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BUSINESS & TRIAL ATTORNEYS

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March 12, 2026

Via Electronic Submission
California Labor &
Workplace Development Agency
801 K Street, Suite 2101
Sacramento, CA 95814

Via Certified Mail, Return Receipt Requested
NRG Energy, Inc.
Vivint, Inc.
804 Carnegie Center
Princeton, NJ 08540

Smart Home Pros, Inc.
Vivint Smart Home, Inc.
3401 N. Ashton Blvd.
Lehi, UT 84043

ARM Security, Inc.
4931 N 300 W
Provo, UT 84604

CT Corporation System, Agent for Service of Process for NRG Energy, Inc.,
Vivint, Inc., & Smart Home Pros, Inc.,
330 N. Brand Blvd,
Glendale, CA 91203

CT Corporation System, Agent for Service of Process Smart Home Pros, Inc.
1108 E South Union Ave
Midvale, UT 84047

Notice Under Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 et seq.)

Dear Sir or Madam:

We represent Brantly Anderson (hereinafter "Claimant") and other aggrieved employees who worked in California as residential alarm system sales representatives for NRG Energy, Inc., Smart Home Pros, Inc., Vivint, Inc., Vivint Smart Home, Inc., and affiliated entities (collectively "Defendants"). This letter constitutes written notice pursuant to the California Private Attorneys General Act ("PAGA"), Labor Code §2698 et seq., informing the California Labor and Workforce Development Agency ("LWDA") and Defendants of multiple violations of the California Labor Code.

The violations arise from Defendants' uniform compensation system, commission structure, wage deduction policies, employment agreements, and payroll practices affecting sales representatives throughout California

I. Employer Entities and Joint Employment

The following entities jointly employed the aggrieved employees:

- NRG Energy, Inc.
- Smart Home Pros, Inc.
- Vivint, Inc.
- Vivint Smart Home, Inc.
- Arm Security, Inc.
- DOES 1–50

Defendants operated as an integrated enterprise controlling compensation policies, payroll administration, commission payment structures, employment agreements, and working conditions for California sales representatives doing business in California.

NRG Energy, Inc. acquired Vivint Smart Home and its affiliated sales entities and thereafter exercised centralized control over employment policies affecting California sales representatives. NRG maintained authority over corporate HR policies, payroll systems, compensation plans, employment agreements, and compliance programs used throughout the Vivint sales organization. Through these centralized policies and operational controls, NRG and the affiliated Vivint entities jointly determined wages, hours, and working conditions for sales representatives.

II. Claimant and Other Similarly Situated Aggrieved Employees

Claimant is an adult resident of the state of California and worked for Defendants from 2021 through May 2025. Claimant and other similarly situated aggrieved employees worked in California as residential alarm system sales representatives during the applicable PAGA limitations period. These employees sold residential alarm systems through door-to-door sales operations and were compensated primarily through commissions pursuant to employer-controlled compensation plans and written employment agreements.

III. Representative Scope

Based on publicly available information and Defendants' statewide door-to-door sales operations, Defendants employ or have employed numerous sales representatives performing similar work throughout California. Claimant and other similarly situated sales representatives are subject to standardized employment agreements, centralized payroll systems, and uniform compensation plans. Accordingly, the unlawful policies described herein affect a substantial number of aggrieved employees throughout California and are not limited to a single employee or location.

IV. Statewide Policy Allegations

Defendants maintained uniform statewide policies governing compensation and employment practices affecting Claimant and other similar situated California sales representatives. These policies were implemented through standardized employment agreements, centralized payroll systems, and uniform sales management practices. The unlawful policies include:

- forfeiture of earned commissions following termination of employment;
- deductions and chargebacks taken from employee wages and commissions;
- commission-based compensation systems that fail to compensate employees for all hours worked;
- failure to reimburse necessary business expenses;
- contractual provisions requiring employees to agree to unlawful terms; and
- failure to maintain compliant wage statements and timekeeping records.

V. Commission Structure and Backend Payment Schedule

Claimant and other similarly situated sales representatives generated residential alarm system sales that produced two categories of commissions:

Upfront commissions paid shortly after installation or funding of customer accounts; and
Backend commissions paid months later pursuant to predetermined company payment schedules.

Backend commissions were typically scheduled for payment months after the sales activity occurred, often pursuant to seasonal payout schedules such as October or January backend distributions. Although these backend commissions were generated from completed sales and were calculable based on company records, Defendants maintained policies providing that backend commissions would be forfeited if employment ended before the scheduled payout date.

