STANSBURY BROWN
LAW PC

October 16, 2025

<u>VIA LWDA WEBSITE</u>

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

Re: *Jeff Hagedorn v. Ciscel Corporation, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Jeff Hagedorn in claims arising from his employment with Ciscel Corporation and DOES 1 through 100 (collectively "CC"). Mr. Hagedorn is an "aggrieved employee" as defined by Labor Code Section 2698 *et seq*., due to CC's numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Sections 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated.

CC owns a number of "Jersey Mikes" fast food franchises. Mr. Hagedorn commenced employment with CC as a non-exempt employee from approximately April 2024 until approximately late October 2024 as a crew member performing duties such as working on the grill, slicing meats, and working the cash register. Mr. Hagedorn had no set schedule. Rather, he would generally work between 4-6 days per week around 7 hours per day, depending on work demands. However, as discussed below, Mr. Hagedorn worked considerably more hours than he was credited for on his wage statements. Mr. Hagedorn was paid at a rate of approximately $20.00 per hour at the time of his separation with CC.

For purposes of this letter, the "aggrieved employees" whom Mr. Hagedorn seeks to represent are the other non-exempt employees of CC in California at any time during the one year preceding the date of this letter through the present.

During Mr. Hagedorn's employment with CC, Mr. Hagedorn and other aggrieved employees were not paid for all hours worked due to CC's failures to properly account for all hours that Mr. Hagedorn and other aggrieved employees actually worked. Specifically, Mr. Hagedorn and other aggrieved employees' wage statements would routinely credit them for far fewer hours than they actually worked, resulting in substantial unpaid wages due to CC's intentional time shaving practices. Indeed, CC would intentionally manipulate the timecards of Mr. Hagedorn and other aggrieved employees so as to i) falsely demonstrate that they exercised meal periods; and ii) "roll over" their hours worked until the next week so as to ensure their wage statements did not reflect 40+ hours worked in an effort to deny them overtime compensation. Additionally, Mr. Hagedorn and other aggrieved employees never received a set schedule; rather they were constantly required to be "on-call" and would be penalized for not confirming work assignments within the hour they were contacted. Throughout Mr. Hagedorn's employment with CC, he was expected to show up to CC's yard within hours of being notified of work. However, instead of properly compensating Mr. Hagedorn and other aggrieved employees for these on-call hours worked, CC would simply elect to pay them for the hours in which they were called to perform work, which was vastly under representative of the amount of hours that they were necessarily performing work on call. As a result of CC's policies/practices regarding this on-call work, CC failed to pay all requisite minimum, overtime, and/or double time wages owed to Mr. Hagedorn and other aggrieved employees.

Furthermore, Mr. Hagedorn and other aggrieved employees routinely worked overtime but did not receive overtime compensation equal to one and one-half times their regular rate of pay for all overtime hours worked. Specifically, upon information and belief, CC intentionally engaged in unlawful timekeeping practices that were designed to deny statutory overtime/double-time payments to which Mr. Hagedorn and other aggrieved employees were entitled, whether it be by way of time-shaving, "rolling over" overtime hours, failing to pay all daily overtime in favor of only issuing overtime payments for weekly hours worked in excess of 40 hours, and other deceptive timekeeping practices designed to minimize overtime compensation that Mr. Hagedorn and other aggrieved employees were entitled to. This practice resulted in a systemic underpayment of overtime wages to Mr. Hagedorn and other aggrieved employees.

In addition, Mr. Hagedorn and other aggrieved employees were not provided all legally compliant meal periods due to CC's meal period policies and practices which fail to provide a timely 30-minute duty-free first meal period (i.e. a first meal period commencing before the end of the fifth hour of work). Specifically, Mr. Hagedorn estimates that he did not receive a compliant first meal period, whether it be shortened, missed, or interrupted, on at least 95% of the shifts that he worked. Rather, CC required Mr. Hagedorn and other aggrieved employees to work through the entirety of their shifts without any opportunity to exercise a compliant meal period, and falsely manipulated their time cards to state that they took one. Mr. Hagedorn's shortened, late, and on-duty meal periods were a direct result of CC's policy/practice. This practice was pervasive throughout Mr. Hagedorn's employment and he cannot recall ever receiving a timely uninterrupted 30 minute meal period throughout his employment. In addition, on those occasions when Mr. Hagedorn and the other aggrieved employees were not provided with all legally compliant meal periods to which they were entitled, CC failed to compensate them with the required meal period premiums, as mandated by Labor Code § 226.7.

