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March 26, 2026

VIA WEBSITE UPLOAD

State of California
Labor and Workforce Development Agency

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

FREEWAY INSURANCE SERVICES AMERICA, LLC
420 E Hospitality Lane
San Bernardino, CA 92408

Re: *Diaz v. Freeway Insurance Services America, LLC et al.*

To Freeway Insurance Services America, LLC:

This office represents Alejandra Diaz. We are informing you of our representation and ask that all further communication regarding this matter be directed to our attention at the address located on this letterhead, and that no contact be made directly with our client. This letter is sent pursuant to the provisions of California Labor Code, §§2699, et seq.

I. FACTS & NATURE OF THE DISPUTE

This is an employer-employee related dispute. Plaintiff is seeking relief for Defendant's violations of the California Business & Professions Code §§17200 et seq., including full restitution and disgorgement of all compensation retained by Defendant as a result of its unlawful and unfair business practices, as well as injunctive relief.

Plaintiff is informed and believes that certain individuals, identified as DOES 1 through 100 in the related complaint, are owners, directors, officers, and/or managing agents of FREEWAY INSURANCE SERVICES AMERICA, LLC and are personally liable under Labor Code section 558.1 for all wage and hour violations as they acted on behalf of the employer and violated or caused to be violated provisions regulating minimum wages and hours of work.

Plaintiff was employed by Defendant as a Sales Agent from October 1, 2016 through November 21, 2025. This action is on behalf of Plaintiff and other aggrieved employees to recover wages from Defendant due to Defendant's failure to provide compliant meal breaks and rest periods (or pay the statutory compensation due), failure to pay minimum wages, failure to reimburse business expenses, failure to provide accurate wage statements, failure to pay wages due on termination, and unfair competition.

Defendant has violated the law with respect to Plaintiff and other current and former aggrieved employees. These violations are set forth in Section II below. Plaintiff seeks compensatory, statutory, declaratory and injunctive relief to compensate her and other aggrieved employees for wage theft and otherwise unlawful working conditions.

II. § 2699, ET SEQ., LABOR CODE VIOLATIONS

Our client has numerous legal claims against Freeway Insurance Services America, LLC on behalf of herself and other aggrieved employees. Further investigation and formal discovery will likely uncover other claims and additional facts supporting liability herein.

The details of our client's Labor Code, §2699, claims on behalf of herself and other aggrieved employees include, but are not limited to:

A. FAILURE TO PROVIDE MEAL PERIODS (Labor Code §§226.7, 512; IWC Wage Order No. 4)

Defendant intentionally and improperly failed to afford Plaintiff and other aggrieved employees uninterrupted meal periods as required by law. Throughout Plaintiff's employment from October 1, 2016 through November 21, 2025, Defendant provided Plaintiff with one meal break per day lasting one hour after approximately 3.5 hours of work. However, Plaintiff's meal breaks were interrupted approximately two to three times per week. Plaintiff was required to clock in and out for meal breaks, yet Defendant failed to relieve Plaintiff of all duties during these meal periods and failed to relinquish control over Plaintiff's activities. Plaintiff and other aggrieved employees did not receive premium pay for Defendant's failure to afford compliant meal periods.

By virtue of Defendant's unlawful failure to provide compliant meal periods to Plaintiff and other aggrieved employees, Plaintiff and other aggrieved employees have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and other aggrieved employees, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

B. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS (Labor Code §226.7; IWC Wage Order No. 4)

Defendant intentionally and improperly failed to authorize and permit Plaintiff and other aggrieved employees to take uninterrupted ten (10) minute rest breaks for every four hours worked or major fraction thereof. Throughout Plaintiff's employment, Defendant provided Plaintiff with two rest breaks per day, each lasting 15 minutes. However, Plaintiff's rest breaks were interrupted approximately three times per week. Plaintiff did not clock in and out for rest breaks. Plaintiff and other aggrieved employees did not receive premium pay for Defendant's failure to afford compliant rest periods.

By virtue of Defendant's unlawful failure to provide compliant rest periods to Plaintiff and other aggrieved employees, Plaintiff and other aggrieved employees have suffered, and will continue to suffer, damages in amounts which are presently unknown to

Plaintiff and other aggrieved employees, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

C. FAILURE TO PAY MINIMUM WAGE

(Cal. Labor Code §§1197, 1194, 1194.2; IWC Wage Order No. 4)

Defendant willfully failed to pay Plaintiff and other aggrieved employees the applicable minimum wage for all hours worked. Defendant's failure to provide required meal and rest breaks without premium pay, failure to reimburse business expenses, and other wage and hour violations resulted in Plaintiff and other aggrieved employees effectively being paid below minimum wage when total compensation is divided by total hours actually worked. Additionally, Defendant required Plaintiff to arrive 10-15 minutes early to avoid any issues with the clock-in system, but failed to compensate Plaintiff for this time. When Plaintiff's total compensation is divided by the total number of hours Plaintiff actually worked, Plaintiff's effective hourly rate was reduced to less than the applicable minimum wage.

By virtue of Defendant's unlawful failure to pay minimum wages to Plaintiff and other aggrieved employees, Plaintiff and other aggrieved employees have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and other aggrieved employees, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

D. FAILURE TO REIMBURSE BUSINESS EXPENSES

(Cal. Labor Code §2802)

Defendant was aware that Plaintiff was required to purchase a headset for work purposes at a cost of \$50.00, but failed to indemnify Plaintiff for this business-related expense, in accordance with Labor Code §2802. This headset was necessary for Plaintiff to perform her job duties as a Sales Agent, which included answering phones and making sales calls for Defendant's insurance business. Additionally, Plaintiff used her personal cellphone for work-related purposes throughout her employment, and Plaintiff is uncertain whether any reimbursement received fully covered the costs incurred for work-related use.

