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June 23, 2025

VIA ELECTRONIC FILING

Labor & Workforce Development Agency

VIA CERTIFIED MAIL

Zeel Networks, Inc.
135 W 50th Street, Suite 200
New York, NY 10020
Defendant certified mail # 7022 1670 0001 4770 9492

VIA CERTIFIED MAIL

Agent for Service of Process
C T Corporation System
Amanda Garcia
330 N Brand Blvd.
Glendale, CA 91203
Agent certified mail # 7022 1670 0001 4770 9652

VIA CERTIFIED MAIL

Zeel Networks, Inc.
PO Box 5191
New York, NY 10185
Defendant certified mail # 7022 1670 0001 4770 9669

VIA CERTIFIED MAIL

ZP Medical Services, PC
135 W 50th Street, Suite 200
New York, NY 10020
Defendant certified mail # 7022 1670 0001 4770 9492

Re: ***Virginia Contreras v. Zeel Networks, Inc., ZP Medical Services, PC – Compliance
Letter of California Labor Code § 2698 – Private Attorneys General Act***

Dear Sir or Madam:

This office represents Virginia Contreras (“Plaintiff”), a California employee of Zeel Networks, Inc., ZP Medical Services, PC (“Defendants”). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our client works for Defendant all over Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to our client and other of its California non-exempt employees.

Plaintiff began working for Defendants around 2019. In her role as a Massage Therapist, Plaintiff was compensated based on a percentage of the service fee set by Defendants for services provided to Defendants’ customers.

Defendant voluntarily and knowingly misclassified Plaintiff and Defendant’s California employees as independent contractors, instead of non-exempt employees, in violation of Labor Code § 226.8. Defendants controlled their wages, hours, and working conditions. Defendants controlled their rate of pay. When Defendant’s California employees worked corporate events for Defendants’ clients, they were provided with a set hourly schedule in which to perform their jobs, thereby controlling Plaintiff’s and Defendant’s California employees working hours—including, among other things, the number of hours they were permitted to work and their work schedules. Defendants also controlled their working conditions—including, among other things, requiring Plaintiff and Defendant’s California employees to arrive at Defendants’ client’s homes and places of business thirty minutes before the scheduled appointment time. As Defendants had control over Plaintiff and Defendant’s California employees’ wages, hours and working conditions, Plaintiff and Defendant’s California employees were improperly classified as independent contractors and instead should have been classified as non-exempt employees and are entitled to the protections of the California Labor Code, in violation of Labor Code §§ 226.8(a)(1), 226.8(c), 226.8(e)(1).

Plaintiff and Defendant’s California employees were routinely unable, and not authorized to take their 10-minute rest periods and were also unable to take an uninterrupted 30-minute meal break for every shift they worked. Specifically, Plaintiff and Defendant’s California employees were forced to continue working through their meal and rest breaks in order to assist Defendant’s needs. Because of this, Plaintiff and Defendant’s California employees were unable to take their required meal and rest breaks. Moreover, Defendants failed to pay premium wages of one hour’s pay for each missed meal and rest break to Plaintiff and Defendant’s California employees who were denied timely meal and rest breaks, in violation of Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, 1194, and 1198 and IWC Order No. 5-2001, Section 12.

Plaintiff and Defendant’s California employees were required to work off the clock for Defendant. Plaintiff and Defendant’s California employees were asked to perform tasks, such as setting up for their scheduled appointments, prior to clocking in, without being compensated for it. It took Plaintiff on the average of 30 minutes to complete these tasks. Plaintiff and Defendant’s California employees were instructed to work approximately 15-30 minutes after they had clocked out to

finish their assignments, such as performing massages and cleaning up afterwards. Moreover, Plaintiff and Defendant's California employees were not paid for non-productive time, such as their rest periods, driving time between Defendants' clients, or time spent to set up, even though they were under the control of Defendants and entitled to be paid at least the minimum wage for all hours worked. Defendant did not compensate Plaintiff and Defendant's California employees if these tasks were completed outside of her regular work hours. These excess hours were not recorded on our client's and Defendant's California employees wage statements. Plaintiff and Defendant's California employees should have been compensated for that time, but he was not in violation of Labor Code Sections 510, 1194, and 1194.2. As a result, Plaintiff and Defendant's California employees were not paid for all hours worked including all straight time wages, and overtime wages. These failures to pay wages constitute violations of Labor Code § 510 and 1194.

