



2101 E. El Segundo Boulevard, Suite 403
El Segundo, California 90245
www.maternlawgroup.com
Tel: (310) 531-1900 | Fax: (310) 531-1901

June 5, 2025

Via Online Submission

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

Via Certified U.S. Mail – Return

Receipt Requested

Four Sisters Inns
460 Alma St., Suite 200
Monterey, CA 93940

Via Certified U.S. Mail – Return

Receipt Requested

Four Sisters Inns
P.O. Box 3073
Monterey, CA 93940

Re: Notice Pursuant to California Labor Code § 2699.3

Employee: Wendy Garcia Batz

Employer: Four Sisters Inns

To Whom It May Concern:

This office represents Wendy Garcia Batz (“Ms. Garcia Batz”), who was employed by Four Sisters Inns (“Four Sisters”) as a House Keeper at Four Sisters’ Newport Beach Hotel in Newport Beach, California from approximately October 13, 2023 to April 18, 2025. 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. 5-2001, which Ms. Garcia Batz alleges Four Sisters 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 Four Sisters in a court of law and/or administrative proceedings, as well as the imposition of substantial penalties and other remedies against Four Sisters. Concurrently herewith, our office is also transmitting payment in the amount of \$75.00 for the requisite filing fee, pursuant to Labor Code § 2699.3, subdivisions (a)(1)(B) and (c)(1)(B).

We are investigating a potential representative action on behalf of Four Sisters’ 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. 5-2001, §§ 11-12; failure to pay one additional hour

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of compensation at the employees' regular rate of pay for each work day that a meal or rest period is not provided in violation of Labor Code § 226.7 and Wage Order No. 5-2001, §§ 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. 5-2001, § 4; failure to pay employees overtime wages in violation of Labor Code §§ 510 and 1194 and Wage Order No. 5-2001, § 3; failure to timely pay employees all wages earned in violation of Labor Code § 204; willful failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; failure to furnish compliant, 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. 5-2001, § 7; and unlawful deductions and withholdings from employees' wages in violation of Labor Code §§ 221, 223 and 224.

The allegations made by Ms. Garcia Batz on behalf of herself and all other current and former non-exempt employees of Four Sisters in the State of California during the four years preceding the date of this notice are based on the following facts and theories: meal periods were less than 30 minutes, late (first meal periods starting after the fifth hour of work and second meal periods starting after the tenth hour), not given at all (including second meal periods after 10 hours of work), or interrupted; meal periods were not recorded; rest periods were less than 10 minutes, not provided, interrupted, and/or late; employees were not provided one hour of compensation at their regular rate of pay for each work day a meal period was not provided; employees were not provided one hour of compensation at their regular rate of pay for each work day 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 minimum wage, overtime, and meal period and rest period violations, as set forth above, Four Sisters failed to timely pay all wages due during employment and upon employees' separation from employment and employees' wage statements were inaccurate and failed to comply with California law. In short, Four Sisters' unlawful employment practices and policies have deprived its employees of earned wages and other compensation.

Failure to Provide Meal Periods

Pursuant to Labor Code §§ 226.7 and 512 and Wage Order No. 5-2001, § 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 hours and a second meal period to any employee who works a shift of more than 10 hours. Furthermore, an employer must pay one extra hour of compensation at the employee's regular rate of compensation for each work day 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.

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.

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Ms. Garcia Batz 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. 5-2001, § 11. Four Sisters failed to provide its employees timely and uninterrupted 30-minute meal periods. Ms. Garcia Batz's and other aggrieved employees' meal periods were short (less than thirty minutes), late (first meal periods after the fifth hour of work and second meal periods after the tenth hour), interrupted, and/or missed.

Ms. Garcia Batz and other aggrieved employees were frequently required to clock out for their meal periods and continue working due to the heavy workload. Ms. Garcia Batz and other aggrieved employees were pressured to work through their meal periods by managers of Four Sisters who wanted them to turn over rooms quickly, particularly when there were late check outs and early check ins. Four Sisters' managers were aware that Ms. Garcia Batz and other aggrieved employees were working through their meal periods, as the managers witnessed Ms. Garcia Batz and other aggrieved employees clock out for their meal periods and continue working.

Four Sisters further violated Labor Code § 226.7 and Wage Order No. 5-2001 by failing to compensate Ms. Garcia Batz 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 work day a meal period was not provided.

