

The Kick Law Firm

A Professional Corporation
815 Moraga Drive
Los Angeles, CA 90049
310 395 2988 / Fax 310 395 2088

April 25, 2025

Via Online Submission

Department of Industrial Relations
Accounting Unit
Attn. PAGA Administrator
455 Golden Gate Ave, 10th Floor
San Francisco, CA 94102

Via Certified U.S. Mail

Garuda Labs, Inc. dba Instawork
548 Market Street, PMB 63152,
San Francisco, CA 94104-5401

Via Certified U.S. Mail

Garuda Labs, Inc. dba Instawork
c/o agent 1505 Corporation
CSC - Lawyers Incorporating Service
KOY SAECHAO
2710 Gateway Oaks Drive,
Sacramento, CA

Re: Notice Pursuant to California Labor Code § 2699.3

Employee: Ciji Sanchez

Employers: Garuda Labs, Inc. dba Instawork

To Whom It May Concern:

This office represents Ciji Sanchez (“Ms. Sanchez”), who was employed by Garuda Labs, Inc. dba Instawork and related entities (collectively, “Employers”). Pursuant to the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code § 2698, *et seq.*, this letter sets forth the specific provisions of the Labor Code and Industrial Welfare Commission (“IWC”) Wage Order No. 9-2001, which Ms. Sanchez alleges Employers have violated, including the facts and theories to support the alleged violations. Please be advised that this letter constitutes written notice required by Labor Code § 2699.3, subdivisions (a)(1)(A) and (c)(1)(A) and may lead to immediate action against Employers in a court of law and/or administrative proceedings, as well as the imposition of substantial penalties and other remedies against Employers. Our office, with submission of this notice, has also paid the \$75.00 to the Department of Industrial Relations for the requisite filing fee, pursuant to Labor Code § 2699.3, subdivisions (a)(1)(B) and (c)(1)(B).

We are investigating a potential class and representative action on behalf of Employers’ current and former non-exempt employees in the State of California regarding, among other things, the following violations: failure to provide meal and rest periods to employees in violation of Labor Code §§ 226.7 and 512 and Wage Order No. 9-2001, §§ 11-12; failure to pay one additional hour of compensation at the employee’s regular rate of compensation for each workday that a meal or rest period is not provided in violation of Labor Code § 226.7 and Wage Order No. 9-2001, §§ 11(B) and 12(B); failure to pay employees minimum wages for all hours worked in violation of Labor Code §§ 1194, 1197 and 1197.1 and Wage Order No. 9-2001, § 4; failure to pay employees overtime wages in violation of Labor Code §§ 510 and 1194 and Wage Order No. 9-2001, § 3;

failure to timely pay employees all wages earned in violation of Labor Code § 204; failure to furnish accurate itemized wage statements to employees in violation of Labor Code § 226; failure to maintain required records pursuant to Labor Code §§ 226, 1174 and 1174.5 and Wage Order No. 9-2001, § 7; failure to indemnify employees for necessary expenditures incurred in discharge of duties in violation of Labor Code § 2802(a); and willful misclassification of employees as independent contractors in violation of Labor Code § 226.8.

The allegations made by Ms. Sanchez on behalf of herself and all other similarly-situated current and former non-exempt employees of Employers in the State of California during the four years preceding the date of this notice are based on the following facts and theories:

Employers improperly misclassified employees as independent contractors. As a result, Employers failed to pay employees minimum wages and overtime wages, provide appropriate meal and rest breaks, or provide accurate wage statements, as required by California law.

Employers improperly prohibited and/or discouraged employees from using paid sick leave in violation of California Labor Code § 246.

Employers improperly withheld tips from employees in violation of California Labor Code § 351.

Meal periods were less than thirty minutes, late (first meal periods starting after the fifth hour of work and/or second meal periods starting after the tenth hour), or not given at all (including second meal periods after ten hours of work); rest periods were less than ten minutes, not provided, and/or late; employees were not provided one hour of pay for each workday a meal period was not provided; employees were not provided one hour of pay for each workday a rest break was not authorized and permitted; and employees were not paid proper minimum and overtime wages for all hours worked as required by California law.¹ Given the overtime, meal period and rest period violations and Employers' failure to compensate their employees fully, as set forth above, employees' wage statements were inaccurate and failed to comply with California law.