VI. Unlawful Deductions and Withheld Commissions

Defendants maintained policies allowing deductions and chargebacks from employee compensation for company expenses and operational losses including housing costs, equipment costs, recruiting expenses, travel expenses, and other operational charges. California law prohibits employers from recouping business expenses or operational losses from employee wages.

Commission statements issued by Defendants confirm these unlawful practices. For example, one commission statement issued to Claimant reflects total commissions earned before deductions of approximately $65,398.88. The same statement reflects numerous deductions, including housing charges exceeding approximately $9,700, “buyout and promised credit deductions” exceeding approximately $1,000, and additional travel and operational chargebacks. After these deductions were applied, the statement reflected a negative commission balance and no backend commission deposit.

VII. Employment Agreement Authorizing Unlawful Deductions

Defendants required Claimant and other similarly situated employees to sign standardized Sales Representative agreements that purport to authorize numerous deductions and chargebacks from employee commissions and compensation. These agreements allow Defendants to deduct expenses associated with housing, equipment, operational costs, and other company losses from employee wages and commissions. California law prohibits employers from recouping business expenses, operational losses, or third-party costs from employee wages regardless of whether an agreement purports to authorize such deductions.

VIII. Direct Seller Classification Defense

Defendants may contend that sales representatives qualify as “direct sellers” under California Unemployment Insurance Code §650. However, that statute applies only to unemployment insurance coverage and does not exempt employers from compliance with the California Labor Code. Accordingly, Defendants remain obligated to comply with California wage-and-hour laws governing minimum wages, overtime, wage deductions, expense reimbursement, meal and rest breaks, and wage statement requirements.

IX. Failure To Pay Final Wages

Defendants failed to pay all earned commissions and wages upon termination of employment. Sales representatives, including Claimant, frequently had earned commissions remaining in their sales pipelines when their employment ended, yet those commissions were withheld rather than paid with final wages.

X. Failure To Pay Minimum Wages and Overtime

Sales representatives, including Claimant, regularly worked extended hours performing door-to-door sales activities, attending meetings, traveling between sales areas, and completing administrative tasks. Employees, including Claimant, were compensated primarily through commissions and their hours worked were not accurately tracked.

XI. Meal and Rest Break Violations

Due to the structure of Defendants’ sales operations and commission-based compensation system, Claimant and other similarly situated employees frequently worked extended shifts, including shifts exceeding ten hours while working assigned sales territories without the ability to leave for compliant breaks, without receiving legally compliant meal and rest breaks.

XII. Failure To Reimburse Business Expenses

Claimant and other similarly situated sales representatives were required to incur necessary business expenses including vehicle expenses, fuel, phones, tablets, licensing costs, permits, uniforms, and travel expenses. These expenses were necessary to perform their job duties but were not reimbursed by Defendants.

XIII. Wage Statement and Recordkeeping Violations

Defendants issued wage statements to Claimant and other similarly situated employees that failed to accurately reflect hours worked, commission earnings, wage rates, and deductions. Defendants also failed to maintain accurate records of hours worked by sales representatives.

XIV. Labor Code Violations

Based on the foregoing conduct, Defendants violated the following provisions of the California Labor Code:

- §§201–203 – failure to pay final wages
- §204 – failure to timely pay wages
- §210 – civil penalties for late wage payments
- §§221–224 – unlawful wage deductions
- §225.5 – penalties for unlawful deductions
- §226 – wage statement violations
- §§226.7 & 512 – meal and rest break violations
- §§510, 1194, 1197, 1198 – overtime and minimum wage violations
- §2751 – failure to provide compliant commission agreements
- §2802 – failure to reimburse business expenses
- §432.5 – requiring employees to agree to unlawful terms
- §§1174 & 1174.5 – recordkeeping violations

XV. Civil Penalties

Claimant seeks civil penalties for each Labor Code violation described above pursuant to Labor Code §2699 on behalf of himself and all other similarly situated aggrieved employees.

XVI. LWDA Notice

If Claimant does not receive written notice from the Labor and Workforce Development Agency ("LWDA") within the time prescribed in Labor Code § 2699.3 subd. (a)(2)(a) that the LWDA intends to investigate the alleged violations, Claimant intends to file an action against Defendants seeking wages, expenses, penalties, and other allowed damages pursuant to the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 et seq.) for the alleged violations, 66 days from the date of this notice.

Respectfully Submitted,

John J. Weber
For **KEEGAN & BAKER, LLP**