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**VIA ONLINE SUBMISSION**

LABOR AND WORKFORCE DEVELOPMENT AGENCY  
[dir.govfa.net/411](http://dir.govfa.net/411)

**VIA CERTIFIED MAIL # 9589 0710 5270 2375 1925 30**

***Return Receipt Requested***

Auto X, Inc.  
ATTN: Gene Student  
12601 Encinitas Ave.  
Sylmar, CA 91342

Re: *Hector Sanchez v. Auto X, Inc.*

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO  
LABOR CODE SECTION SECTIONS 2698 *et seq.***

To: California Labor and Workforce Development Agency and Auto X, Inc.

From: Hector Sanchez, on behalf of himself and aggrieved employees who were subject to Auto X, Inc.'s unlawful wage and hour policies as set forth below.

**Factual Statement**

Please note that this firm, Mahoney Law Group, APC, represents the interests of Hector Sanchez ("Mr. Sanchez") as a representative for all other aggrieved employees, who intends to file a complaint alleging various Labor Code violations and seeking civil penalties under the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.* ("PAGA").

**Theories of Labor Code Violations and Remedies**

Auto X, Inc. ("Employer") is an automobile accessory distributor with location(s) in California, including Sylmar, California. Mr. Sanchez worked for Employer as a non-exempt employee within the past year. Mr. Sanchez alleges that Employer violated various sections of the Labor Code, including sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1182.12, 1194, 1197, and 2802 by failing to provide Mr. Sanchez and all other aggrieved employees (1) all wages for all hours worked, including minimum wage and overtime pay, (2) their legally mandated meal and rest periods; (3) their legally mandated premium pay in lieu of compliant meal and rest periods; (4) accurate and complete wage statements required by law; (5) legally required waiting penalties

to former employees upon the termination or other end of employment; and (6) reimbursement for business-related expenses. Mr. Sanchez and similarly aggrieved employees consist of identifiable, current, and/or former similarly situated persons who worked for Employer as non-exempt employees during the PAGA Period defined as one year prior to the submission of this letter to the Labor Workforce and Development Agency (“LWDA”) and certified mailing to Employer until resolution of these claims.

Employer failed to pay Mr. Sanchez and other aggrieved employees for all hours worked at the legally mandated wage rates for all hours worked. Employer failed to pay Mr. Sanchez and other aggrieved employees all legally mandated wages, including minimum and overtime wages, for all work performed, in violation of California law. Specifically, Mr. Sanchez and other aggrieved employees were obligated by the Employer to complete their work duties while off-the-clock in order to meet deadlines. Further, Mr. Sanchez and other aggrieved employees were obligated by the Employer to perform work while clocked-out for their meal periods. Lastly, Employer failed to pay Employee and aggrieved employees the legally mandated wage rates for all hours worked. Instead, Employer paid Employee and aggrieved employees under a “Rounding Policy” that is not fair and neutral and resulted, over a period of time, in failure to compensate the employees properly for all the time they have actually worked. As such, Mr. Sanchez and other aggrieved employees were not adequately compensated the proper amount of wages during their employment. Employer’s conduct is in violation of Labor Code Sections 294, 510, and 1194, and is actionable under PAGA

Secondly, Employer failed to provide Mr. Sanchez and other aggrieved employees with timely uninterrupted meal and rest periods. In order to curtail labor costs, Employer understaffed work shifts resulting in Mr. Sanchez and other aggrieved employees being unable to take work-free meal and rest periods. Employer consistently required Mr. Sanchez and other aggrieved employees to work beyond six hours such that they were legally entitled to two rest periods and a single meal period. Employer scheduled Mr. Sanchez and other aggrieved employees’ meal period after the fifth hour and obligated employees to work through rest breaks. Due to Employer’s policy and practices which prioritized work tasks over meal and rest period compliance, Mr. Sanchez and similarly aggrieved employees did not receive timely meal and rest periods, due the lack of adequate relief coverage. Employer failed to pay Mr. Sanchez and other aggrieved employees a meal and/or rest break premium when these Labor Code violations occurred. Employer’s conduct, which is in violation of Labor Code sections 226.7, 512, as well as 8 CCR section 11050, subdivisions 11 and 12, is also actionable under PAGA.

As a result of Employer’s failure to pay all wages owed as described herein, Employer further failed to keep accurate payroll records and failed to provide Mr. Sanchez and other aggrieved employees with complete and accurate wage statements showing the true number of hours worked and accurate wages earned per pay period. Further, Employer failed to include its actual legal entity name on Mr. Sanchez’s and other employees’ wage statements. This conduct is in violation of Labor Code sections 226 and 1174 and is actionable under PAGA.

As a further result of Employer's failure to pay all wages owed as described herein, Employer also violated Labor Code sections 201, 202, and 203, due to its uniform policy, practice and procedure of failing to pay all wages earned to former employees.

Employer also failed to reimburse Mr. Sanchez and other aggrieved employees for necessary business expenses incurred in the course of performing their job duties. Mr. Sanchez and other aggrieved were required to use their personal phone to communicate with Employer amongst other uses to complete their work-related responsibilities without reimbursement. Employer's failure to reimburse Mr. Sanchez and other aggrieved employees for work-related expenses is a direct violation of Labor Code Section 2802.

Mr. Sanchez will bring his lawsuit on behalf of himself and all other aggrieved employees who were employed by Employer. Please advise if the LWDA has any objection to my client including PAGA claims in his complaint. We look forward to your response, and please feel free to contact our office if you have any questions, comments or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Young", is positioned above a horizontal line.

John Young, Esq.  
**MAHONEY LAW GROUP, APC**