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July 25, 2022

**LWDA Online Submission**

LABOR AND WORKFORCE DEVELOPMENT AGENCY

<http://dir.tfaforms.net/308>

**VIA CERTIFIED MAIL # 7021 0950 0000 9825 3867**

**Return Receipt Requested**

CareNetLA, Inc.

600 Deep Valley Drive

Rolling Hills Estates, CA 90274

**VIA CERTIFIED MAIL # 7021 0950 0000 9825 3874**

**Return Receipt Requested**

Agent Edward Francis Devitt

29 Santa Isabel

Rancho Santa Margarita, CA 92688

*Re: Hernandez-Ortega v. CareNetLA, Inc.*

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO  
LABOR CODE SECTION § 2698 ET SEQ.**

To: California Labor and Workforce Development Agency; *CareNetLA, Inc.*

From: Juan Hernandez Ortega, as a designated Private Attorney General, pursuant to the Private Attorney General Act.

**Factual Statement**

Please note that this firm, Mahoney Law Group, APC, represents the interests of Mr. Juan Hernandez Ortega ("Mr. Hernandez Ortega" or "Employee"), who intends to file a complaint alleging various Labor Code violations and seeking civil penalties under the Private Attorneys General Act of 2004, Labor Code sections 2698 *et seq.* ("PAGA"), on behalf of state of California as a Private Attorney General.

### Theories of Labor Code Violations and Remedies

*CareNetLA, Inc.*, (hereinafter “*CareNetLA*” or “Employer”) is a California corporation that operates in-home caregiving services in California. Mr. Hernandez Ortega began his employment with Employer on or around April 17, 2018 as a non-exempt, hourly caregiver.

Mr. Hernandez Ortega alleges Employer violated various sections of the Labor Code, including sections 201, 202, 203, 204, 226, 226.7, 227.3, 510, 512, 1174, 1194 and 2802, by failing to pay Mr. Hernandez Ortega and all other aggrieved employees all wages owed, including overtime and double time, failing to provide meal and rest breaks, failing to provide accurate wage statements and maintain accurate payroll records, failing to timely pay wages at separation from employment, and failing to reimburse for necessary business expenditures. Mr. Hernandez Ortega and similarly aggrieved employees consist of identifiable, current, and/or former similarly situated persons who worked for Employer in non-exempt positions in California during the liability period of one year prior to the filing of a complaint alleging a PAGA cause of action.

**A. Employer failed to pay Mr. Hernandez Ortega and other aggrieved employees for all hours worked, in accordance with California law**

Employer failed to pay Mr. Hernandez Ortega and other aggrieved employees at the legally mandated wage rates for all hours worked in violation of California law. *Huntington Memorial Hospital v. Superior Court of Los Angeles*, 131 Cal. App. 4th 893 (2005). The Employer had a policy and/or practice of rounding the hours worked by employees, which systematically undercompensated employees. See’s *Candy Shops, Inc. v. Superior Court*, (2012) 210 Cal.App.4th 889. Mr. Hernandez Ortega contends that Employer imposed on employees a time “rounding policy” which was not fair and neutral and which resulted in failure to compensate employees properly for all time actually worked.

**B. Employer failed to provide Mr. Hernandez Ortega and other aggrieved employees with meal and rest periods, or premium compensation in lieu thereof, in accordance with California law.**

Mr. Hernandez Ortega alleges that he and other aggrieved employees were often precluded from taking timely and uninterrupted meal and rest breaks in accordance with California law due to the nature of their work. Mr. Hernandez Ortega alleges that he and other aggrieved employees routinely did not receive at least one duty-free, uninterrupted meal period within the first five (5) hours worked, and a second meal period before the start of the 11th hour of work. (*Brinker Rest. Corp. v. Superior Court* (2012) 53 Cal.4<sup>th</sup> 1004, 1041-42.). Mr. Hernandez Ortega and other aggrieved employees, never received meal or rest periods and were forced to skip their meal periods approximately every shift.

Due to the nature of their work, employees were forced to skip or work through their meal and rest periods in compliance with California law, employees did not receive regularly scheduled meal and rest breaks.

When employees were prevented from taking timely and complete meal and rest periods, they did not receive premium pay as compensation for the missed meal and periods. Mr. Hernandez Ortega alleges he and other aggrieved employees were not compensated with premium pay for every meal period and rest period that was not timely provided or interrupted. Employer's conduct is actionable under PAGA as violations of Labor Code sections 226.7 and 512.

**C. Employer failed to provide Mr. Hernandez Ortega and other aggrieved employees compliant wage statements**

As a result of Employer's failure to pay all wages owed, as described herein, Employer further failed to keep accurate payroll records and failed to provide Mr. Hernandez Ortega and other aggrieved employees with complete and accurate itemized wage statements showing the actual hours worked, premium wages earned per pay period, the accurate net and gross wage earned per pay period, and the accurate rate of pay for each hour worked. This conduct is in violation of Labor Code sections 226 and 1174 and is actionable under PAGA.

**D. Employer failed to provide Mr. Hernandez Ortega and other aggrieved employees pay all wages owed at the time their employment ended**

Pursuant to California Labor Code sections 201-203, employers are required to pay all earned and unpaid wages immediately upon termination by the employer and within 72 hours if the employee resigns. At the time of employees' separation from employment, they were entitled to wages for the time worked during the rest breaks or the premiums paid in lieu of missed/interrupted breaks. However, Employer failed to pay such wages within 72 hours of the end of employees' employment.

**E. Employer failed to reimburse Mr. Hernandez Ortega and other aggrieved employees for necessary business expenditures**

Here, Mr. Hernandez Ortega and aggrieved employees were forced to shoulder the burden Employer's cost of doing business by purchasing, washing and maintaining scrubs, using their personal phones, and using their personal vehicles without reimbursement. Employees were not reimbursed by Employer for said necessary expenditures. Due to the abovementioned, Employer failed to reimburse Mr. Hernandez Ortega and aggrieved employees for necessary business expenditures.

**F. Reservation of Rights**

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Mr. Hernandez Ortega becomes aware of additional compensation owed or losses incurred by him or by any other aggrieved employee of the Employer, Mr. Hernandez Ortega expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

LABOR AND WORKFORCE DEVELOPMENT AGENCY

July 25, 2022

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If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please provide notice via certified mail to:

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Long Beach, CA 90802  
Tel: (562) 590-5550  
Email: [kmahoney@mahoney-law.net](mailto:kmahoney@mahoney-law.net)

Sincerely,



Kevin Mahoney, Esq.  
**MAHONEY LAW GROUP, APC**