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May 8, 2025

VIA ONLINE ELECTRONIC SUBMISSION

California Labor & Workforce
Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, California 94102
SUBMITTED ONLINE

**Re: Notice Pursuant to California Labor Code § 2699.3 re Le-Vel Brands LLC;
Jason Camper; Sophary Ly; Cliff Gallagher; Jayson Jorgensen; Shelley Hill;
Shannon Schmidt; Chante Markus**

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Cal. Labor Code § 2698, *et seq.*, Ms. Jenavie Cahilig provides this notice on behalf of herself and other aggrieved employees in the State of California to the Labor and Workforce Development Agency (“LWDA”) and Le-Vel Brands LLC and including any and all affiliates, subsidiaries, parents, directors, officers, and employees, including but not limited to, Jason Camper; Sophary Ly; Cliff Gallagher; Jayson Jorgensen; Shelley Hill; Shannon Schmidt; Chante Markus (collectively, “Le-Vel”) of Labor Code and Industrial Welfare Commission (“IWC”) Wage Order violations committed by Le-Vel and personally experienced by Jenavie Cahilig. Please allow this letter to serve as a notice and a request pursuant to § 2699.3 of the California Labor Code that your agency investigate the claims described below. If the agency does not intend to investigate the alleged violations, we ask that you please notify us of that fact. If your agency decides not to investigate the below-described claims, Ms. Cahilig intends to pursue civil penalties and injunctive relief through a court action and/or in arbitration, on behalf of herself and the other aggrieved employees against whom Labor Code and Wage Order violations were committed by Le-Vel.

Introduction

Le-Vel is headquartered in Frisco, Texas. Le-Vel develops and sells Le-Vel develops and sells online a wide range of health and wellness products, focusing on nutritional support and weight management. Pursuant to Le-Vel’s business model, it establishes explicit relationships with various individuals known as “Brand Promoters” who market and sell Le-Vel products for Le-Vel, establishing and managing a broad range of employment policies and procedures for these “Brand Promoters.” Despite calling these salespeople “Brand Promoters” but designating them independent contractors, these “Brand Promoters” are in fact employees under California law. Le-Vel has violated numerous provisions of the California Labor Code and applicable IWC Wage Order by denying its “Brand Promoters” the compensation, other benefits and statutory entitlements that they are owed.

One of the many individuals whom Le-Vel employs as a “Brand Promoter” is Ms. Cahilig. Ms. Cahilig worked for Le-Vel as a “Brand Promoter” from approximately September 2020 to present, in California. During that entire time, Ms. Cahilig was under Le-Vel’s control, selling and marketing Le-Vel products online in accordance with strict guidelines.

Unless the agency decides to investigate and issue citations for Le-Vel’s numerous Labor Code and Wage Order violations, Ms. Cahilig intends to bring a representative action in court and/or in arbitration seeking civil penalties for violations of the Labor Code that are recoverable under PAGA on behalf of the State of California and all other aggrieved employees. The aggrieved employees on whose behalf Ms. Cahilig will file a PAGA civil action include all current and former Le-Vel “Brand Promoters” who sold Le-Vel products and services in the State of California during the relevant statutory period, and any other individuals who are actually non-exempt employees of Le-Vel under California law.

As set forth below, Le-Vel has violated and/or continues to violate, among other provisions of the California Labor Code sections 204, 226(a), 226.8, 1194, 1197, 1197.1, 2802, and IWC Wage Orders, including inter alia, Wage Order No. 4, and Ms. Cahilig has personally experienced each of these violations.

