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FILED ONLINE WITH THE LWDA

ATTN: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA U.S. CERTIFIED MAIL

Carbon Health
2100 Franklin St., Ste 355
Oakland, CA 94612

Carbon Health Urgent Care
3032 Wilshire Blvd., Suite A
Santa Monica, CA 90403

Carbon Health Medical Group of Florida PA
2100 Franklin St., Ste 355
Oakland, CA 94612

Carbon Health Medical Group of California, P.C.
500 E Remington Dr. # 20
Sunnyvale, CA 94087

Re: Isai Castellanos v. Carbon Health; Carbon Health Urgent Care; Carbon Health Medical Group of Florida PA; Carbon Health Medical Group of California, P.C.; and related entities

Notice of Labor Code Violations Pursuant to Labor Code section 2699.3(a)(1)

Dear PAGA Administrator:

This letter shall constitute the required written notification under Labor Code section 2699.3(a)(1) of Labor Code violations alleged against **Carbon Health; Carbon Health Urgent Care; Carbon Health Medical Group of Florida PA; Carbon Health Medical Group of California, P.C.; and related entities** (“Employer”). Our client, **Isai Castellanos, and other aggrieved employees** (together, “Plaintiffs”), worked as non-exempt employees for Employer.

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Plaintiffs hereby issue this Notice to both the LWDA and Employer in compliance with the notice requirements of Labor Code section 2699.3(a)(l).

Plaintiffs hereby give Notice of the following specific provisions of the Labor Code and Wage Order that have been violated and the facts and theories to support the alleged violations:

Violation	Facts and Theories
Labor Code sections 204, 218, 218.5, 218.6 & 1194	Labor Code section 204 provides that covered employees are entitled to receive all wages earned for the pay period corresponding to the payday. Here, Employer regularly failed to pay Plaintiffs all wages earned for labor performed each pay period. For example, Employer regularly suffered or permitted Plaintiffs to work off the clock, but Plaintiffs were not compensated for hours worked off the clock. Employer also failed to provide the requisite one hour of pay at the regular rate of compensation for shifts with missed or non-compliant meal and/or rest periods. As a result, Employer failed to pay Plaintiffs for all overtime hours worked. Accordingly, Employer violated the above code sections.
Labor Code sections 1194, 1197	Pursuant to Labor Code sections 1194 and 1197, and the applicable IWC Wage Order, payment to an employee of less than the applicable minimum wage for all hours worked during a payroll period is unlawful. Labor Code section 1194 provides: “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” Here, Employer failed to pay Plaintiffs their earned minimum and/or overtime wages for all hours worked. For example, Employer regularly suffered or permitted Plaintiffs to work off the clock (including during pre-shift meetings), but Plaintiffs were not compensated for hours worked off the clock. As a result, Employer failed to pay Plaintiffs for all hours worked, including all overtime hours worked. Accordingly, Employer violated the above code section.
Labor Code sections 510 and 1194	Labor Code section 510 states: “Eight hours of labor constitutes a day’s work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.” Labor Code section 1194 provides “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal

	minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit." Here, Plaintiffs worked in excess of eight hours in one workday and/or in excess of 40 hours in one workweek, and were not compensated with overtime pay. As a result of this practice, Labor Code sections 510 and 1194 were violated. For example, Employer suffered or permitted Plaintiffs to work off the clock, but did not compensate Plaintiffs for that time. Employer neither compensated Plaintiffs for such work nor counted the time spent working off the clock for purposes of calculating overtime. As a result of these practices, Employer violated the above code sections.
Labor Code sections 226.7 and 512	Labor Code Sections 226.7 and 512 provide that no employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than thirty (30) minutes. Under these provisions, a first meal period is required no later than the end of an employee's fifth hour of work, and a second meal period no later than the end of an employee's 10th hour of work. If an employer fails to provide an employee meal periods in accordance with this law, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. Here, Employer regularly failed to provide compliant meal periods. Plaintiffs were often interrupted or unable to take meal periods. Additionally, Employer failed to pay Plaintiffs for one (1) hour of pay at their regular rate of compensation for each missed or non-compliant meal period. As a result of this practice, Employer violated the above code sections.
Labor Code section 226.7	Labor Code section 226.7 provides that Employer shall authorize and permit employees to take rest periods at the rate of (10) minutes net rest time per four (4) hours of work, or major fraction thereof. This means that an employer must provide 10 minutes net rest time for each four-hour period worked by employees. If an employer fails to provide an employee rest periods in accordance with this law, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. Here, Employer did not comply with these rest period provisions, as Employer routinely failed to authorize and permit Plaintiffs to take their