Failure to Authorize and Permit Rest Periods

Pursuant to Labor Code § 226.7 and Wage Order No. 5-2001, § 12, an employer is required to provide rest periods to its employees. An employer must provide a 10-minute rest period for every four 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 work day a rest period is not authorized and permitted.

Ms. Garcia Batz 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. 5-2001. Four Sisters failed to authorize and permit its employees to take required rest periods. Specifically, Four Sisters maintained a policy or practice of not authorizing and permitting Ms. Garcia Batz and other aggrieved employees to take one 10-minute rest break for shifts 3.5 to 6 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.

Four Sisters consistently failed to authorize and permit Ms. Garcia Batz and other aggrieved employees to take rest breaks because Ms. Garcia Batz and other aggrieved employees were given too much work to perform to take rest breaks. Due to the number of rooms Ms. Garcia Batz and other aggrieved employees were required to clean, they were often required to work through their rest breaks in order to complete their job duties. In addition, Ms. Garcia Batz and other aggrieved employees were instructed by managers not to leave the building during rest breaks because they were not clocked out.

Four Sisters further violated Labor Code § 226.7 and Wage Order No. 5-2001, § 12 by failing to pay Ms. Garcia Batz and other aggrieved employees one additional hour of pay at each

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employee's regular rate of compensation for each work day a rest period was not authorized and permitted.

Failure to Pay Minimum Wages

Pursuant to Labor Code §§ 1194 and 1197 and Wage Order No. 5-2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Ms. Garcia Batz 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. 5-2001, § 4. Four Sisters failed to pay Ms. Garcia Batz and other aggrieved employees minimum wages for all hours worked by, among other things: requiring, suffering or permitting Ms. Garcia Batz and other aggrieved employees to work off-the-clock; requiring, suffering or permitting Ms. Garcia Batz and other aggrieved employees to work during their meal periods without compensation; illegally and inaccurately recording time worked by Ms. Garcia Batz and other aggrieved employees; unlawfully rounding the time of Ms. Garcia Batz and other aggrieved employees; failing to properly calculate the regular rate of pay; and other methods to be discovered.

Four Sisters' conduct violates Labor Code §§ 1194 and 1197 and Wage Order No. 5-2001, § 4.

Failure to Pay Overtime Wages

Pursuant to California Labor Code §§ 510 and 1194 and Wage Order No. 5-2001, § 3, an employer must compensate its employees for all overtime, which is calculated at one and one-half times the regular rate of pay for hours worked in excess of eight hours per day and/or 40 hours per week, and for the first eight hours on the seventh consecutive work day, with double time for all hours worked in excess of eight hours on the seventh day of any workweek, or after 12 hours in any work day.

Ms. Garcia Batz 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. 5-2001. Four Sisters failed to compensate Ms. Garcia Batz 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 times or double the regular rate of pay as provided by Labor Code §§ 510 and 1194 and Wage Order No. 5-2001, § 3; requiring, suffering or permitting Ms. Garcia Batz and other aggrieved employees to work off-the-clock; requiring, suffering or permitting Ms. Garcia Batz and other aggrieved employees to work during their meal periods without compensation; illegally and inaccurately recording time worked by Ms. Garcia Batz and other aggrieved employees; unlawfully rounding the time of Ms. Garcia Batz and other aggrieved employees; failing to properly calculate the regular rate of pay; and other methods to be discovered.

In violation of California law, Four Sisters has refused to perform its obligations to compensate Ms. Garcia Batz and other aggrieved employees for all wages earned and all hours

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worked. Four Sisters' conduct violates Labor Code §§ 510 and 1194 and Wage Order No. 5-2001, § 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.

Four Sisters failed to pay Ms. Garcia Batz and other aggrieved employees on their regularly scheduled payday for all work performed during the preceding pay period. Specifically, Four Sisters required Ms. Garcia Batz and other aggrieved employees to work off-the-clock, including during meal periods, without compensation. Four Sisters also failed to pay Ms. Garcia Batz and other aggrieved employees premium wages owed for each work day a meal period was not provided and each work day a rest period was not authorized and permitted. In addition, Four Sisters failed to properly calculate the regular rate of pay for purposes of overtime compensation and meal and rest period premium payments.

Four Sisters also failed to pay Ms. Garcia Batz 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. Four Sisters knew it was required to pay overtime wages, yet on many occasions failed to pay Ms. Garcia Batz and other aggrieved employees overtime wages on any payday.