CC also failed to authorize and permit Mr. Hagedorn and other aggrieved employees to take all statutorily mandated rest periods. Mr. Hagedorn and the other employees would be made to work through the entirety of their shifts and forced to forego rest periods in order to meet the intense workplace demands imposed on them by CC. Due to the overwhelming workload and the company culture, Mr. Hagedorn and the other aggrieved employees were generally not permitted to exercise any compliant duty-free rest periods. Further, upon information and belief during at least a portion of the relevant time period, CC maintained no payroll code or other mechanism for the payment of rest period premium payments under

Labor Code § 226.7 in the event that a legally compliant rest period was not authorized or permitted to Mr. Hagedorn and the other aggrieved employees.

CC also maintained inaccurate payroll records, and issued inaccurate and deficient wage statements, in part due to CC's failure to pay all minimum and overtime wages, and meal and rest period premium wages. As a result, CC also failed to pay all wages owed to Mr. Hagedorn and the other aggrieved employees upon their separation of employment from CC, in part due to CC's failure to pay all minimum and overtime wages, and meal and rest period premium wages.

CC failed to adequately reimburse Mr. Hagedorn for all reasonable and necessary work expenditures, including but not limited to requiring Mr. Hagedorn and other aggrieved employees to use their personal cellphones for the performance of their job duties. Mr. Hagedorn and other aggrieved employees were required to utilize their personal cellphones to receive their schedules, communicate with team members, and other necessary work related tasks. Mr. Hagedorn and other aggrieved employees were not ever provided any reimbursement for the necessary use of their personal cellphones.

CC failed to meet its obligations to provide paid sick leave to Mr. Hagedorn and other aggrieved employees under Labor Code § 245.5(b) which requires that employers authorize and permit its employees who worked 30 or more days within a year to accrue paid sick leave, and to allow them to exercise paid sick leave on or after their 90th day of employment. Despite meeting all of the statutory requirements for being able to accrue and utilize paid sick leave, Mr. Hagedorn and other aggrieved employees were not provided paid sick leave on those occasions where they needed to take a "sick day" in violation of Labor Code § 245.5(b).

Furthermore, CC violated Labor Code § 204 by failing to pay Mr. Hagedorn and other aggrieved employees all wages earned at least twice during each calendar month.

Finally, CC failed to conform to the requirements of Labor Code § 2810.5 by failing to provide Mr. Hagedorn and other aggrieved employees written notices, in the language normally used to communicate employment related information to the employees, containing information regarding their: i) rate(s) of pay and the basis thereof; ii) allowances claimed as part of the minimum wage; iii) regular payday designated by the employer; iv) the legal name of the employer; v) the address of the legal entity that is the employer; vi) the telephone number of the employer; vii) identifying information for the employer's workers' compensation insurance carrier; and viii) information informing the employee of their right to accrue and use paid sick leave.

As described above, CC committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 5 ("Wage Order 5"):

<u>Minimum Wage Violations</u>

CC was required to pay Mr. Hagedorn and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. See Labor Code §§ 551, 552, 82.12, 1194; 1194.2, 1197; and Wage Order 5 § 4. As alleged above, CC maintained and maintains timekeeping policies/practices that regularly, systematically, and impermissibly underreport the hours worked by Mr. Hagedorn and other aggrieved employee whether by rounding, time-shaving, or otherwise. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Hagedorn and other aggrieved employees of all required minimum wages. Mr. Hagedorn and other aggrieved employees were required to work seven days a week in order to meet intense deadlines, in direct violation of Labor Code § 551 and 552.