Plaintiff also claims that Defendant has failed to pay all overtime wages due to non-exempt employees. As a result, employees are not properly compensated for work performance in excess of eight (8) hours in a workday and work performed in excess of forty (40) hours in a workweek at a rate of no less than one and one-half times the regular rate of pay. Employees of Defendant regularly work in excess of eight (8) hours in a day or more than forty (40) hours per week and do not receive overtime compensation at a rate of one and one half of their regular rate. Plaintiff and Defendant's California employees were forced to work overtime and were not paid for all hours worked including all straight time wages, and overtime wages. These failures to pay all overtime wages constitute violations of Labor Code §§ 510, 1194, 1194.2.

Defendants failed to issue Plaintiff and Defendant's California employees accurately itemized wage statements. As Defendants failed to compensate Plaintiff and Defendants' California employees with all wages due, as detailed above, their wage statements failed to accurately state all gross wages earned, in violation of Labor Code § 226(a)(1), total hours worked, in violation of Labor Code § 226(a)(2), all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item in violation of Labor Code § 226(a)(4), net wages earned, in violation of Labor Code § 226(a)(5), the inclusive dates of the pay period, in violation of Labor Code §§ 226(a)(6). Defendant's failed to accurately state 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, in violation of Labor Code § 226(a)(7). Plaintiff and the California employees wage statements' failed to accurately state the name and address of the legal entity that is the employer in violation of Labor Code § 226(a)(8), and all applicable hourly rates during the pay period and the corresponding number of hours worked, in violation of Labor Code § 226(a)(9), as a result of Defendants' failure to pay all overtime wages due. These violations also violate Labor Code §§ 226(e) and 226.3 with respect to Plaintiff and Defendants' California employees.

Defendants knowingly and intentionally failed to provide Plaintiff and Defendant's California employees timely, accurate, itemized wage statements in accordance with Labor Code § 226 and keep accurate records and required by §1174(d). The statements provided to Plaintiff and Defendant's California employees, and the records maintained by Defendants, have not accurately

reflected actual gross wages earned, including pay for all hours worked, overtime, and meal/rest premiums, and total hour worked.

Our client further alleges that Defendants paid her and Defendant's California employees their final wages beyond the time frames set forth in Labor Code §§ 201 and 202. As they were not paid all wages due and owing throughout the course of their employment as a result of Defendants' failure to pay all premium wages as detailed above, at the time of their separation, they were not paid all final wages due and owing for the entirety of their employment. This violates Labor Code §§ 201-203.

Defendant pays Plaintiff and its California employees on a weekly basis and has failed to comply with Labor Code § 204(a) which holds that wages earned on a weekly basis must be paid no later than seven calendar days following the close of the payroll period. Due to the violations described above, Plaintiff and Defendant's California employees did not receive all of their wages earned in a timely manner as required by Labor Code § 204(a)(b) and 201.3.

Defendants failed to reimburse Plaintiff and Defendant's California employees for the tools and equipment they purchased to perform work for Defendants, such as massage supplies (i.e., massage oil and towels), massage tables, and chairs. Defendant also failed to reimburse Plaintiff and Defendant's California employees for mileage incurred on their personal vehicles to perform work for Defendant. Labor Code section 2802 provides that "[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." As such, Plaintiff and Defendant's California employees have incurred reasonable and necessary expenses in the course of their job duties, which were not reimbursed by Defendant, in violation of Labor Code § 2802.

Defendant violated Labor Code § 351 because gratuities paid by credit card were not disbursed within the statutory deadline. California law requires that such tips be paid no later than the next regular payday following the date the tip was authorized. Plaintiff and Defendant's California employees frequently waited more than one pay period to receive their earned tips, in violation of Labor Code § 351.

Defendants failed to pay all wages earned to Plaintiff and Defendant's California employees as a result of the unlawful employment policies and practices herein. As a result of these practices, Plaintiff and Defendant's California employees were underpaid for hours worked, including overtime and penalty wages, and this underpayment resulted in a failure to pay all wages owed twice per month. Due to this failure, Defendants are liable under Labor Code § 210 for failure to pay wages as required by law.

We invite Defendants or its attorney(s) to contact our office to discuss this matter, including whether an early resolution of the claims can be reached.

Our office awaits your response.

Labor & Workforce Development Agency

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Very truly yours,

OTKUPMAN LAW FIRM

A handwritten signature in black ink, appearing to be 'Roman Otkupman', is written over a horizontal line. The signature is stylized with a large, looped 'R'.

ROMAN OTKUPMAN