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June 11, 2025

VIA ONLINE SUBMISSION

Stewart Knox, Secretary
California Labor & Workforce
Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

VIA CERTIFIED MAIL

Lulu's Fashion Lounge, LLC
Attn: Legal Department
2812 Hegan Lane
Chico, CA 95928

Lulu's Fashion Lounge, LLC
Attn: Legal Department
195 Humboldt Avenue
Chico, CA 95928

Lulu's Fashion Lounge Holdings, Inc.
Attn: Legal Department
195 Humboldt Avenue
Chico, CA 95928

VIA EMAIL ONLY

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FIRST AMENDED NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CALIFORNIA LABOR CODE SECTION 2698, *ET SEQ.*

To: The California Labor and Workforce Development Agency; Lulu's Fashion Lounge, LLC doing business as Lulus; Lulu's Fashion Lounge Holdings, Inc.

From: Kenneth Buck, on behalf of himself and all other current and former hourly nonexempt employees for violations of the California Labor Code

To Whom It May Concern:

Abramson Labor Group has been retained by former employee Kenneth Buck ("Mr. Buck") to seek compensation and all other available relief, including civil penalties on his behalf and on the behalf of all those similarly aggrieved (collectively with Mr. Buck, "Claimants") who have been injured by Lulu's Fashion Lounge, LLC doing business as Lulus and Lulu's Fashion Lounge Holdings, Inc.'s (collectively, "Lulus") violations of the California Labor Code. This First Amended Notice serves to amend Mr. Buck's original PAGA Notice dated March 3, 2025 and assigned case number 1083672-25. Mr. Buck, on behalf of himself and all other similarly aggrieved current and former hourly nonexempt employees of Lulus, 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.* of the Labor Code Private Attorneys General Act of 2004 ("PAGA").

Factual Statement:

Lulus is an online clothing retailer operating in California that sells merchandise to customers throughout the United States. Lulus' services include order fulfillment, pack-and-ship, and handling returns.

Claimant Mr. Buck worked for Lulus as an hourly, nonexempt employee in the positions of Returns Specialist, Returns Go-Back, Studio Returns, and Quality Control at Lulus' warehouse distribution center in Chico, California, earning $20.00 per hour from approximately April 30, 2017 through approximately October 9, 2024. Mr. Buck, on behalf of himself and all other similarly aggrieved current and former employees in California in various positions, are or were engaged in warehousing-related tasks like order fulfillment and returns processing for Lulus at its distribution center. As part of their employment with Lulus, Claimant and other hourly, nonexempt employees, collectively, "hourly nonexempt employees," are or were assigned to and required to suffer and permitted to work without pay, while performing tasks collectively including, but not limited to, attending staff meetings; opening returns to assess suitability for resale; satisfy quotas of returns-processed-per hour; fulfilling, packing, and shipping orders; and cleaning designated workstations.

Claimant Mr. Buck regularly worked 4-5 days per week for 10 hours or more hours per day pursuant to an Alternative Workweek Schedule ("AWS"). During the entire course of his employment, Lulus failed to provide Mr. Buck and continues to fail to provide those similarly aggrieved with some overtime pay under the 4-10 AWS and compliant rest breaks. Lulus has also failed to pay minimum wages to Mr. Buck and other hourly, nonexempt employees in violation of Labor Code sections 510, 511, 1194, 1197, and 1182.12, and section 4 of IWC Wage Order No. 7-2001. As a consequence, Lulus has failed to comply with Labor Code sections 226.7, and 510, and sections 3, 11, and 12 of all applicable Industrial Welfare Commission ("IWC") Wage Orders, including but not limited to, IWC Wage Order No. 7-2001. In violation of Labor Code sections 510, 511, 1194, 1197, and 1182.12, Lulus has failed to compensate Claimants at a rate of one and one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek.

