

March 3, 2026

VIA ONLINE SUBMISSION

Stewart Knox, Secretary
California Labor & Workforce
Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

**VIA CERTIFIED MAIL (RETURN
RECEIPT REQUESTED)**

Netflix Animation, LLC
5808 Sunset Blvd., 11th Floor
Los Angeles, CA 90028

Netflix Animation, LLC
C/O CT Corporation System
330 N Brand Blvd
Glendale, CA

Cypress HCM, Inc.
390 Railroad Avenue, Ste 201
Danville, CA 94526

Cypress HCM, Inc.
Attn: Karen Masterson Dienst
595 Pacific Avenue
Fourth Floor
San Francisco, CA 94133

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CALIFORNIA
LABOR CODE SECTION 2698, ET SEQ.**

To: The California Labor and Workforce Development Agency; Netflix Animation, LLC; and Cypress HCM, Inc.

From: Phillip Barry Wangenheim, on behalf of himself and all other current and former nonexempt, hourly employees for violations of the California Labor Code

To Whom It May Concern:

Shegerian & Associates, Inc. has been retained by employee Phillip Barry Wangenheim ("Mr. Wangenheim") to seek compensation and all other available relief, including civil penalties on her behalf and on the behalf of all those similarly aggrieved have been injured by violations of the California Labor Code. Mr. Wangenheim, on behalf of himself and all other similarly

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aggrieved current and former hourly nonexempt employees of Netflix Animation, LLC and those non-exempt employees staffed by Cypress HCM, Inc. (collectively, “Netflix”), intends to seek civil penalties, attorneys’ fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.* of the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

Factual Statement:

Netflix develops and produces animated feature films and television series, which are all released on Netflix streaming service. Claimant Mr. Wangenheim worked for Netflix as an hourly, nonexempt employee, in the position of Post Engineer and earned \$75.00 per hour. Netflix utilizes Cypress HCM as a staffing agency to fill roles at the company¹.

During the entire course of his employment, Netflix has failed to provide and continue to fail to provide Mr. Wangenheim and aggrieved employees with all overtime pay and compliant meal periods and rest breaks. As a consequence, Cypress has failed to comply with Labor Code sections 226.7, 510, and 512 and Industrial Welfare Commission (“IWC”) Wage Order 7-2001, sections 3, 11, and 12. Netflix has also failed to pay minimum wages to Claimants in violation of Labor Code sections 510, 1194, 1197, and 1182.12, and IWC Wage Order No. 7-2001, section 4. Not all reporting pay owed under Wage Order No. 7-2001, section 5 was paid to Claimant and aggrieved employees. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, Netflix has failed to compensate Claimant and aggrieved employees at a rate of one and one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek.

Netflix has also failed and continue to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, Netflix have failed and continue to fail to provide timely, accurate wage statements to Mr. Wangenheim and other aggrieved employees in violation of Labor Code section 226(a). With regard to those no longer employed by Netflix, including Mr. Wangenheim, Netflix violated Labor Code section 203 by failing to pay all wages due upon separation. Mr. Wangenheim is informed and believes that such violations are ongoing, systematic, and continuous. He intends to bring an action against Cypress under the Private Attorneys General Act (“PAGA”) to recover wages and penalties as provided by California law.²

¹ There is statutory joint liability under Labor Code Section 2810.3, and Plaintiff provides notice under this statute as well.

² Without limitation, Mr. Wangenheim, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes each provision as set forth in Labor Code section 2699.5 as follows:

The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203,

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Theories of Labor Code Violations and Remedies:

Claimant Mr. Wangenheim was approximately November 4, 2024 to March 10, 2025 by Netflix as a Post Editor.

First, Claimant and aggrieved employees were at all times entitled to off-duty, uninterrupted but unpaid meal periods. Netflix, however, failed to authorize and permit Claimant and aggrieved employees to take compliant meal periods as required by Labor Code sections 226.7 and 512 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 11. Netflix failed to have a compliant meal break policy. The policy does not authorize nor permit an uninterrupted first meal period within the first five hours of work, and it fails to authorize or permit a second meal period within the first ten hours of work. Netflix and all similarly aggrieved employees took their meal periods late, had their meal periods interrupted, and remained on-duty as they were required to perform work during their meal periods. This was largely due to their schedule as they had to complete all the work on their deadlines. And Netflix did not compensate Claimant and aggrieved employees with an extra hour of pay for noncompliant meal periods for each workday on which they occurred. Accordingly, since Netflix required Claimant and aggrieved employees to work during their meal periods and did not subsequently compensate them for all noncompliant meal periods in violation of Labor Code sections 226.7(a) and 512, Claimant and aggrieved employees seek all available penalties as set forth in Labor Code section 558, all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 20 and 2699(f).