Failure to Provide Meal Periods

Pursuant to Labor Code §§ 226.7 and 512 and Wage Order No. 9-2001, § 11, an employer is required to provide meal periods to its employees. An employer must provide a meal period to any employee who works a shift of more than five (5) hours and a second meal period to any employee who works a shift of more than ten (10) hours. Furthermore, an employer must pay one extra hour of compensation for each workday a meal period is not provided.

If an employee is not relieved of all duty during a meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. A paid "on duty" meal period is permitted only when 1) the nature of the work prevents an employee from being relieved of all duty and 2) the parties have agreed in writing to on duty meal periods.

Ms. Sanchez and other aggrieved employees are non-exempt employees and are entitled to the protections of California Labor Code §§ 226.7 and 512 and Wage Order No. 9-2001, § 11.

¹ "[T]he statement that defendant has not provided its employees with proper rest periods states both the facts and the theory." *Gutierrez v. California Commerce Club, Inc.* (2010) 187 Cal.App.4th 969, 979 n.5.

Employers failed to provide their employees timely and uninterrupted thirty-minute meal breaks. Employers consistently failed to provide Ms. Sanchez and other aggrieved employees meal breaks because Ms. Sanchez and other aggrieved employees were given too much work to perform to take meal breaks.

Employers further violated Labor Code § 226.7 and Wage Order No. 9-2001 by failing to compensate Ms. Sanchez and other aggrieved employees who were not provided with meal periods in accordance with California law one additional hour of pay at each employee's regular rate of compensation for each workday a meal period was not provided.

Failure to Authorize and Permit Rest Periods

Pursuant to Labor Code § 226.7 and Wage Order No. 9-2001, § 12, an employer is required to provide rest periods to its employees. An employer must provide a ten (10) minute rest period for every four (4) hours worked or major action thereof which insofar as practicable shall be in the middle of each work period. Furthermore, an employer must pay one extra hour of compensation for each workday a rest period is not authorized and permitted.

Ms. Sanchez and other aggrieved employees were and are non-exempt employees and are entitled to the protections of Labor Code § 226.7 and Wage Order No. 9-2001. Employers failed to authorize and permit their employees to take required rest periods. Specifically, Employers maintained a policy or practice of not authorizing and permitting Ms. Sanchez and other aggrieved employees to take one 10-minute rest break for shifts 3.5-6.0 hours, a second rest break for shifts greater than 6 hours and less than or equal to 10 hours, and a third rest break for shifts in excess of 10 hours. Employers consistently failed to authorize and permit Ms. Sanchez and other similarly-situated individuals to take rest breaks because Ms. Sanchez and other similarly-situated individuals were given too much work to perform to take rest breaks.

Employers further violated Labor Code § 226.7 and Wage Order No. 9-2001, § 12 by failing to pay Ms. Sanchez and other aggrieved employees one additional hour of pay at each employee's regular rate of compensation for each workday a rest period was not authorized and permitted.

Failure to Pay Minimum Wages

Pursuant to Labor Code §§ 1194 and 1197 and Wage Order No. 9-2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Ms. Sanchez and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 1194 and 1197 and Wage Order No. 9-2001, § 4. Employers failed to pay Ms. Sanchez and other aggrieved employees minimum wages for all hours worked by, among other things: requiring, suffering or permitting Ms. Sanchez and other similarly-situated individuals to work off-the-clock; requiring, suffering or permitting Ms. Sanchez and other aggrieved employees to work through their meal breaks but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Sanchez and other aggrieved employees; failing to properly maintain Ms. Sanchez's and other aggrieved employees' records; failing to provide accurate itemized wage statements to Ms. Sanchez and other aggrieved employees for each pay period; and other methods to be discovered.

Employers' conduct violates Labor Code §§ 1194 and 1197 and Wage Order No. 9-2001, § 4.

Failure to Pay Overtime Wages

Pursuant to California Labor Code §§ 510 and 1194 and Wage Order No. 9-2001, § 3, an employer must compensate its employees for all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive work day, with double time for all hours worked in excess of eight (8) hours on the seventh day of any workweek, or after twelve (12) hours in any workday.

