

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

March 13, 2025

VIA LWDA WEBSITE

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

Re: *Catarina Valenzuela vs. American Textile Maintenance Company*

To Whom It May Concern:

Please be advised that this law firm represents Ms. Catarina Valenzuela (“Ms. Valenzuela”) in claims arising from her employment with American Textile Maintenance Company, a California corporation, and DOES 1 through 100, inclusive (“Defendants”). Ms. Valenzuela is an “aggrieved employee” within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. For purposes of this letter, “aggrieved employees” includes all of Defendants’ employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate a linen and uniform cleaning service. Ms. Valenzuela has been employed by Defendants as a non-exempt Production Worker at Defendants’ Los Angeles location from approximately November 2006 through the present. Ms. Valenzuela’s primary job duties include operating machinery to wash linens, napkins, aprons and other items for various clients.

Defendants maintain an unlawful policy/practice that fails to compensate Ms. Valenzuela and other aggrieved employees for all hours worked, including all hours subject to the control of Defendants and/or suffered or permitted to work. Specifically, Defendants require Ms. Valenzuela and other aggrieved employees to arrive and clock in several minutes before the start of their shift in order to avoid being late. However, Defendants’ timekeeping system rounded and/or time-shaved Ms. Valenzuela’s and other aggrieved employees’ hours, such that Ms. Valenzuela and other aggrieved employees were only paid from the scheduled start time of their shifts rather than the actual time Ms. Valenzuela and other aggrieved employees clocked in and began performing work for Defendants, which resulted in Ms. Valenzuela and other aggrieved employees not being compensated for all hours actually worked. This practice/policy is further enforced by Defendants’ tardy practice/policy, which automatically deducts 10-minutes of employee work time from Ms. Valenzuela’s and other aggrieved employees’ daily hours worked if the employee clocks in after the scheduled start time for their shifts, even if by only a single minute. Further, on occasions when Ms. Valenzuela’s and other aggrieved employees’ assigned machines are

broken or otherwise inoperable, Defendants' managers will stand by the timeclock and not allow Ms. Valenzuela and other aggrieved employees to clock in until after the machine is fixed, which can take up to a few hours. Despite being subjected to Defendants' control, Ms. Valenzuela and other aggrieved employees are not compensated for this time. As a result, Defendants require Ms. Valenzuela and other aggrieved employees to perform work while off-the-clock, and Defendants fail to compensate Ms. Valenzuela and other aggrieved employees for all minimum and overtime wages owed.

Moreover, Ms. Valenzuela and other aggrieved employees routinely work in excess of 8 hours per workday and/or more than 40 hours per workweek but do not receive overtime compensation equal to one and one-half times their regular rate of pay for working overtime hours. Specifically, Ms. Valenzuela and other aggrieved employees earn non-discretionary bonuses (denoted on paystubs as "Bonus-Attendance") based on attendance and punctuality, as well as other forms of pay, that cannot be excluded from the regular rate of pay as a matter of law (hereinafter "Incentive Pay"). However, Defendants fail to incorporate the value of all earned Incentive Pay when calculating Ms. Valenzuela's and other aggrieved employees' respective regular rates of pay. As a result of paying Ms. Valenzuela and other aggrieved employees Incentive Pay, Defendants fail to properly calculate the regular rate of pay, resulting in unpaid overtime wages, meal and rest premium wages, and sick pay when such forms of pay are earned in the same time period as when Ms. Valenzuela and other aggrieved employees earn Incentive Pay.

Defendants fail to provide Ms. Valenzuela and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices that result in meal periods that are less than 30 minutes in length, are not duty free, and/or do not commence until after the completion of the fifth hour of work, and *any* second duty-free, 30-minute meal periods when they work shifts in excess of ten hours. Specifically, Defendants fail to provide Ms. Valenzuela and other aggrieved employees with uninterrupted meal periods that are "net" 30 minutes in length, as required by law. Defendants provide meal periods that are exactly 30-minutes in length as enforced by a bell schedule. Employees are only permitted to leave their work stations to take meal periods once the initial bell has rung, and must return to their work station *exactly* 30 minutes later. However, this set 30-minute duration fails to account for the time it takes Ms. Valenzuela and other aggrieved employees to turn their machines off (which Ms. Valenzuela and other aggrieved employees are only permitted to do *after* the initial meal period bell has rung), walk to the timeclock to clock out, and walk to the breakroom, as well as the time it takes them at the end of a meal period to walk to the timeclock and wait in line to clock in and walk back to their work stations, thereby shortening their purported meal periods to less than 30 minutes "net" in the designated rest area away from the employee's work station. Furthermore, for at least a portion of the relevant time period, Defendants failed to record Ms. Valenzuela's and other aggrieved employees' purported meal periods at all, and would instead automatically deduct 30 minutes from aggrieved employees' daily work shifts despite the fact that they were not receiving "net" 30-minute meal periods. Instead, Defendants relied on their bell schedule to enforce meal periods of exactly 30 minutes, but which failed to account for the necessary time it took Ms.

Valenzuela and other aggrieved employees to shut down their individual machines after the first bell had rang and to walk from their work stations to the break room and back. Additionally, on occasion, Defendants' managers instruct Ms. Valenzuela and other aggrieved employees to delay the start of their meal periods in order to complete work assignments, including waiting for clients to pick up various orders before commencing their meal period, resulting in late meal periods that commence after the fifth hour of work. Moreover, Defendants fail to provide Ms. Valenzuela and other aggrieved employees with **any** second, legally-compliant 30-minute meal periods when they work shifts in excess of 10 hours. On occasions when Ms. Valenzuela and other aggrieved employees are not provided with all lawful meal periods to which they are entitled, Defendants fail to pay Ms. Valenzuela and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code section 226.7. Upon information and belief, Defendants fail to maintain pay codes for the payment of meal period premium payments as required by Labor Code section 226.7.