Lulus has also failed to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, Lulus has failed and continues to fail to provide timely, accurate wage statements to Mr. Buck and other aggrieved persons in violation of Labor Code section 226(a). With regard to those no longer employed by Lulus, including Mr. Buck, Lulus has violated Labor Code section 203 by failing to pay all wages due upon separation. Mr. Buck is informed and believes that such violations are ongoing, systematic, and continuous. Mr. Buck intends to bring an action against Lulus under the Private Attorneys General Act ("PAGA") to recover wages and penalties as provided by California law.[1]

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[1] Without limitation, Mr. Buck, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes each provision as set forth in Labor Code section 2699.5 as follows:

> The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230A, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353,

Theories of Labor Code Violations and Remedies:

Claimant Mr. Buck was employed by Lulus from approximately April 30, 2017 through approximately October 9, 2024, holding the positions of Returns Specialist, Returns Go-Back, Studio Returns, and Quality Control. For a period of at least four (4) years prior to March 2025, but for our purposes here, one (1) year prior, Lulus has violated and continues to violate the California Labor Code sections as detailed below. During the PAGA liability period, Mr. Buck was part of a work unit that adopted an AWS, however, Mr. Buck was previously on a non-AWS or traditional schedule.

Claimants also were at all times entitled to payment of **minimum wages**. Lulus has failed and continues to fail to pay Claimants minimum wages for all hours worked as required by Labor Code sections 510, 1194, and 1194.2 and section 4 of IWC Wage Order No. 7-2001. First, Defendant Claimants worked a substantial amount of time while off-the-clock—meaning they were not punched in for work—and therefore, those working hours were not recorded and then compensated. This off-the-clock time primarily occurred before Claimants' recorded shifts, which were never accurately recorded. Claimants were required to perform compensable work pre-shift to get their workstations ready for their shifts and did so to Lulus' benefit. This was a regular occurrence prior to each shift, regardless of position/role. Claimants' off-the-clock time was never subsequently added and, therefore, uncompensated. Accordingly, Claimants were not paid for that time spent working off the clock. Second, Defendant enforces these practices, the effects of which Defendant could have mitigated by adjusting productivity expectations and/or by adding more staff to reduce the expected workload. However, Defendant instead chose to instruct Claimants to work prior to their scheduled shift times, uncompensated. Additionally, Lulus' failure to provide premium pay at the correct regular rate, if any premiums were paid at all, in lieu of compliant rest breaks also constitutes Lulus' failure to pay minimum wages and all hours worked every pay period and upon separation in violation of Labor Code sections 201, 202, 203, 204, 226(a), 510, 511, 1182.12, 1194, and 1197. Lulus' failure to pay Claimants their rest break premiums for noncompliant rest breaks, as explained in further detail below, also constitutes a failure to pay minimum wages to Claimants. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 1197.1 and section 20 of IWC Wage Order No. 7-2001.

Claimants were at all times entitled to take paid, off duty 10-minute **rest breaks**. However, Lulus likewise failed to authorize and permit Mr. Buck and all other similarly aggrieved employees to take any full-length, off-duty rest breaks as required by Labor Code sections 226.7 and section 12 of IWC Wage Order No. 7-2001. This is because Lulus enforced an on-premises policy that required Claimants to remain on the premises during their rest breaks. As such, all of Claimants' rest breaks were noncompliant even if they were taken for a full 10 minutes on the premises. Still, Lulus did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant rest breaks for each workday on which they occurred. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 558 and section 20 of IWC Wage Order No. 7-2001. Furthermore, since Lulus required their hourly nonexempt employees to perform work during rest periods in violation of Labor Code section 226.7(b), Claimants seek all available penalties set forth in Labor Code sections 558 and 2699.

