MAHONEY
LAW GROUP, APC

Berkeh Alemzadeh, Esq.
Phone : (424) 355-8535
Facsimile : (213) 784-0032
balem@mahoney-law.net

December 10, 2025

Via Certified Electronic Mail
LABOR AND WORKFORCE DEVELOPMENT AGENCY
PAGAfilings@dir.ca.gov

VIA U.S. MAIL & CERTIFIED MAIL# 9589 0710 5270 2375 6251 06
Return Receipt Requested
SUTTER HEALTH
c/o 1505 Corporation A Corporation Service Company which will do business in California as CSC- Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150
Sacramento, CA 95833

VIA U.S. MAIL & CERTIFIED MAIL# 9589 0710 5270 2375 6250 90
Return Receipt Requested
SUTTER VALLEY HOSPITALS
c/o 1505 Corporation A Corporation Service Company which will do business in California as CSC- Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150
Sacramento, CA 95833

Re: Renard Galloway v. Sutter Health; Sutter Valley Hospitals

NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE SECTION § 2698 ET SEQ.

To: California Labor and Workforce Development Agency; Sutter Health; Sutter Valley Hospitals.

From: Renard Galloway, on behalf of himself and other aggrieved employees who were subject to the Employer's wage and hour policies as set forth below.

Factual Statement

Please note that this firm, Mahoney Law Group, APC, represents the interests of Mr.

Renard Galloway ("Mr. Galloway" or "Employee"), 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 sections 2698 *et seq.* ("PAGA"), on behalf of himself and all other aggrieved employees.

Employers

Sutter Health, a California corporation (hereinafter "Sutter Health") that provides a wide range of medical services through its hospitals, clinics and other care centers throughout the state of California, including Sacramento County. Sutter Valley Hospitals, a California corporation (hereinafter "SVH") which provides a wide range or medical services, including primary care, specialty care, emergency and urgent care along with women's health, throughout the state of California, including Sacramento County. SVH and Sutter Health are hereinafter collectively referred as "Employers".

Theories of Labor Code Violations and Remedies

Mr. Galloway began his employment with Employers on or around June 2024, as an hourly, non-exempt employee. Mr. Galloway alleges Employers violated various sections of the Labor Code, including sections 201, 202, 203, 204, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197.5, 1198, and 2802 by failing to provide Mr. Galloway and all other aggrieved employees with meal and rest periods or premium pay, failing to pay all wages owed, including minimum wage and overtime, failing to provide accurate wage statements and maintain accurate payroll records, failing to provide all wages earned at end of employment, and for failing to reimburse for necessary business expenditures. Mr. Galloway and similarly aggrieved employees consist of identifiable, current, and/or former similarly situated persons who worked for Employers in non-exempt positions in California during the Liability Period of one (1) year plus sixty-five (65) days prior to the filing of a complaint alleging a PAGA cause of action.

A. <u>Employers Failed to Provide Mr. Galloway and Other Aggrieved Employees with Meal and Rest Periods, or Premium Compensation in Lieu Thereof, in Violation of California Law</u>

Mr. Galloway alleges that he and other aggrieved employees were often precluded from taking timely and uninterrupted meal and rest breaks in accordance with California law due to the nature of their shifts, demanding tasks and deadlines set by Employers, and understaffing by Employers. Mr. Galloway and other aggrieved employees allege that they did not always receive at least one duty-free, uninterrupted meal period within the first five (5) hours worked, and a second meal period before the start of the 11th hour of work. (*Brinker Rest. Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1041-42.) When employees failed to receive their meal break, they did not always receive premium pay as compensation for the missed meal break.

Moreover, Employers utilized an auto-deduct policy for meal periods regardless of whether Mr. Galloway and other aggrieved employees actually took a meal period, or received a late or missed meal period. Such a policy failed to accurately and precisely illustrate the true record of Mr. Galloway and other aggrieved employees' meal breaks. Furthermore, in some instances, Employer failed to keep actual and accurate time records for which Mr. Galloway and other aggrieved employees spent taking their meal periods. Instead, Employers routinely unutilized a rounding policy to round punches for Mr. Galloways and other aggrieved employee's meal periods. For example, Employers would round the time punches to the nearest ten (10) increments. In these instances, even though the actual meal period taken by Mr. Galloway and other aggrieved employees were substantially less than thirty (30) minutes. Due to Employers' rounding policy, Mr. Galloway and other aggrieved employees did not receive proper premiums for meal periods that were shortened or delayed.