Willful Misclassification of an Individual as an Independent Contractor

California law prohibits the willful misclassification of an individual as an independent contractor when he or she is in fact an employee under California law. Cal. Lab. Code § 226.8(a). “Willful misclassification” means avoiding employee status for an individual by voluntarily and knowingly misclassifying that individual as an independent contractor. Cal. Lab. Code § 226.8(i)(4). When an employer willfully misclassifies an individual as an independent contractor, the employer is subject to civil penalties. Cal. Lab. Code § 226.8(b)–(c). Le-Vel willfully misclassified Ms. Cahilig and other aggrieved employees as independent contractors, because it has been clear for several years now under California law that its “Brand Promoters” are in fact employees under Cal. Lab. Code § 2775, insofar as such “Brand Promoters” are under Le-Vel’s control in performing their selling duties, the selling duties that “Brand Promoters” do is within the usual course of Le-Vel’s business, and they are not engaged in an independently established trade, occupation or business. Even under a looser definition of “employee,” “Brand Promoters” would also be considered employees because Le-Vel controls the manner and means through which Ms. Cahilig and other aggrieved employees carry out their duties, including but not limited to restricting advertising, restricting what channels products may be sold through, and providing proprietary lists and direct customer leads.

Failure to Pay Minimum Wages

Le-Vel violated California Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4 by failing to pay Ms. Cahilig and other aggrieved employees at least minimum wages for all hours worked. Primarily, this was due to Le-Vel having misclassified its Brand Promoters as independent contractors rather than as employees. Ms. Cahilig and other aggrieved employees were required or knowingly permitted to perform all their work duties off-the-clock, including but not limited to training, communicating with Le-Vel, and selling and marketing Le-Vel products and services. By failing to pay Ms. Cahilig and other aggrieved employees any wages for their time spent performing work duties for Le-Vel, Le-Vel violated Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4, which require employers to pay at least the legal minimum wage to their employees.

Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor more than the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant period, Le-Vel failed to pay Ms. Cahilig and other aggrieved employees all wages due to them, including minimum wages, overtime wages, and meal and rest period premium wages, within any time period specified by California Labor Code section 204. Moreover, Le-Vel failed to pay Ms. Cahilig or other aggrieved employees earned commissions in a timely and complete fashion.

Failure to Keep Accurate Payroll Records

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant period, Le-Vel failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages paid to Ms. Cahilig and other aggrieved employees.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code section 226(a) and Wage Order No. 4 require an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, inter alia, (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, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (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, and (8) the name and address of the legal entity that is the employer. Le-Vel failed to provide *any* wage statements to Ms. Cahilig and other aggrieved employees, despite being required to do so. Accordingly, Le-Vel is subject to civil penalties under Labor Code section 226.3.

Failure to Reimburse Necessary Business Expenses

Labor Code section 2802 and Wage Order No. 4 require employers to indemnify their employees for all necessary business expenses that they incur in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant period, Ms. Cahilig and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Le-Vel. These costs include, but are not limited to, the use of personal cell phones and computers, Wi-Fi and internet connections, purchasing ads on social media, premium memberships for access to any sites that “Brand Promoters” were required to use to market and sell Le-Vel services and products, home office equipment, ring lights other equipment for making content videos, among other

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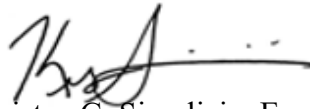
expenses. Indeed, Ms. Cahilig and the other aggrieved employees absorbed all the costs associated with marketing and selling Le-Vel's products and services at their own expense and without reimbursement by Le-Vel. Ms. Cahilig and the aggrieved employees are entitled to reimbursement for all such expenses.

* * *

Le-Vel has violated, caused to be violated, or is currently violating, numerous provisions of the California Labor Code, as described above. Ms. Cahilig respectfully requests that the agency investigate the above allegations, and, in any event, provide notice regarding its intent to investigate pursuant to Labor Code § 2699.3. If the agency does not intend to investigate the alleged violations, Ms. Cahilig respectfully requests a letter confirming the same so that we may bring a civil action for civil penalties and injunctive relief under PAGA against Le-Vel for the violations described in this letter. Please know that we intend to file a civil complaint and to bring the appropriate claims under Labor Code § 2699 should your office decline to investigate, or investigate but decline to issue citations, within the time frames set out in Labor Code § 2699.3. Should you require anything further or have questions, please do not hesitate to contact me. Thank you for your consideration.

Respectfully Submitted,

CLARKSON LAW FIRM, P.C.



Kristen G. Simplicio, Esq.

Via Certified Mail Return Receipt Requested

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