Overtime Wage Violations

CC was required to pay Mr. Hagedorn and other aggrieved employees overtime wages for all overtime hours worked. *See* Labor Code §§ 1194(a) and 1198; Wage Order 5, § 3. Wage Order 5, § 3 requires an employer to pay overtime wages when an employee's hours worked cross certain thresholds or meet certain criteria set forth in the Wage Order. At all times relevant herein, CC caused Mr. Hagedorn and other aggrieved employees to work overtime hours but did not compensate Mr. Hagedorn and other aggrieved employees at one and one-half times their regular rate of pay for such hours. Mr. Hagedorn and other aggrieved employees were required to work seven days a week in order to meet intense deadlines, in direct violation of Labor Code § 551 and 552.

Meal Period Violations

As alleged above, CC failed to provide Mr. Hagedorn and other aggrieved employees with all required and compliant meal periods due to CC's meal period policies/practices that often fail to provide 30 minute off-duty first meal periods before the end of the fifth hour of work. *See* Labor Code §§ 226.7 and 512; Wage Order 5, § 11. As a result, Mr. Hagedorn and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As alleged above, CC also failed to authorize and permit Mr. Hagedorn and other aggrieved employees to take all required paid rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 5, § 12. As a result, Mr. Hagedorn and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required paid rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse Necessary Business Expenses

CC was subject to Labor Code § 2802, which states that "an employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer." CC was subject to Labor Code § 2804, which states that "any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State." As alleged herein, due to CC's unlawful reimbursement practices, CC failed to indemnify Mr. Hagedorn and other aggrieved employees for all necessary business expenses incurred, as described in detail above.

Wage Statement Violations

CC was required to furnish Mr. Hagedorn and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 5, § 7. As a result of CC's failure to pay all overtime wages, minimum wages, and failure to pay all required meal and rest period premium wages, CC maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Hagedorn and other aggrieved employees in violation of Labor Code § 226.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. CC failed to timely pay Mr. Hagedorn and other aggrieved employees all of their final wages at the time of separation, which included all overtime and minimum wages, and all meal and rest period premium wages at the time of aggrieved employees' separation of employment. Pursuant to Labor Code § 203, CC's failure to pay all final wages due to Mr. Hagedorn and other aggrieved employees was willful and, consequently, entitles Mr. Hagedorn and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day CC failed to pay their final wages after their separation from employment, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Hagedorn will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Hagedorn's own investigation, and on information and belief, CC committed and continue to commit the following Labor Code violations:

a. CC violated Labor Code §§ 551-552, 558, 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Hagedorn and other aggrieved employees the statutory minimum wage for all hours worked;

b. CC violated Labor Code §§ 204, 510, 551-552, 558, 1194, and 1198 by failing to pay Mr. Hagedorn and other aggrieved employees all overtime/doubletime compensation earned;

c. CC violated Labor Code §§ 226.7, 512, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Hagedorn and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. CC violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Hagedorn and other aggrieved employees from taking all required paid rest periods, and/or failing to pay all rest period premiums to Mr. Hagedorn and other aggrieved employees at their respective regular rates of compensation;

e. CC violated and 2804 by failing to reimburse Mr. Hagedorn and other aggrieved employees for all work-related expenses incurred;

f. CC violated Labor Code § 226 by failing to furnish Mr. Hagedorn and other aggrieved employees with accurate and compliant itemized wage statements;

g. CC violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due upon separation of employment to Mr. Hagedorn and other aggrieved employees;

h. CC violated Labor Code § 204 by failing to pay Mr. Hagedorn and other aggrieved employees all wages earned at least twice during each calendar month; and

i. CC violated Labor Code § 245.5 by failing to permit and authorize Mr. Hagedorn and other aggrieved employees to exercise the use of their accrued paid sick leave days; and

j. CC violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Hagedorn and other aggrieved employees;

k. CC violated Labor Code § 2810.5 by failing to provide legally mandated disclosures and/or written notices regarding the terms of employment of Mr. Hagedorn and other aggrieved employees; and

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and CC if the LWDA intends to investigate the alleged violations of the Labor Code stated herein. Please contact me should you require additional information.

Sincerely,
STANSBURY BROWN LAW, PC

Ethan C. Surls

cc: *Ciscel Corporation* (via USPS certified mail)