Additionally, Defendants fail to authorize and permit Ms. Valenzuela and other aggrieved employees to take a 10-minute, duty-free rest period for every 4 hours worked (or major fraction thereof) due to Defendants' unlawful rest period policies/practices. Defendants fail to authorize and permit Ms. Valenzuela and other aggrieved employees to take rest periods for a full ten minutes of "net rest" in an area appropriate for rest away from the workstation. Under California law, Defendants are required to authorize and permit a "net" rest period of 10-minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. *See e.g.*, Division of Labor Standards Enforcement Manual ("DLSE Manual") §45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual § 45.3.3 for the proposition that "the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest"); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time"). As with the meal periods, Defendants provide rest periods that are exactly 10-minutes in length as enforced by a bell schedule. However, employees are only permitted to leave their work stations to take rest periods once the initial bell has rung. However, Ms. Valenzuela and other aggrieved employees are still required to shut down their individual machines *after* the first bell has rung (a process which may take approximately 1-2 minutes), and after they have turned their machines off must still walk approximately 2-3 minutes in order to reach the break room. Therefore, this set 10-minute duration for purported rest periods fails to account for the time it takes Ms. Valenzuela and other aggrieved employees to turn their machines off and walk to the breakroom, as well as the time it takes them to walk back to their work stations, thereby shortening their purported meal periods to less than 10 minutes "net" in the designated rest area away from the employee's work station. On occasions when Ms. Valenzuela and other aggrieved employees are not provided with all lawful rest periods to which they are entitled, Defendants fail to pay Ms. Valenzuela and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in

which a rest period violation occurred, as required by Labor Code section 226.7. Upon information and belief, Defendants failed to maintain pay codes for the payment of rest period premium payments as required by Labor Code section 226.7.

As a result of Defendants' failure to accurately compensate Ms. Valenzuela and other aggrieved employees for all minimum and overtime wages, and all meal and rest period premium wages, Defendants maintain inaccurate payroll records and fail to issue accurate itemized wage statements to Ms. Valenzuela and other aggrieved employees.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 6 ("Wage Order 6"):

Minimum Wage Violations

Wage Order 6, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Ms. Valenzuela and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 6.

Overtime Wage Violations

Defendants were required to properly pay Ms. Valenzuela and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 6. Wage Order 6, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per workday and/or in excess of 40 hours of work in the workweek. Wage Order 6, § 3 also requires an employer to pay an employee double the employee's regular rate of pay for work in excess of twelve hours each workday and/or for work in excess of eight hours on the seventh consecutive day of work in the workweek. Defendants caused Ms. Valenzuela and other aggrieved employees to work overtime hours but did not compensate Ms. Valenzuela or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Meal Period Violations

As alleged above, Defendants failed to provide Ms. Valenzuela and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 6, § 11. As a result, Ms. Valenzuela and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday

they experienced a meal period violation. See Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”).

Rest Period Violations

As described above, Defendants also failed to authorize and permit Ms. Valenzuela and other aggrieved employees to take all required and compliant rest periods. See Labor Code §§ 226.7, 516, and 558; Wage Order 6, § 12. As a result, Ms. Valenzuela and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Ms. Valenzuela and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period, the corresponding number of hours worked at each hourly rate by the employee, and the correct name of the employer, in violation of Labor Code § 226 *et seq.* Defendants’ failures in furnishing Ms. Valenzuela and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants’ reported data and whether they have been paid all wages earned.

As an “aggrieved employee”, Ms. Valenzuela will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Ms. Valenzuela’s own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

- a. Failing to pay Ms. Valenzuela and other aggrieved employees the statutory minimum wage for all hours worked in violation of Labor Code §§ 1182.12, 1194, 1194.2, and 1197;
- b. Failing to pay Ms. Valenzuela and other aggrieved employees all earned overtime compensation in violation of Labor Code §§ 204, 510, 558, 1194, and 1198;
- c. Failing to provide Ms. Valenzuela and other aggrieved employees all legally required meal periods, and failure to pay meal period premium wages to Ms.

Valenzuela and other aggrieved employees at their regular rate of pay, in violation of Labor Code §§ 226.7, 512, and 558;

- d. Failing to authorize and permit Ms. Valenzuela and other aggrieved employees to take all lawful rest periods to which they are entitled, and failing to pay rest period premium wages to Ms. Valenzuela and other aggrieved employees at their regular rate of pay, in violation of Labor Code §§ 226.7, 516, and 558;
- e. Failing to furnish Ms. Valenzuela and other aggrieved employees with complete, accurate, itemized wage statements, in violation of Labor Code § 226;
- f. Failing to pay Ms. Valenzuela and other aggrieved employees all earned wages at least twice during each calendar month, in violation of Labor Code § 204; and
- g. Failing to maintain accurate records on behalf of Ms. Valenzuela and other aggrieved employees, in violation of Labor Code §§ 558 and 1174.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Fletcher W. Schmidt, Esq.

cc: American Textile Maintenance Company, c/o Bradley Shames, Agent for Service of Process, 1667 W. Washington Blvd., Los Angeles, CA 90007 (via certified mail);