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July 25, 2025

Via PAGA Filing Portal

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

Re: Eduardo Navarro Insurance Agency, Inc., dba Fiesta Auto Insurance and Tax Services or Fiesta Auto Insurance
Notice of Labor Code Violations pursuant to Labor Code § 2699.3(a)(1)

Dear Sir or Madam:

This letter shall constitute the required written notification under Labor Code § 2699.3(a)(1) that our client, Ms. Carmen Castro Contreras (“Ms. Castro”), alleges that her employer, Eduardo Navarro Insurance Agency, Inc., doing business as Fiesta Auto Insurance (“Fiesta”), has violated various provisions of the California Labor Code.

Ms. Castro was employed by Fiesta as a non-exempt employee from approximately January 2025 to May 2025, at a rate of approximately \$18.50 plus commissions and non-discretionary incentives. Ms. Castro’s primary job duties included selling auto insurance and assisting with tax preparation. Specifically, Ms. Castro contends that Fiesta has engaged in the following unlawful employment practices:

1. Failure to pay Ms. Castro and other aggrieved employees¹ at least all minimum wages owed to them in violation of Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 and Wage Order 5 § 4(A-C).

Fiesta has failed to pay Ms. Castro and other aggrieved employees at least minimum wages for all hours worked because not all hours were recorded. Fiesta has a policy and practice of failing to provide employees a reasonable opportunity to take a duty-free 30-minute meal period. Employees are routinely required to continue working while clocked out for meal periods, including answering phone calls and otherwise assisting customers, due to heavy workload and understaffing.

¹ The phrase “aggrieved employees” refers to all of Fiesta’s non-exempt employees in California between July 24, 2024, and the present.

Ms. Castro and other aggrieved employees are not compensated for the time they spend working during their meal periods.

2. Failure to pay Ms. Castro and other aggrieved employees all overtime wages owed to them in violation of Labor Code §§ 510 and 1194 and Wage Order 5 § 3(A).

Fiesta has failed to pay Ms. Castro and other aggrieved employees all overtime premium wages at the correct hourly rate(s) of pay. Fiesta has a policy and practice of underpaying employees for overtime hours because not all hours are recorded accurately, as noted above. Employees are thus routinely paid for fewer hours than their time records show, including overtime hours.

3. Failure to provide Plaintiff and other aggrieved employees with lawful meal periods or pay premium compensation in lieu thereof, in violation of Labor Code §§ 226.7, 512(a), and 1198 and Wage Order 5 § 11(A, B).

Fiesta denied Ms. Castro and other aggrieved employees a reasonable opportunity to take the timely, duty-free meal period of at least 30 minutes for every 5 hours of work to which they are entitled as a result of the working conditions imposed by Fiesta. In addition, the opportunity to take meal periods was not provided to Ms. Castro and aggrieved employees when their shifts were fewer than eight (8) hours.

As a result of Fiesta's policies and procedures, in order to serve customers or perform other tasks related to the sale of insurance and/or tax preparation, Ms. Castro and other aggrieved employees would regularly have to work through all or part of their meal periods, take their meal periods after the 5th hour of work, or miss their meal periods altogether.

Fiesta also fails to pay employees premium wages in lieu of lawful meal periods.

The Labor Code also provides that "[i]t shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." Lab. Code § 221. Accordingly, Fiesta's failure to provide Ms. Castro and other aggrieved employees with timely, duty-free meal and/or rest periods resulted in the forfeiture of wages, including premium wages for missed meal and/or rest periods, which were diverted back to Fiesta.

4. Failure to provide Ms. Castro and other aggrieved employees with lawful rest periods or pay premium compensation in lieu thereof, in violation of Labor Code §§ 226.7 and 1198 and Wage Order 5 § 12(A, B).

Fiesta denied Ms. Castro and other employees a reasonable opportunity to take rest periods of at least 10-minutes for each 4 hours worked, or major fraction thereof, due to high workloads and frequent understaffing, as noted above.

