STAFFRAY

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7022 2410 0000 2265 1479

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 1493

EMPLICITY ADMINISTRATIVE
SERVICES, LLC
1475 S. PRICE RD
CHANDLER, AZ 85286

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**EMPLICITY ADMINISTRATIVE
SERVICES, LLC
1475 S. PRICE RD
CHANDLER, AZ 85286**

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Article Number (Transfer from service label)

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☐ _____ \$ _____

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Postage \$ _____

Insurance \$ _____

Signature \$ _____

City/State/Zip _____

EMPLICITY ADMINISTRATIVE
SERVICES, LLC
1475 S. PRICE RD
CHANDLER, AZ 85286

ESTRADA V.
STEPHEN
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Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 1660

RENT-A-CENTER WEST, INC.
5501 HEADQUARTERS DR.
PLANO, TX 75024

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RENT-A-CENTER WEST, INC.
5501 HEADQUARTERS DR.
PLANO, TX 75024



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☐ Agent

☐ Addressee

C. Date of Delivery

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If YES, enter delivery address below: ☐ No

3. Service Type

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- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
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Extra Services & Fees (Check box, add fee as appropriate)
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☐ Return Receipt (electronic)

RENT-A-CENTER WEST, INC.
5501 HEADQUARTERS DR.
PLANO, TX 75024

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