



March 23, 2026

VIA ONLINE FILING

Labor and Workforce Development Agency
Attn.: PAGA Administrator
800 Capitol Mall, MIC-55
San Francisco, CA 95814
PAGAfilings@dir.ca.gov

Re: Kathryn Ormiston v. Air Max HVAC, Inc., et al.

Dear Representative:

Our offices represent Kathryn Ormiston (“Ms. Ormiston”) with respect to her claims under the California Labor Code against Air Max HVAC, Inc. (“Defendant”) in Burbank, California.

This letter is intended to constitute notice of claims, including notice pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code §2698, *et seq.* (“PAGA”) that Ms. Ormiston intends to bring a civil action for penalties under PAGA for California Labor Code violations committed by Defendant against Ms. Ormiston and other current and/or former Defendant’s employees in California (“Aggrieved Employees”). Ms. Ormiston’s PAGA action involves Defendant’s violation of sections 201, 202, 203, 204, 210, 226(a), 226.3, 226.7(b), 226.7(c), 226.8, 246, 247.5, 510, 512, 1174, 1174.5, 1197, 1198, 1198.5, and 2802 of the California Labor Code. This letter is being sent in compliance with California Labor Code section 2699.3.

As outlined below and throughout this complaint, Defendant violated several of California’s wage and hour laws before, during, and after Ms. Ormiston’s employment. At the forefront, Defendant willfully misclassified Ms. Ormiston and other employees as independent contractors. Defendant regularly failed to provide timely rest or meal periods or premiums, payment of the correct minimum and overtime wages, timely payment of wages, reimbursement of business expenses, sick pay, timely payment upon separation, and maintenance of payroll and time records for employees.

Defendant’s Violation of Sections 204, 210, 510, and 1194:

Defendant engaged in numerous unlawful practices which resulted in the failure to pay Ms. Ormiston and Aggrieved Employees for all time worked at the correct rates of pay, including overtime compensation.



During at least the year immediately preceding the date of this letter, Ms. Ormiston and other of Defendant's employees in California were regularly required to work off-the-clock in order to complete their duties and responsibilities. This off-the-clock work included, amongst other things, requiring Ms. Ormiston and Aggrieved Employees to round their time worked and not accurately track their meal breaks. Ms. Ormiston and Aggrieved Employees were not compensated for this off-the-clock work, resulting in failure to pay minimum wages and straight-time wages. Moreover, this off-the-clock work typically caused Ms. Ormiston and Aggrieved Employees to work more than eight (8) hours in a day and forty (40) hours in a week, resulting in a failure to pay overtime compensation.

During at least the year immediately preceding the date of this letter, Ms. Ormiston and other of Defendant's employees in California were not timely paid wages earned. Defendant withheld earned wages and refused to timely pay said wages. As a result, Defendant violated Labor Code sections 204 and 210.

Defendant's Violation of Section 226(a):

Section 226(a) states in pertinent part that: "An employer...shall furnish to his or her employee...an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee..., (3) the number of piece-rate units earned and any applicable piece rate..., (4) all deductions..., (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..., (8) the name and address of the legal entity that is the employer..., and (9) all applicable hourly rates in effect during the pay period...." Additionally, the "Records" section of the applicable California Industrial Welfare Commission ("IWC") Wage Order ("Wage Order") requires accurate recordkeeping, including records relating to time and pay.

During at least the year immediately preceding the date of this letter, Ms. Ormiston and Defendant's other California employees were not issued itemized wage statements or issued itemized wage statements that did not comply with the requirements under either Section 226(a), or under the requirements of the "Records" section of the applicable IWC Wage Order, a violation of Section 1198. The wage statements Defendant provided to Ms. Ormiston and other Defendant's employees in California fail to comply with the requirements of Section 226(a). As a result, the earned wages (net and gross) and deductions were not adequately listed, the corresponding number of hours worked at each hourly rate and the total hours worked, including those worked as overtime hours, are not adequately listed, and all applicable hourly rates.