Ms. Sanchez and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 510 and 1194 and Wage Order No. 9-2001. Employers failed to compensate Ms. Sanchez and other aggrieved employees for all overtime hours worked as required under the foregoing provisions of the Labor Code and IWC Wage Order by, among other things: failing to pay overtime at one and one-half (1 ½) times or double the regular rate of pay as provided by Labor Code §§ 510 and 1194 and Wage Order No. 9-2001, § 3; requiring, suffering or permitting Ms. Sanchez and other aggrieved employees to work off-the-clock; requiring, suffering or permitting Ms. Sanchez and other aggrieved employees to work through meal periods but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Sanchez and other aggrieved employees; failing to provide accurate itemized statements to Ms. Sanchez and other aggrieved employees for each pay period; and other methods to be discovered.

In violation of California law, Employers have refused to perform their obligations to compensate Ms. Sanchez and other aggrieved employees for all wages earned and all hours worked. Employers' conduct violates Labor Code §§ 510 and 1194 and Wage Order No. 9-2001, § 3.

Failure to Timely Pay All Wages Earned

Pursuant to Labor Code § 204, an employer must pay its employees at least twice a month for all wages earned during the preceding pay period. Labor Code § 204 provides that labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. An employer using an alternate payday schedule must pay wages within seven calendar days of the end of the payroll period in which the wages were earned.

Employers failed to pay Ms. Sanchez and other aggrieved employees on their regularly scheduled payday for all work performed during the preceding pay period. Specifically, Employers required Ms. Sanchez and other aggrieved employees to work off-the-clock without compensation and required Ms. Sanchez and other aggrieved employees to work through required meal breaks without compensation. Additionally, Employers failed to pay Ms. Sanchez and other aggrieved employees premium wages owed for each workday a meal period was not provided and each workday a rest period was not authorized and permitted.

Employers also failed to pay Ms. Sanchez and other aggrieved employees for the overtime wages they earned in violation of Labor Code § 204. Labor Code § 204 requires an employer to pay overtime wages no later than the payday for the next regular payroll period following the payroll period in which the overtime wages were earned. Employers knew they were required to pay overtime wages, yet on many occasions failed to pay Ms. Sanchez and other aggrieved employees overtime wages on any payday.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226 requires every employer to furnish each of its employees an accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) 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, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Employers failed to provide Ms. Sanchez and other aggrieved employees with timely and accurate itemized wage statements in writing showing each employee's gross wages earned, total hours worked, the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, all deductions made, net wages earned, the inclusive dates of the period for which the employee is paid, the name and address of the legal entity or entities employing Ms. Sanchez and other aggrieved employees, and all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226 and Wage Order No. 9-2001, § 7.

Specifically, Employers had knowledge they were not providing their employees with proper meal and rest breaks; nevertheless, Employers knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. As a result, Ms. Sanchez and other aggrieved employees lost wages. In addition, Employers had knowledge they were requiring employees to work off-the-clock and were not properly compensating their employees for all hours worked, yet Employers knowingly failed to include this time worked in the wage statements. As a result, Ms. Sanchez and other aggrieved employees lost wages. Employers also did not properly calculate the regular rate of pay of Ms. Sanchez and other aggrieved employees. As a result, Ms. Sanchez's and other aggrieved employees' wage statements did not include all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

Failure to Maintain Required Records

Employers failed to maintain records as required under Labor Code §§ 226 and 1174 and Wage Order No. 9-2001, § 7, including but not limited to the following records: total daily hours worked by each employee; applicable rates of pay; all deductions; meal periods; time records showing when each employee begins and ends each work period; and accurate itemized statements.

Specifically, Employers had knowledge they were not providing their employees with proper meal and rest breaks; nevertheless, Employers knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. In addition, Employers had knowledge they were requiring employees to work off-the-clock and were not properly compensating their employees for all hours worked, yet Employers knowingly failed to include this time worked in the regular rate of pay of aggrieved employees.

Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties, Unlawful Deductions, and Compulsion and Coercion to Patronize Employer and/or Other Persons

Labor Code § 2802(a) requires an employer to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of her his or her duties, or of his or her obedience to the directions of the employer. Employers failed to indemnify Ms. Sanchez and other aggrieved employees for all business expenses and/or losses incurred in direct consequence of the discharge of their duties while working under the direction of Employers, including but not limited to expenses for cell phones, other equipment, fees, fines, travel-related expenses, and other employment-related expenses, in violation of Labor Code § 2802.