Fiesta also fails to pay premium wages in lieu of lawful rest periods.

5. Failure timely to pay all wages earned and owed on the termination of employment, in violation of Labor Code §§ 201 – 203.

Fiesta failed to pay Ms. Castro and aggrieved employees all regular and premium wages, whether for overtime or in lieu of meal and rest periods, described herein upon separation of their employment within the time periods specified by Labor Code § 204.

6. Failure timely to provide Ms. Castro and other aggrieved employees all wages earned and owed during their employment, in violation of Labor Code § 204.

Fiesta has failed to pay employees all regular and premium wages, whether for overtime or in lieu of meal and rest periods, described herein in a timely manner during their employment.

Labor Code § 210 also provides for penalties if meal and/or rest period premium payments are not timely.

7. Failure to provide Ms. Castro and other aggrieved employees with accurate itemized wage statements, in violation of Labor Code § 226.

The wage statements provided by Fiesta fail accurately to reflect all hours worked and all applicable hourly rates as a result of the failure to pay all regular and premium wages, whether for overtime or in lieu of meal and rest periods, as described herein.

8. Failure to set forth in writing the method by which commissions are compensated and paid, in violation of Labor Code § 2751.

Ms. Castro accepted employment with Fiesta based on the agreement that she would be paid commissions at a rate of approximately 8.5%, in addition to her hourly rate of pay. However, Fiesta failed to provide the method by which such commissions would be paid in writing at any time during Ms. Castro's employment.

9. Failure to pay Ms. Castro and aggrieved employees all accrued vacation pay on termination of employment, in violation of Labor Code 227.3.

Fiesta advised Ms. Castro at the time of hire that she was eligible for vacation pay, but no accrual of vacation hours was listed on her wage statements and none was paid to her on separation of employment.

10. Failure to provide Ms. Sandoval and aggrieved employees paid sick leave beginning at the commencement of employment, in violation of Labor Code § 246(a), (b).

On information and belief, Fiesta failed to provide paid sick leave to Ms. Sandoval, as evidenced by the concomitant failure to list the accrual of such days on her wage statements, in violation of Labor Code § 246(i).

11. Liability pursuant to Labor Code §§ 558 and 558.1, as a consequence of the violations described herein.

Labor Code § 558 provides that an employer, or person acting on behalf of an employer, who violates or causes to be violated a provision of Labor Code §§ 500 through 558, or a provision of the applicable Wage Order(s) regarding hours and days of work, is liable for civil penalties of \$50 to \$100 per pay period per employee, in addition to other civil penalties provided for by law.

Labor Code § 558.1 provides that an employer, or person acting on behalf of an employer, who violates or causes to be violated a provision of the applicable Wage Order(s) regulating minimum wages or hours and days of work or who violates (or causes to be violated) Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802 may be held liable as the employer for any such violation.

As set forth above, Fiesta has violated Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.7, 227.3, 246(a, b), 246(a, b), 246(i), 510, 512(a), 1194, 1197, 1197.1, 1198, and 2751 and Wage Order 5 §§ 3(A), 4(A-C), 7(A), 11(A, B), and 12(A, B) and is thus liable for penalties under Labor Code §§ 558 and 558.1.

Please advise within the required time period whether or not the Labor and Workforce Development Agency intends to investigate these alleged violations. If no such notice is received within 65 calendar days of the date of this letter, Ms. Castro will proceed with a civil action for penalties pursuant to Labor Code § 2699.

Thank you for your prompt attention to this request.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "Ronald H. Bae", is written over a horizontal line.

Ronald H. Bae

Labor and Workforce Development Agency
Attn: PAGA Administrator
July 25, 2025
Page 5 of 5

cc: **Via Certified Mail**
Eduardo Navarro Insurance Agency, Inc.
Attn: Eduardo Navarro
4102 International Blvd.
Oakland, CA 94601