	ten (10) minute rest periods for each four (4) hours, or major fraction thereof, they had worked. For example, due to the press of business, Plaintiffs routinely performed four consecutive hours of work without receiving a ten-minute rest period, or had their rest period delayed or interrupted. Employer also failed to pay Plaintiffs for one (1) hour of pay at their regular rate of compensation for each day on which Plaintiffs did not receive one or more compliant rest periods.
Labor Code Section 226	Labor Code Section 226 provides: “An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (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, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of 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 and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment.” Here, Employer engaged in practices violating Labor Code section 226 and failed to provide compliant wage statements containing all information required by Labor Code section 226. For example, Employer failed to provide compliant wage statements because they failed to reflect all compensable hours Plaintiffs worked, including time lost due to the Employer’s practice of falsifying time records to show compliant breaks despite directing employees to work through and delay such breaks. As another example, Employer failed to provide compliant wage statements because the wage statements failed to list meal and/or rest period premiums owed for shifts with non-compliant meal/rest periods. As another example, Plaintiffs’ wage statements did not reflect the correct, legal name of the entity employing them.
Labor Code sections 226, 1174, and	Labor Code section 1174 provides that Employer shall keep payroll records showing the hours worked and wages paid to each employee. These records are to be kept in accordance with rules established by the

1174.5	commission, but must be kept on file for a minimum of three (3) years. Labor Code section 1174.5 provides: “Any person employing labor who willfully fails to maintain the records required by subdivision (c) of Section 1174 or accurate and complete records required by subdivision (d) of Section 1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).” Here, as a result of the aforementioned practices, <i>i.e.</i>, Employer suffering or permitting Plaintiffs to work off the clock, failing to pay all overtime wages due, failing to authorize and permit compliant meal and rest periods, and failing to provide compliant wage statements, Employer knowingly and intentionally failed to maintain records, including but not limited to: all hours worked by Plaintiffs, meal periods taken, and accurate itemized wage statements.
Labor Code Sections 201, 202, and 203	Labor Code Section 201 states that if an employer discharges an employee, earned but unpaid wages at the time of discharge are due and payable immediately. Similarly, Labor Code Section 202 provides “[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 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.” Under section 203, if an employer willfully fails to pay in accordance with sections 201 or 202, any wages of an employee who is discharged or quits shall continue as a penalty. Here, Employer failed to pay all earned wages in accordance with sections 201, 202, and 203. For example, Employer failed to pay all earned wages for hours worked lost due to interrupted meal periods, unpaid overtime, and wages for non-compliant meal and rest periods to employees who quit or were discharged, in violation of Sections 201 and 202. Nor has Employer paid any of the continuation wages under Section 203.
Labor Code Section 2802	Labor Code Section 2802 states an employer shall indemnify employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties or in obedience to an employer’s directives. Here, Employer failed to reimburse Plaintiffs and other similarly aggrieved employees for all necessary expenditures required by Employer, including but not limited to use of personal phones and mileage between locations without reimbursement, in violation of Labor Code §2802.

Please notify us within the required time period whether or not the Labor and Workforce Development Agency intends to investigate these alleged violations. If notice is not received within 65 calendar days of the postmark date of this letter, we will proceed with a civil action for penalties pursuant to Labor Code Section 2699. This civil action will be pursued on behalf of Plaintiffs. Please send the Notice to our office located at 11601 Wilshire Blvd., Suite 2440, Los Angeles, California 90025.

Thank you for your attention to this matter.

Respectfully,

MAKAREM & ASSOCIATES, APLC

By: *Daniel Bass*
Daniel J. Bass, Esq.