Mr. Galloway further alleges that he and other aggrieved employees often did not receive at least one duty-free, uninterrupted rest period for every four (4) hours worked, or major fraction thereof, as required by the Labor Code. Mr. Galloway and other aggrieved employees were generally precluded from taking rest periods due to Employers' failure to sufficiently staff shifts to provide relief and thereby allow Mr. Galloway and other aggrieved employees the opportunity to take rest breaks. When employees were prevented from taking rest breaks, they did not receive premium pay for the missed rest break.

Employers' conduct is actionable under PAGA as violations of Labor Code sections 226.7 and 512, and Wage Order 5.

B. <u>Employers Failed to Pay Mr. Galloway and Other Aggrieved Employees for all Hours Worked, Including Minimum Wage and Overtime, in Violation of California Law</u>

Employers failed to pay Mr. Galloway and other aggrieved employees at the legally mandated wage rates for all hours worked in violation of California law. As can be seen from Mr. Galloway's wage statements, Employers rounded the hours worked by Mr. Galloway and other aggrieved employees to a factor of fifteen (15) minutes. Mr. Galloway alleges that on average, this rounding favored Employers and therefore resulted in lost wages to Mr. Galloway and other aggrieved employees. As a result, Employers failed to provide compensation at least at a minimum wage rate for all hours worked as required by the Labor Code. Employers' failure to provide Mr. Galloway and other aggrieved employees pay for all hours worked is a violation of California's minimum wage laws, as Mr. Galloway and other aggrieved employees should have been provided at least the applicable minimum wage for all hours worked.

Further, to the extent that Mr. Galloway and other aggrieved employees worked shifts of at least eight (8) hours per day, or forty (40) hours per week, all unpaid wages described above in excess of the hours specified herein were required to be compensated at a rate of at least one-and-a-half times each employee's base rate of pay. To the extent such hours exceeded twelve (12) in one day or eight (8) on the seventh consecutive day worked, such hours were required to be compensated at a rate of at least two times each employee's base rate of pay.

During the Liability Period, Mr. Galloway and other aggrieved employees received non-discretionary bonuses. However, Employers failed to include in the regular rate of pay the non-discretionary bonuses for purposes of calculating Mr. Galloway's and other aggrieved employees' overtime rate of pay. The Employers failed to include Mr. Galloway and other aggrieved employees earned shift differentials in the calculation of their regular rate of pay for purposes of paying overtime wages. As a result, Mr. Galloway and other aggrieved employees were paid overtime based solely on their base hourly rate rather than the legally required regular rate inclusive of all nondiscretionary compensation. The incorrect overtime rate resulted in lost wages to Mr. Galloway and other aggrieved employees.

Employers' failure conduct is actionable under PAGA as a violation of Labor Code sections 227.3, 510 and 1194, and Wage Order 5.

C. Employers Failed to Provide Mr. Galloway and Other Aggrieved Employees with Compliant Wage Statements, and Failed to Timely Pay All Wages Owed Upon Severance of Employment, in Violation of California Law

By failing to include on Mr. Galloway's and other aggrieved employees' pay stubs all meal and rest break premium wages and full compensation for all regular hours and overtime hours worked, Employers failed to keep accurate payroll records and failed to provide Mr. Galloway and other aggrieved employees with complete and accurate wage statements. This conduct is in violation of Labor Code sections 226 and 1174, and Wage Order 5, and is actionable under PAGA.

As a further result of Employers' failure to pay all wages owed as described herein, Employers also violated Labor Code sections 201, 202, 203, and 204, and Wage Order 5, due to its uniform policy, practice, and procedure of failing to pay all wages earned to former employees at the time their employment ended.