Defendant's Violation of Section 226.8:

Section 226.8 states in pertinent part that:

- (a) It is unlawful for any person or employer to engage in any of the following activities:
 - (1) Willful misclassification of an individual as an independent contractor.
 - ...



(b) If the Labor and Workforce Development Agency or a court issues a determination that a person or employer has engaged in any of the enumerated violations of subdivision (a), the person or employer shall be subject to a civil penalty of not less than five thousand dollars (\$5,000) and not more than fifteen thousand dollars (\$15,000) for each violation, in addition to any other penalties or fines permitted by law.

(c) If the Labor and Workforce Development Agency or a court issues a determination that a person or employer has engaged in any of the enumerated violations of subdivision (a) and the person or employer has engaged in or is engaging in a pattern or practice of these violations, the person or employer shall be subject to a civil penalty of not less than ten thousand dollars (\$10,000) and not more than twenty-five thousand dollars (\$25,000) for each violation, in addition to any other penalties or fines permitted by law.

Defendant exhibited a pattern and practice of hiring individuals properly classified as employees and willfully misclassifying them as independent contractors.

Defendant exhibited significant control over Ms. Ormiston and Aggrieved Employees, all the while asserting that Ms. Ormiston and Aggrieved Employees are merely independent contractors. However, Ms. Ormiston and those Aggrieved Employees who were engaged in lead generation were, in fact, non-exempt employees entitled to the protections of the Labor Code.

Defendant's Violation of Sections 1197 and 1198:

Section 1197 provides that the payment of less than minimum wage is unlawful. Section 1198 provides that the standard conditions of labor fixed by the commission shall be the standard conditions of labor for employees. The "Minimum Wages" section of the applicable IWC Wage Order provides that every employer must pay to each employee on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the pay period. During at least the year immediately preceding the date of this letter, Defendant failed to pay its non-exempt California employees at least minimum wage for all time worked including, but not limited to, through its actions of: (i) failing to pay all hours worked during the pay period; (ii) failing to pay for the entirety of hours worked at the proper rate.

Defendant failed to record Ms. Ormiston's and the Aggrieved Employees' time accurately and failed to pay Ms. Ormiston and the Aggrieved Employees for all hours worked. Defendant paid Ms. Ormiston and the Aggrieved Employees hourly, yet Defendant failed to keep an accurate record of hours worked. Ms. Ormiston's and the Aggrieved Employees lack proper employee records for those engaging in lead generation. Moreover, Ms. Ormiston's and the Aggrieved Employees' employee records do not indicate the actual time worked and instead are improperly rounded, which fails to compensate them for days they may have arrived early, left late, worked through a meal period, or any variation to a regular workday that would be typical of a full-time employee.



Defendant's Violation of Sections 226.7(b), 226.7(c) and 1198:

Section 226.7(b) makes it unlawful for an employer to require any employee to work during any rest or recovery period mandated by the applicable IWC Wage Order, statute, regulation, standard, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health. Pursuant to the "Rest Periods" section of the applicable IWC Wage Order, "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3.5) hours. Authorized rest period time shall be counted, as hours worked, for which there shall be no deduction from wages." Section 1198, moreover, makes it unlawful for an employer to violate the Rest Periods section of the applicable IWC Wage Order.

During at least the year immediately preceding the date of this letter, Defendant failed to authorize and permit its California non-exempt employees to take compliant rest periods and further failed to provide compliant recovery periods as mandated by California law. These failures arise in part due to Defendant's failure to provide for relief during breaks and improper scheduling of any such breaks. By failing to authorize and permit its California non-exempt employees to take compliant paid rest periods and recovery periods, Defendant violated Sections 226.7(b) and 1198.

Furthermore, despite Defendant regularly failing to provide its California employees with rest periods in conformance with California law, Defendant failed to pay Ms. Ormiston and the Aggrieved Employees rest period premiums equal to one hour at their regular rate of pay. Accordingly, Defendant violated section 226.7(c).

