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File No. 136

VIA ELECTRONIC SUBMISSION

Labor and Work Force Development Agency
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Floor
San Francisco, California 94102

VIA CERTIFIED MAIL (70210350000188018273)

President/HR
Sprouts Farmers Market, Inc.
5455 E. High Street, Suite 111
Phoenix, Arizona 85054

VIA CERTIFIED MAIL (70210350000188018280)

President/HR
Sprouts Farmers Market, LLC
613 South Harmon Street
Santa Ana, California 92704

VIA CERTIFIED MAIL (70210350000188018297)

President/HR
SF Markets, LLC
5455 E. High Street, Suite 111
Phoenix, Arizona 85054

Re: *Rosa M. Perez, et al. v. SFM, LLC et al.*

Dear Labor Commissioner:

This office represents Ms. Rosa M. Perez ("Plaintiff"). Accordingly, we are informing you of our representation and ask that all further communication regarding this matter be directed to my attention at the address located on this letterhead and that no contact be made directly with our client. This letter is sent pursuant to the Private Attorneys General Act ("PAGA") pursuant to Labor Code §§ 2698, 2699, *et seq.*

I. FACTS & NATURE OF THE DISPUTE

This is a wage and hour labor dispute. Plaintiff's intent is to pursue a representative action against the foregoing defendants ("Defendants") on behalf of the state of California for violations committed against Plaintiff and all current and former aggrieved employees (Plaintiff and all current and former aggrieved employees are hereinafter collectively referred to as "Aggrieved Employees") pursuant to the PAGA.

II. NATURE OF DISPUTE

The Aggrieved Employees have several legal claims against Defendants for violations of Labor Code §§ 201, 202, 203, 204, 226, 226(a), 226(b), 226(c), 226.7, 226.7(b), 226.7(c), 246, 246(l), 432, 512, 1198.5, 2698, and 2699, *et seq.*

Defendants violated Labor Code §§ 512, 226.7, and 226.7(b). Defendants failed to provide Aggrieved Employees with meal periods in violation of Labor Code §§ 512, 226.7(b), 226.7, and the applicable Wage Order. By way of example, Aggrieved Employees regularly worked shifts beyond five hours yet Defendants did not relieve Aggrieved Employees for compliant meal periods under California law.

Defendants violated Labor Code §§ 226.7, and 226.7(c). Defendants failed to pay Aggrieved Employees all wages and entitlements due under Labor Code §§ 226.7 and 226.7(c), including meal premiums at the appropriate rate of pay, for each workday in which the Defendants did not provide Aggrieved Employees meal periods. Defendants' violation of Labor Code §§ 512, 226.7, 226.7(b), and 226.7(c) resulted in derivative violations including, but not limited to, Labor Codes §§ 201, 202, 203, 204, 226(a), and 226(a)(1)-(9).

Defendants violated Labor Code §§ 246 and 246(l). Upon information and belief, Defendants failed to pay the Aggrieved Employees all wages and entitlements due under the Labor Code, including but not limited to compensating its employees for use of their sick leave pursuant to the correct rate mandated in Labor Code §§ 246 and 246(l). In particular, Defendants failed to appropriately factor in additional nondiscretionary payments and compensation—including but not limited to, shift differentials and bonuses earned by Aggrieved Employees—for purposes of computing the appropriate rate of pay for sick leave wages. Defendants' violation of Labor Code §§ 246 and 246(l) resulted in derivative violations of other Labor Code sections including, but not limited to, Labor Code §§ 201, 202, 203, 204, 226(a), and 226(a)(1)-(9).

Defendants violated Labor Code §§ 226 and 226(a) by failing to provide Aggrieved Employees with accurate wage statements. By way of example, the wage statements failed, among other things, to accurately state the gross and net wages, and all applicable hourly rates in effect during the pay period and corresponding hours worked in violation of Labor Code § 226 subdivisions (a)(1), (a)(5), and (a)(9).

Defendants violated Labor Code § 226, 226(b), 226(c), 432, and 1198.5. On July 11, 2022, Plaintiff, through counsel, sent a letter to Defendants requesting copies of her payroll and personnel records. Defendants failed to produce these records. On August 17, 2022, Plaintiff, through counsel, sent a second letter to Defendants requesting copies of her payroll and personnel records. Again, Defendants failed to produce these records. On August 29, 2022, Plaintiff, through counsel, sent a third letter to Defendants, requesting copies of his payroll and personnel records. On August 31, 2022, Defendants produced some, but not all responsive records. In particular, Defendants failed to produce Plaintiff's arbitration agreement, background consent form, background report, and who knows what else. Accordingly, Defendants violated Labor Code §§ 226, 226(b), 226(c), 432, and 1198.5 by failing to produce the requested records. Upon information and belief, Plaintiff believes that Defendants continue to commit the same violations against other Aggrieved Employees who requested such records.

III. CONCLUSION

Please take notice this letter is intended to exhaust the pre-litigation requirements set forth under Labor code § 2699, *et seq.* By law, an employee alleging a violation of one of the above-referenced sections must notify his or her employer and the Labor and Workforce Development Agency ("LWDA") before he or she can invoke the provisions of section 2699, *et seq.* by seeking redress in court. (Lab. Code, § 2699.3.)

It is Plaintiff's intention to prosecute this matter under Labor Code § 2699, *et seq.* on behalf of the state of California for all alleged Labor Code violations committed by Defendants against the Aggrieved Employees. Plaintiff is seeking the remedies available under the PAGA for the Labor Code violations referenced in this letter, and any others that may be discovered in the course of litigation, should the LWDA not address these matters within the proscribed time period.

We write this letter subject to, and without waiver of, our client's rights and remedies, all of which we expressly reserve. This letter is not an express statement of all facts and circumstances concerning this matter.

Very truly yours,

Thomas D. Rutledge
/s/Thomas D. Rutledge

Cc: Alex Asil Mashiri, Esq. (via email)
Rosa Perez (via email)