D. Employers Failed to compensate Mr. Galloway and Other Aggrieved Employees for All Necessary Business Expenditures Incurred During their Employment

Pursuant to Labor Code section 2802(a) "[a]n employer shall indemnify his or her employee for all necessary business expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer…" The purpose of this stature is to "prevent employers from passing their operating expenses on to their employee," *Gattuso v. Harte-Hanks Shoopers, Inc.,* 42 Cal 4th 554, 562 (2007) (quoting legislative history from the 2000 amendment to the statute). Under Labor Code section 2802, "necessary" is defined to include all "reasonable" expenses.

The employer's obligation to reimburse business related expense arises when the employer "knew or should have known: that its employees have incurred business related expenses. *Stuart v. RadioShack Corp.,* 641 F. Supp. 2d 901, 903 (N.D. Cal. 2009) (Hon. Edward Chen); *Wilson v. Kiewit Pacific Co.*, 2010 WL 5059522 (N.D. Cl Dec. 6, 2010) (Hon. Susan Illston) (adopting the "knew or should have known standard" standard from RadioShack.)

i. Employers Failed to Reimburse Mr. Galloway and Other Aggrieved Employees for Using Their Personal Cellphones

Under Labor Code section 2802, employers must reimburse employees for required work-related use of personal cellphones – regardless of whether they incur any additional out of pocket expense from that work-related use. *See, Cochran v. Schwan's Home Service, Inc*. 228 Cal App. 4th 1137 (August 12, 2014) (reversing denial of class certification in cell phone reimbursement class action). *Cochran* held that "[i]f an employee is required to use personal cellphone to carry out work related duties, then he or she is incurring an expense for the purpose of section 2802. It does not matter whether the phone bill is paid for by a third person, or at all…it is irrelevant whether the employee changed plans to accommodate work related cellphone usage...To show liability under section 2802, an employee need only show that he or she was required to use a personal cellphone to carry out work related duties, and he or she was no reimbursed." *Id.* At 1144-45 (emphasis added.)

Mr. Galloway and other aggrieved employees were required to regularly use their personal cellphones to carry out their work-related duties, including, without limitation, communicate with supervisors, team leads, provide status reports, retrieve wage statements as well as send/receive text messages regarding scheduling or work tasks. However, despite the foregoing, Employers failed to reimburse Mr. Galloway and Aggrieved Employees with a reasonable percentage of their cellular phone bills.

ii. Employers Failed to Reimburse Mr. Galloway and Other Aggrieved Employees for Maintaining Their Uniforms/Scrubs

Mr. Galloway and other aggrieved employees worked in environments involving heavy soil conditions, including exposure to bodily fluids, biohazardous materials, chemical agents, contaminated linens, and other substances inherent to hospital operations.

Employers required Mr. Galloway and other aggrieved employees to shoulder the burden of doing business. More specifically, Mr. Galloway and other aggrieved employees were required to wear uniforms/scrubs marked with Employers' logos during their shifts but failed to maintain, launder, or replace those uniforms/scrubs, despite full knowledge that the uniforms/scrubs were subject to heavy soil and contamination beyond what an employee could safely or reasonably clean at home. Despite the foregoing, Mr. Galloway and other aggrieved employees were left to personally wash, maintain, unsanitary, or unsafe to wear, shifting the Employers' legal obligations onto low-wage workers such as Mr. Galloway and other aggrieved employees. Mr. Galloway and other aggrieved employees were not reimbursed for reasonable cost of having to maintain their mandatory uniforms.

Employers' failure to provide complete compensate for all necessary business expenditures incurred by Mr. Galloway and other aggrieved employees in direct consequence of their duties to Employer is actionable under PAGA as a violation of Labor Code section 2802, and Wage Order 5.

E. Reservation of Rights

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Mr. Galloway becomes aware of additional compensation owed or losses incurred by Mr. Galloway or by any other aggrieved employee of the Employer, Mr. Galloway expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please provide notice via certified mail to:

MAHONEY LAW GROUP, APC
Berkeh Alemzadeh, Esq
249 E. Ocean Blvd. Suite 814
Telephone: (562) 590-5550
Facsimile: (562) 590-8400
Email: balem@mahoney-law.net

Sincerely,

Berkeh Alemzadeh, Esq.
MAHONEY LAW GROUP, APC