Upon information and belief, other aggrieved employees have similarly been required to purchase work equipment and use their personal property for work-related purposes without proper reimbursement. Plaintiff and other aggrieved employees suffered damages in an amount, subject to proof, to the extent they were not reimbursed for all of their business-related expenses incurred in the discharge of their duties.

E. FAILURE TO FURNISH ACCURATE ITEMIZED WAGE STATEMENTS

(Cal. Labor Code §226)

Defendant failed to provide Plaintiff and other aggrieved employees with accurate itemized wage statements that properly and accurately itemized all hours worked, all rest break and meal break premiums owed, and all business expense reimbursements owed. Because Defendant failed to pay required meal and rest period premiums and failed to reimburse business expenses as required by law, the wage statements issued failed to

accurately show all wages earned, all hours worked, and all applicable pay rates. This violation of Labor Code §226 has caused damages to Plaintiff and other aggrieved employees that are difficult to estimate and calculate.

By virtue of Defendant's unlawful failure to provide accurate wage statements to Plaintiff and other aggrieved employees, Plaintiff and other aggrieved employees have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and other aggrieved employees, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

F. FAILURE TO PAY ALL WAGES DUE UPON TERMINATION
(Cal. Labor Code §§201-204)

Plaintiff was terminated from Defendant's employ on November 21, 2025, after approximately nine years of employment, and Defendant willfully failed to pay Plaintiff all wages due to her upon termination. Upon termination, Defendant failed to immediately pay Plaintiff all wages due and owing, including but not limited to unpaid rest break premiums, unpaid meal break premiums, and unreimbursed business expenses. Upon information and belief, Defendant has similarly failed to pay other aggrieved employees all wages due upon termination of their employment, including unpaid overtime premiums, meal and rest period premiums, and unreimbursed business expenses.

By virtue of Defendant's unlawful failure to pay all wages due upon termination to Plaintiff and other aggrieved employees, Plaintiff and other aggrieved employees have suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and other aggrieved employees, but which exceed the jurisdictional limits of the Court and which will be ascertained according to proof at trial.

G. FAILURE TO ALLOW INSPECTION OF EMPLOYMENT RECORDS
(Cal. Labor Code §1198.5)

Defendant failed to allow Plaintiff and other aggrieved employees to inspect and copy their employment records as required by Labor Code §1198.5. On or about February 20, 2026, Plaintiff requested in writing access to her employment records in accordance with California Labor Code §1198.5. Despite this written demand for access to employment records, Defendant has failed to produce such records, denying Plaintiff her statutory right to review her personnel files, payroll records, and other employment-related documentation.

By virtue of Defendant's unlawful failure to provide access to employment records, Plaintiff and other aggrieved employees have been required to retain legal assistance and have incurred costs and expenses to exercise and enforce their statutory rights. Plaintiff and other aggrieved employees are entitled to penalties and attorney's fees as provided by Labor Code §1198.5.

H. UNFAIR COMPETITION
(Cal. Bus. & Prof. Code §§17200 et seq.)

Defendant, through the unfair and unlawful business practices as described herein, has obtained valuable property, money and services from Plaintiff and other aggrieved employees and has deprived them of valuable rights and benefits guaranteed by law all to the detriment of Plaintiff and other aggrieved employees. All the acts described are violations of, among other things, the Labor Code and IWC Wage Order No. 4, are unlawful and in violation of public policy; and in addition are immoral, unethical, oppressive, and unscrupulous, and thereby constitute unfair and unlawful business practices in violation of Business & Professions Code §§ 17200 et seq.

Plaintiff and other aggrieved employees are entitled to, and are, seeking such relief as may be necessary to restore to them the money and property which Defendant has acquired, or of which Plaintiff and other aggrieved employees have been deprived by means of the above-described unfair and unlawful business practices.

I. ADDITIONAL PENALTIES

(Violations of Labor Code §§201-204, 510, 512, 226.7, 1194, 1197, 2802, and §558)

Plaintiff intends to seek all penalties for the violations described above. Moreover, Plaintiff also intends to recover the actual wages owed to employees under the Labor Code sections that authorize such recovery, including but not limited to Labor Code §558.

III. CONCLUSION

Please take notice this letter is intended to exhaust the pre-litigation requirements set forth under California Labor Code, §§2699, *et seq.* By law, an employee alleging a violation of one of the above-referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of §2699, *et seq.*, by seeking redress in court. (Labor Code § 2699.3(a)(1).) The LWDA must then notify the employer and the employee within 33 calendar days regarding whether it intends to investigate the alleged violation. (Labor Code, §2699.3(a)(2)(B).) If the LWDA advises that it will not investigate, or if no notice is provided within 33 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code, §2699. (Labor Code, §2699.3(a)(2)(A).) It is the intention of this office to file a civil complaint and to bring the appropriate claims under Labor Code, §2699, should your office not address these matters within the proscribed time.

We write this letter subject to and without waiver of our client's rights and remedies, all of which we expressly reserve. This letter is not an express statement of all facts and circumstances concerning this matter.

Sincerely,

LIPELES LAW GROUP, APC

A handwritten signature in blue ink, appearing to read 'K. Lipeles'.

Kevin A. Lipeles, Esq.