Claimant and aggrieved employees were at all times entitled to take paid, off-duty rest breaks. However, Netflix failed to and continue to fail to authorize and permit Claimant and aggrieved employees to take off-duty rest breaks as required by Labor Code sections 226.7 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 12. Netflix fails to authorize uninterrupted rest breaks for every four hours worked, or major fraction thereof. Again, this was largely due to understaffing as well as an unlawful policy that Netflix

203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230A, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651., and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

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required of its employees, which required them to remain on the premises and on-duty, to the benefit of the employer, during their rest breaks. Claimant and aggrieved employees were required to perform work during their rest breaks by either taking no break or else having their break interrupted to return to work before a net-ten-minute break was taken, which means they were on-duty during their rest breaks. Netflix did not compensate Claimant and aggrieved employees with an extra hour of pay for noncompliant rest breaks for each workday on which they occurred. Therefore, Claimant and aggrieved employees are entitled to recover wages and/or penalties as provided by Labor Code section 558 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 20. Furthermore, since Netflix required its nonexempt employees to work during rest periods in violation of Labor Code section 226.7(b) without premium pay, Claimant and aggrieved employees seek all available penalties as set forth in Labor Code sections 558 and 2699.

Claimant and aggrieved employees also were at all times entitled to the payment of minimum wages. Netflix have failed and continue to fail to pay Claimant and aggrieved employees minimum wages for all hours worked as required by Labor Code sections 510, 1194, and 1194.2 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 4. As a result, Claimant and aggrieved employees didn't receive minimum wages for all hours worked, which also means they didn't receive all overtime wages nor all wages owed every pay period nor upon separation. Accordingly, not all hours that Claimant and aggrieved employees worked were recorded, adjusted, nor subsequently compensated. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 1197.1 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 20.

At all times relevant herein, Claimant and aggrieved employees were entitled to the payment of overtime. That is, pursuant to Labor Code sections 510, 1194, 1197, and 1182.12, Netflix was required to compensate Claimant and aggrieved employees at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek. Netflix have failed to and continue to fail to pay Claimant and aggrieved employees all overtime wages owed, yet regularly required them to work in excess of eight (8) hours per day and/or forty (40) hours per week without premium pay under Labor Code section 1194. Claimant regularly worked five (5) days per week for over eight (8) hours per day and did not receive all overtime wages owed. In short, during the entire course of their employment, Netflix failed to provide and continues to fail to provide Claimant and aggrieved employees with all overtime pay in violation of 226.7, 510, and 512 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 7-2001, section 3.

Pursuant to Labor Code section 204, Claimant and aggrieved employees were entitled to be paid all wages owed every pay period. As explained above, by failing to pay Claimant and aggrieved employees all meal period and rest period premiums for every instance of noncompliance and by failing to pay all minimum wages and overtime wages every pay period, Netflix have failed and continue to fail to pay all wages owed every pay period in violation of Labor Code section 204.

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Likewise, pursuant to Labor Code sections 201–203, Claimant and aggrieved employees who have since separated from Netflix, including Claimant, were entitled to be paid all wages owed upon separation within the statutorily allotted time—immediately (resignation with notice and termination) or within seventy-two (72) hours (resignation without notice). Claimant and aggrieved employees did not receive all wages owed upon separation based on Netflix’s prior failings to pay all wages owed every pay period, as explained in the preceding paragraph.

Claimant and aggrieved employees were at all times entitled to be provided timely and accurate wage statements by Netflix pursuant to Labor Code section 226. Because Netflix failed to pay Claimant and aggrieved employees their meal period and rest break premiums for noncompliant meal periods and rest breaks, and failed to pay Claimant and aggrieved employees minimum wages for all hours worked and for all overtime wages owed as well as the correct rate for overtime hours, Claimant and aggrieved employees’ wage statements were inaccurate in reflecting meal period and rest break premium compensation owed, all overtime and minimum wages, and all hours worked every pay period. As a consequence, Claimant and aggrieved employees’ wage statements also do not reflect the accurate amount of gross wages owed. Accordingly, Claimant and aggrieved employees seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

Netflix’s uniform failure to authorize and permit off-duty rest breaks and meal periods or pay Claimant and aggrieved employees premium compensation in lieu thereof, failure to pay all minimum and overtime wages owed, failure to pay all wages owed every pay period and upon separation, and failure to furnish timely and accurate wage statements violate Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1182.12, 1194, 1197 and as such, penalties are recoverable as set forth in Labor Code sections 210, 1194, *et seq.*, and 2699.

Finally, Claimant and aggrieved employees were entitled to be reimbursed by Netflix for all necessary, business-related expenses they incurred in executing their duties for Netflix. California Labor Code section 2802 provides that “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.” Netflix, however, has failed to fully reimburse Claimant and aggrieved employees for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs incurred for the expense of the cell phones required to perform their job functions. Accordingly, Claimant and aggrieved employees are entitled to recover their unreimbursed expenditures and losses pursuant to Labor Code section 2802.

Claimant and aggrieved employees are entitled to recover unpaid wages, with interest, and are entitled to an award of attorneys’ fees as permitted by Labor Code section 1194, other penalties as permitted by Labor Code sections 210 and 2699, and waiting time penalties for former employees pursuant to Labor Code section 203.

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Accordingly, Claimants seek the remedies set forth in the above-referenced Labor Code sections for themselves, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, Claimant, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against Netflix for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, and 1198.

Should you require any additional information, please feel free to contact me.

Sincerely,

SHEGERIAN & ASSOCIATES, INC.



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