

**HAINES LAW GROUP**  
**EMPLOYMENT ATTORNEYS**

April 11, 2025

**VIA LWDA WEBSITE**

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

Re: *Margarita Vasquez v. PepsiCo Beverage Sales, LLC*

To Whom It May Concern:

Please be advised that this law firm represents Margarita Vasquez (“Ms. Vasquez”) in claims arising from her employment with PepsiCo Beverage Sales, LLC, and Does 1 through 100 (collectively “PepsiCo”). Ms. Vasquez is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to PepsiCo’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of PepsiCo’s non-exempt employees who worked for PepsiCo in California during the one year immediately preceding the date of this letter through the present.

PepsiCo operates a facility manufacturing and distributing beverages in Carson, California. Ms. Vasquez has been employed by PepsiCo as a non-exempt “Certifier” from approximately 2004 until the present. Ms. Vasquez’s main duties are to examine outbound trucks and ensure they are properly equipped before departing.

During Ms. Vasquez’s employment with PepsiCo, PepsiCo utilized a timekeeping system which resulted in Ms. Vasquez and other aggrieved employees not being compensated for all hours actually worked. PepsiCo has failed to pay Ms. Vasquez and other aggrieved employees for all hours worked, including (but not limited to) requiring and/or permitting employees to work while off-the-clock during their off-duty meal periods and rest periods. This has resulted in Ms. Vasquez and other aggrieved employees not being paid all required wages for all hours worked, including minimum wages and overtime wages. Specifically, when Ms. Vasquez and other aggrieved employees attempted to record their actual hours worked in the timekeeping system, an error message would pop up and prevent them from completing the process. In order to circumvent the error message, Ms. Vasquez’s supervisors instructed Ms. Vasquez to only enter her scheduled hours of work and not her actual hours worked. If Ms. Vasquez and other aggrieved employees did not follow the instructions and enter their scheduled hours of work, upon information and belief, their time entries would not be submitted and they would not be paid until they

modified their time entries. Due to Pepsico's timekeeping policies/practices that fail to compensate for all hours worked, Ms. Vasquez and other aggrieved employees were not compensated for all required minimum and overtime wages.

During Ms. Vasquez's employment with Pepsico, Pepsico failed to provide Ms. Vasquez and other aggrieved employees with all legally compliant meal periods due to Pepsico's meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and/or missed meal periods. Specifically, due to work demands, Ms. Vasquez and other aggrieved employees were frequently unable to commence their meal periods until after the completion of the fifth hour of work. When this occurred, Ms. Vasquez's supervisors often instructed Ms. Vasquez to enter her meal period as if it had commenced before the completion of the fifth hour of work. On those occasions when Ms. Vasquez was not provided with all legally-compliant meal periods to which she was entitled, Pepsico failed to compensate Ms. Vasquez with the required meal period premium(s) for each workday there was a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, Pepsico maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7, in the event that a legally-compliant meal period was not provided to their aggrieved employees.

Pepsico has also failed to authorize and permit all required rest periods for Ms. Vasquez and other aggrieved employees. Specifically, Pepsico has often failed to authorize and permit a 10-minute rest period for every four hours worked or major fraction thereof due to work demands imposed by Pepsico. On those occasions when Ms. Vasquez was not authorized and permitted all legally required rest periods to which she was entitled, Pepsico failed to compensate Ms. Vasquez with the required rest period premium for each workday in which she experienced a rest period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Pepsico maintained no payroll code for paying rest period premiums under Labor Code § 226.7.

As a result of Pepsico's failure to compensate Ms. Vasquez and other aggrieved employees for all minimum wages, overtime wages, and all meal and rest period premium wages, Pepsico maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements.

As described above, Pepsico committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 1 ("Wage Order 1"):

#### Overtime Wage Violations

Pepsico was required to pay Ms. Vasquez and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess

of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.” This Section further provides, “Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” As alleged above, Pepsico caused Ms. Vasquez and other aggrieved employees to work overtime hours but did not compensate Ms. Vasquez and other aggrieved employees at one and one-half times their regular rate of pay for such hours. As a result of these policies/practices, Ms. Vasquez and other aggrieved employees were not compensated for all overtime and double-time wages.

#### Minimum Wage Violations

Pepsico was required to pay Ms. Vasquez and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 1, § 4. As alleged above, Pepsico failed to conform its pay practices to the requirements of the law by failing to pay Ms. Vasquez and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Pepsico and/or suffered or permitted to work under the California Labor Code and Wage Order 1. As a result of these policies/practices, which fail to compensate for all hours worked, Ms. Vasquez and other aggrieved employees were deprived of all required minimum wages.

#### Meal Period Violations

As alleged above, Pepsico failed to provide Ms. Vasquez and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Ms. Vasquez 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 alleged above, Pepsico also failed to authorize and permit Ms. Vasquez and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Ms. Vasquez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest

period in accordance with an applicable 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 period is not provided.")

#### Wage Statement Violations

Pepsico was required to furnish Ms. Vasquez and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 1, § 7. As a result of Pepsico's failure to pay all overtime and minimum wages, and failure to pay all required meal and rest period premium wages, Pepsico maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Vasquez and other aggrieved employees in violation of Labor Code § 226. Pepsico's failure to comply with its wage statement obligations was knowing and intentional, and Ms. Vasquez and other aggrieved employees have suffered injury as a result.

As an "aggrieved employee," Ms. Vasquez will initiate a civil action on behalf of herself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Vasquez's own investigation, and on information and belief, Pepsico committed and continues to commit the following Labor Code violations:

- a. Pepsico violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Ms. Vasquez and other aggrieved employees all overtime compensation earned;
- b. Pepsico violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Vasquez and other aggrieved employees the statutory minimum wage for all hours worked;
- c. Pepsico violated Labor Code §§ 226.7, 512, and 558 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Vasquez and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Pepsico violated Labor Code §§ 226.2, 516, and 1198 by failing to authorize and permit Ms. Vasquez and other aggrieved employees all required rest periods and failing to pay rest period premiums to Ms. Vasquez and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- e. Pepsico violated Labor Code § 226 by failing to furnish Ms. Vasquez and other aggrieved employees with accurate and compliant itemized wage statements;

- f. Pepsico violated Labor Code § 204 by failing to pay Ms. Vasquez and other aggrieved employees all wages earned at least twice during each calendar month; and
- g. Pepsico violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Ms. Vasquez and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Pepsico 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



Paul K. Haines

cc: Pepsico Beverage Sales, LLC (via certified mail)