Failure to Pay All Wages Due Upon Separation

Pursuant to Labor Code §§ 201, 202 and 203, an employer is required to pay all earned and unpaid wages to an employee upon separation. Labor Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately. Pursuant to Labor Code § 202, an employer is required to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or her employment, unless the employee provided 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Labor Code § 203 provides that if an employer willfully fails to pay, in accordance with Labor Code §§ 201 and 202, any wages of an employee who is discharged or who quits, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to 30 days.

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Four Sisters willfully failed to pay accrued wages and other compensation to Ms. Garcia Batz and other aggrieved employees in accordance with Labor Code §§ 201 and 202. Because Four Sisters required Ms. Garcia Batz and other aggrieved employees to work off-the-clock, including during meal periods, without compensation, failed to pay Ms. Garcia Batz and other aggrieved employees the premium wages for all meal periods which were not provided and all rest periods which were not authorized or permitted, unlawfully rounded employees' time, and failed to properly calculate the regular rate of pay, Four Sisters failed and continues to fail to pay the full earned and unpaid wages due to Ms. Garcia Batz and other aggrieved employees upon separation.

Failure to Furnish Compliant and 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.

Four Sisters failed to provide Ms. Garcia Batz and other aggrieved employees with timely and accurate itemized wage statements in writing showing each employee's gross wages earned, total hours worked, all deductions made, net wages earned, the name and address of the legal entity or entities employing Ms. Garcia Batz 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. 5-2001, § 7.

Four Sisters failed to provide its employees lawful meal and rest breaks; nevertheless, Four Sisters failed to include in the wage statements the extra hour of compensation owed for each work day a meal break was not provided and each work day a rest break was not authorized and permitted. In addition, Four Sisters had knowledge that Ms. Garcia Batz and other aggrieved employees performed work off-the-clock and were compensated for such time, yet Four Sisters failed to include this time worked on Ms. Garcia Batz's and other aggrieved employees' wage statements. Four Sisters also did not properly calculate Ms. Garcia Batz's and other aggrieved employees' regular rate of pay, and unlawfully rounded employees' time. As a result, Ms. Garcia Batz'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

Four Sisters failed to maintain records as required under Labor Code §§ 226 and 1174 and Wage Order No. 5-2001, § 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.

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Four Sisters failed to provide its employees lawful meal and rest breaks; nevertheless, Four Sisters failed to include in the wage statements the extra hour of compensation owed for each work day a meal break was not provided and each work day a rest break was not authorized and permitted. In addition, Four Sisters had knowledge that Ms. Garcia Batz and other aggrieved employees performed work off-the-clock and were compensated for such time, yet Four Sisters failed to include this time worked on Ms. Garcia Batz's and other aggrieved employees' wage statements. Four Sisters also did not properly calculate Ms. Garcia Batz's and other aggrieved employees' regular rate of pay, and unlawfully rounded employees' time. As a result, Four Sisters failed to maintain accurate records of the total daily hours worked by each employee and when each employees began and ended each work period, including meal periods.

Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties

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. Four Sisters failed to indemnify Ms. Garcia Batz 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 Four Sisters, including but not limited to expenses for cell phones, uniforms, and other employment-related expenses, in violation of Labor Code § 2802.

This notice is hereby given to Four Sisters 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 Four Sisters, 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 that might be discovered as a result of a reasonable and diligent investigation made pursuant to this notice.

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

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

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

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

3. Four Sisters 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 and the number of rest breaks which were not authorized and permitted, with the investigation to be completed within 60 days.

4. Four Sisters shall pay each employee one hour of pay for each work day he or she was not provided one or more meal breaks and each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code § 226.7.

5. Four Sisters shall reimburse those employees who were forced to pay for any business expenses incurred for Four Sisters' benefit, including but not limited to expenses for cell phones and uniforms.

6. Four Sisters shall pay waiting time penalties, equal to 30 days of pay, to each former employee who was not paid all wages due as described herein.

7. Four Sisters shall pay accrued interest to all employees at the rate of 7% per annum for said unpaid wages.

8. Four Sisters 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. 5-2001, § 20.

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 Matern Law Group, PC, 2101 E. El Segundo Boulevard, Suite 403, El Segundo, California 90245. Additionally, please advise us if the Agency or Four Sisters require additional information regarding Ms. Garcia Batz's complaints.

Thank you for your prompt attention to this matter.

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Very truly yours,

MATERN LAW GROUP, PC

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Deanna S. Leifer, Esq.