Defendant's Violation of Sections 226.7(b), 226.7(c), 512, and 1198:

Section 512 and the "Meal Periods" section of the applicable IWC Wage Order provide that no employer shall employ an employee for a work period of more than five (5) hours without providing a meal break of not less than thirty (30) minutes in which the employee is relieved of all of his or her duties. Further, under Section 512 and the applicable IWC Wage Order, an employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes, except that if the total hours worked is not more than twelve hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived. The "Records" section of the applicable IWC Wage Order requires an employer to keep accurate information with respect to each employee, including time records showing when the employee begins and ends each work period and meal periods. Section 1198 makes it unlawful to employ persons under conditions prohibited by the applicable IWC Wage Order. Furthermore, Section 226.7(b) makes it unlawful for an employer to require any employee to work during any meal period mandated by the applicable IWC Wage Order.



Ms. Ormiston and the Aggrieved Employees were not paid premium pay for non-compliant meal periods. During at least the year immediately preceding the date of this letter, Defendant failed to provide duty-free meal periods in conformance with California law to Defendant's California non-exempt employees. For example, meal periods have not been provided at all, or have been late, short, or otherwise not in conformance with California law as a result of work duties and failure to permit such meal periods. By failing to provide these required meal periods to, and recording meal periods for, its California non-exempt employees, Defendant violated sections 226.7(b), 512, and 1198. Moreover, Defendant failed to maintain accurate records of meal periods pursuant to the applicable Wage Order requirements.

Furthermore, despite Defendant regularly failing to provide its California employees with compliant, duty-free meal periods in conformance with California law, Defendant failed to pay Ms. Ormiston and the Aggrieved Employees meal period premiums equal to one hour at their regular rate of pay. Accordingly, Defendant violated section 226.7(c).

Defendant's Violations/Penalties Regarding Sections 201, 201.3, 202, 203, and 204:

Sections 201 and 202 set forth the timing requirements for the payment of wages due upon an employee's separation from employment. Section 201.3(b) sets forth the timing requirement for the payment of wages due during an employee's employment and upon separation of employment. Section 203 furthermore provides that a waiting time penalty must be paid should the timing requirements in Sections 201, 201.3, or 202 not be complied with. Defendant did not pay Ms. Ormiston and the Aggrieved Employees all wages due during employment and upon separation of employment and by the times set forth in Sections 201, 201.3, 202, 203, and 204 as applicable, including, but not limited to, regular, minimum, overtime, premium wages, and other forms of wages. Ms. Ormiston and the Aggrieved Employees seek civil penalties for these violations.

Defendant's Violations of Section 2802:

Section 2802 states in relevant part: "(a) An employer shall indemnify his or her employee 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 her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." Ms. Ormiston incurred a variety of charges, including vehicle mileage, internet, and phone usage, for which she was either not reimbursed or not fully reimbursed. Accordingly, Ms. Ormiston and the Aggrieved Employees seek reimbursement for expenses incurred, interest, as well as civil penalties.

Applicable PAGA Civil Penalty:

PAGA, specifically Section 2699(a) permits an aggrieved employee to recover civil penalties set forth within the California Labor Code for violation of the California Labor Code. In addition, Section 2699(f) establishes civil penalties for violations of California Labor Code provisions that do not contain their own civil penalties. Ms. Ormiston intends to bring a civil action to recover civil penalties



for the violations identified above, including civil penalties pursuant to Section 2699(f), as well as those civil penalties specifically set forth within the text of the California Labor Code. These penalties are sought for violations committed against Ms. Ormiston and Defendant's other California employees.

Please feel free to contact the undersigned with any questions you may have.

Very truly yours,

HOSSEINI LEGAL, PC

Kaveh S. Hosseini

Notice provided to Defendant via Certified Mail (#9407111898765433381233)

Air Max HVAC, Inc. c/o Abe Hage, Registered Agent
3000 Floyd Street
Burbank, CA 91504