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February 14, 2025

Via Electronic Submission

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

Re: **Megamart CA, Inc.**
Notice of Labor Code Violations pursuant to Labor Code § 2699.3(a)(1)

Dear Sir or Madam:

This letter shall constitute the required written notification under Labor Code § 2699.3(a)(1) that our client, Mr. David R. Escalante-Martinez, alleges that his employer Megamart CA, Inc. ("Megamart") has violated various provisions of the California Labor Code.

Specifically, Mr. Escalante contends that Megamart has engaged in the following unlawful employment practices:

1. Failure to pay Mr. Escalante and other aggrieved employees all minimum and overtime wages owed to them in violation of California Labor Code §§ 510, 1194, 1197, 1197.1, and 1198.

Mr. Escalante was employed by Megamart as a non-exempt, hourly-paid employee from approximately February 2021 to February 15, 2024. Mr. Escalante's job duties included staffing the market's deli and doing related work.

Megamart did not pay Mr. Escalante and other aggrieved employees for all hours worked at the appropriate hourly rate. Megamart has a policy and practice of not providing full and uninterrupted meal periods and requiring Mr. Escalante to work during his meal periods, for which he was not compensated.

2. Failure to provide Mr. Escalante and other aggrieved employees with compliant meal breaks or pay premium compensation in lieu thereof, in violation of California Labor Code §§ 226.7 and 512.

Megamart did not provide employees with an uninterrupted duty-free meal break of at least 30 minutes for every 5 hours of work. Mr. Escalante and other

aggrieved employees were rushed to finish their meal periods and/or interrupted during their meal periods to perform work. Megamart failed to pay meal break premiums when employees were not provided with compliant meal breaks.

3. Failure to provide Mr. Escalante and other aggrieved employees with compliant rest breaks or pay premium compensation in lieu thereof, in violation of California Labor Code § 226.7. Megamart did not provide employees with a 10-minute rest period for every 4 hours worked or major fraction thereof for the same reasons set forth above in paragraph 2 herein regarding meal breaks. And Megamart failed to pay rest break premiums when employees were not provided with compliant rest breaks.
4. Failure to provide Mr. Escalante and other aggrieved employees with accurate itemized wage statements, in violation of California Labor Code § 226. The wage statements provided by Megamart fail to accurately reflect employees' hours worked and applicable hourly rates as a result of the failure to pay regular wages, overtime wages, and meal and rest break premium wages as described herein.
5. Failure to timely pay all wages owed to Mr. Escalante and other aggrieved employees at the time of termination or resignation, in violation of California Labor Code §§ 201 – 203. Megamart has failed to pay employees the unpaid regular wages, overtime wages, and meal and rest break premium wages described herein upon the separation of their employment.
6. Failure to provide Mr. Escalante and other aggrieved employees with all wages owed during their employment, in violation of California Labor Code § 204. Megamart has failed to pay employees the unpaid regular wages, overtime wages, and meal and rest break premium wages described herein in a timely manner during their employment.
7. Violation of California Labor Code §§ 558 and 558.1, as a consequence of the violations described herein.

Labor Code § 558 provides that an employer or person acting on behalf of an employer who violates (or causes to be violated) a provision of Labor Code §§ 500 through 558, or a provision of the IWC Wage Orders regarding hours and days of work, is liable for civil penalties of \$50 to \$100 per pay period to each underpaid employee, in addition to other civil penalties provided for by law.

Labor Code § 558.1 provides that an employer or person acting on behalf of an employer who violates (or causes to be violated) a provision of Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802 may be held liable as the employer for such violation.

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As set forth herein, Megamart has violated California Labor Code §§ 203, 226, 226.7, 232, 510, 512, 1194, 1197.5, 2802, and IWC Wage Order 9-2001, and is thus liable for penalties under Labor Code § 558.

Please advise within the required time period whether or not the Labor and Workforce Development Agency intends to investigate these alleged violations. If no such notice is received within 65 calendar days of the date of this letter, Mr. Escalante will proceed with a civil action for penalties pursuant to Labor Code § 2699.

Thank you for your prompt attention to this request.

Sincerely Yours,



Ronald H. Bae

cc: **Via Certified Mail**
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Attn: General Counsel
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Sunnyvale, CA 94087

cc: **Via Email Only**
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