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and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651., and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

At all times relevant herein, Claimants were entitled to the payment of **overtime**. That is, pursuant to Labor Code sections 510, 1194, 1197, and 1182.12, Lulus was required to compensate Claimants not on an AWS at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek. As for AWS Claimants, including Mr. Buck, pursuant to Labor Code sections 510, 511, 1194, 1197, and 1182.12, Lulus was required to compensate AWS Claimants at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over ten (10) hours per workday and for any work in excess of the regularly scheduled hours established by the AWS and for any work in excess of 40 hours per week but at two (2) times their regular rate for hours worked over twelve (12) per workday and for any hours in excess of eight (8) on the fifth, sixth, and seventh days of a workweek. Mr. Buck and Claimants regularly worked overtime hours, some on the clock and some off the clock because of the security checks described earlier. Lulus has failed to and continues to fail to pay Claimants overtime wages owed for off-the-clock time worked that should have been compensated as overtime, yet regularly required them to work these overtime hours without premium pay under Labor Code section 1194. In short, during the entire course of their employment, Lulus failed to provide Mr. Buck and continues to fail to provide all others similarly situated with all overtime pay in violation of sections 226.7, 510, 511, and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 3.

Pursuant to Labor Code sections 201–203, Claimants who have since separated from Lulus, including Mr. Buck, were entitled to be paid all **wages owed upon separation** within the statutorily allotted time—immediately (resignation with notice and termination) or within seventy-two (72) hours (resignation without notice). Claimants, including Mr. Buck, did not receive all wages owed upon separation for all hours worked based on Lulus' prior failings to pay all wages owed every pay period, including but not limited to all rest break premiums owed and for all hours worked, as explained above.

Pursuant to IWC Wage Order No. 7-2001, employers are required to **keep accurate time records** showing when employees begin and end each work period. During the relevant time period, Lulus had a company-wide policy and engaged in a companywide practice of failing to record actual hours worked, thereby failing to keep accurate records of work period start and stop times for Claimants, in violation of section 1198. More specifically, Mr. Buck and Claimants were not permitted to clock in any earlier than their scheduled shift times, even though Claimants performed a substantial amount of compensable work off the clock, especially pre-shift. Because Lulus failed to record the actual hours worked and, therefore, the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on Claimants' wage statements, Claimants have been prevented from verifying—solely from information on the wage statements themselves—that they were paid correctly and in full. Instead, Claimants have had to refer to other sources beyond their wage statements and reconstruct time records to determine whether in fact they were paid correctly and the extent to which they were underpaid, thereby causing them injury. Lulus' decision to fail to record this time was knowing and intentional because it was in the sole position to set forth and implement and enforce these companywide practices. Accordingly, Claimants are entitled to recover civil penalties, attorneys' fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)–(g).

Claimants were at all times entitled to be provided timely and accurate **wage statements** from Lulus pursuant to Labor Code section 226. Because Lulus failed to pay Claimants all of their rest break premiums for noncompliant rest breaks and failed to pay Claimants minimum wages for all hours worked before, during, and after their shifts and for all overtime wages due, Claimants' wage statements were inaccurate in reflecting rest break premiums owed, overtime and minimum wages, and all hours worked every pay period. As a consequence, Claimants' wage statements also do not reflect the accurate amount of net and gross wages owed. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

Lulus' uniform failure to pay minimum and overtime wages, failure to authorize and permit full-length, off-duty rest breaks or pay Claimants adequate premium compensation in lieu thereof, failure to keep accurate time records, failure to furnish timely and accurate wage statements, and failure to pay all wages owed upon separation, violate Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 511, 1174, 1182.12, 1194, and 1197, and as such, penalties are recoverable as set forth in Labor Code sections 210, 1194, *et seq.*, and 2699.

Claimants are entitled to recover unpaid wages, with interest, and are entitled to an award of attorneys' fees as permitted by Labor Code section 1194, other penalties as permitted by Labor Code sections 210 and 2699, and waiting time penalties for former employees pursuant to Labor Code section 203.

Accordingly, Claimants seek the remedies set forth in the above-referenced Labor Code sections for themselves, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, Mr. Buck, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against Lulus for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 511, 1174(d), 1182.12, 1194, 1197, and 1197.1.

Should you require any additional information, please feel free to contact me.

Sincerely,

ABRAMSON LABOR GROUP

Cheryl Kenner

Cheryl A. Kenner