Willful Misclassification as Independent Contractors

Labor Code § 226.8(a) states in part that it is “unlawful for any person or employer to engage” in the “(1) Willful misclassification of an individual as an independent contractor.” Moreover, Labor Code § 226.8(a) goes on to also state that it is similarly “unlawful for any person or employer to engage” in the “(2) Charging an individual who has been willfully misclassified as an independent contractor a fee, or making any deduction from compensation, for any purpose... arising from the individuals employment where any of the acts described... would have violated the law if the individual had not been misclassified.” Ms. Sanchez and other aggrieved employees were clearly employees subject to the control of Employers and such, to the extent any aggrieved employees were classified by Employers as independent contractors, Employers willfully misclassified them as independent contractors and required to pay, by direct payment and/or deductions from wages, for various goods, materials, space rental, services, government licenses, repairs, equipment maintenance, or fines arising from their employment by Employers in violation of Labor Code § 226.8.

This notice is hereby given to Employers and any and all related and/or alter ego companies, corporations, partnerships, and/or business entities, as well as against any and all officers, owners, directors, managers, managing agents, or entities who are or may be liable under California law for any of the violations alleged herein as to any locations or employees who worked at any time in the State of California.

This notice is made on behalf of all persons who are, were, or will be non-exempt employees of Employers, or any related or alter-ego company, corporation, partnership, and/or business entity at any time on or after a date four years prior to the date of this letter in the State of California.

This notice shall be construed as extending without limitation to any past, present, future, or continuing violation of the Labor Code, the applicable IWC Wage Order, or any applicable regulation which might be discovered as a result of a reasonable and diligent investigation made pursuant to this notice.

This notice shall further represent Ms. Sanchez's reasonable attempt to settle his/her dispute with Employers prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to apprise Employers of Ms. Sanchez's aforementioned grievances and the proposed remedies as detailed below, while affording Employers reasonable opportunity to meet Ms. Sanchez's demands.

Demand is hereby made that Employer shall agree, in writing received at this office no later than 30 calendar days from the postmark date of this notice, as follows:

1. Employers shall pay Ms. Sanchez and all other similarly-situated persons employed by Employers at any time during the past 48 months back pay and compensation for the above-referenced violations.

2. Employers shall comply with all California labor laws and ensure that their non-exempt employees are paid proper overtime compensation and given required meal and rest periods.

3. Employers shall conduct a survey or interview all current and former non-exempt employees in California during the past 48 months to obtain information from them regarding the number of meal breaks which were not provided, the number of rest breaks which were not authorized and permitted, the number of hours dedicated by the employee to training time, and the number of employees who were required to pay for cell phones, other equipment, travel-related expenses, fuel, insurance, fines, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.

4. Employers shall pay each employee one hour of pay for each workday he or she was not authorized and permitted one or more rest periods, as required by Labor Code § 226.7. Employers also shall pay each employee one hour of pay for each workday he or she was not provided one or more meal periods, as required by Labor Code § 226.7.

5. Employers shall reimburse those employees who were forced to pay for any business expenses incurred for Employers' benefit, as well as those items employees were compelled and coerced to purchase from Employers or other specified persons.

6. Employers shall pay accrued interest to all employees at the rate of ten percent per annum for said unpaid wages, as well as any liquidated damages required by statute, and reasonable attorneys' fees and costs.

7. Employers shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code § 2698 *et seq.*, including but not limited to penalties under Labor Code §§ 206.5, 210, 225.5, 226.3, 558, 1174.5, 1182.12, 1197.1, 1198, 1199 and 2699 and Wage Order No. 9-2001, § 20.

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If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please notify this office of that decision by certified mail addressed to The Kick Law Firm, APC, 815 Moraga Drive, Los Angeles, CA 90049. Additionally, please advise us if the Agency or Employers require additional information regarding Ms. Sanchez's complaints.

Thank you for your prompt attention to this matter.

Sincerely,

The Kick Law Firm, APC

A handwritten signature in black ink that reads "Tyler Dosaj". The signature is written in a cursive, flowing style.

Tyler J. Dosaj