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VIA ONLINE FILING

Labor and Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, CA 95814

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<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: Jose Suarez v. Blueground US, Inc. dba Blueground Cleaning

Dear Representative:

This office represents Jose Suarez (“**Mr. Suarez**”) with respect to his claims under the California Labor Code against Blueground US, Inc. dba Blueground Cleaning (“**Employer**”). This letter is being sent simultaneously to Employer by certified mail.

Employer employed Mr. Suarez from approximately July 2025 to January 2026 to provide janitorial services, specializing in cleaning residences. Mr. Suarez reported to different locations around the Bay Area of Northern California. Employer is an out-of-state company, with its primary business located at 101 5th Ave. New York, 7th Floor, New York, NY 10003, which provides short and long-term residential rentals.

Employer employed Mr. Suarez and all similarly situated workers as non-exempt employees who were willfully misclassified as independent contractors. Mr. Suarez was improperly paid a piece-rate based on the number and size of apartment units cleaned, without any separate hourly compensation and without any payroll tax deductions. As a result of this misclassification, Mr. Suarez was deprived of various labor law protections afforded to employees, in violation of Labor Code section 226.8.

Mr. Suarez intends to seek penalties for violations of the California Labor Code which are recoverable under California Labor Code section 2698, *et seq.*, the Private Attorneys General Act of 2004 (“**PAGA**”). Mr. Suarez is seeking penalties solely in a representative capacity on behalf of the State of California and all current and former employees of Employer who were also misclassified as an independent contractor (“**Aggrieved Employees**”). This letter is being sent in compliance with California Labor Code section 2699.3.

As detailed below, Employer violated several of California’s wage and hour laws during Mr. Suarez’s employment, including but not limited to violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.2, 226.7, 226.8, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the Industrial Welfare Commission Wage Orders (“**IWC Wage Order**”) including *inter alia*, IWC Wage Order No. 4. These claims are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION



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Employer has engaged in numerous unlawful practices which resulted in the failure to pay Mr. Suarez and Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

Employer willfully misclassified Mr. Suarez and Aggrieved Employees as independent contractors in violation of Labor Code section 226.8 to provide cleaning services. First, Mr. Suarez and Aggrieved Employees were not free from the direction and control of Employer. At all times, Employer retained the right to control the method, manner, and timing of how and when Mr. Suarez and Aggrieved Employees perform their job duties. For example, every Wednesday or Thursday, Mr. Suarez received a schedule from his supervisor which contained the addresses of each job site for the week, as well as the specific instructions for each client, whether that client was considered “VIP,” and the level of service to provide (e.g. basic or deep cleaning). Failing to comply with Employer’s requirements could result in termination. Second, Mr. Suarez and Aggrieved Employees performed cleaning duties which is entirely within the usual course of Employer’s business. Finally, Mr. Suarez and Aggrieved Employees are not customarily engaged in an independently established trade or business of the same nature of the work performed. Therefore, Employer will not be able to prove that it properly classified Mr. Suarez and Aggrieved Employees as independent contractors. *See Dynamex Operations West, Inc., v. Superior Court*, 4 Cal. 5th 903, 956-958 (2018)

Employer utilized an illegal piece-rate compensation formula that fails to pay Mr. Suarez and Aggrieved Employees for a substantial portion of their hours worked. Employer compensates Mr. Suarez and Aggrieved Employees a set rate for each unit cleaned and provided no compensation for a substantial amount of worktime spent performing work activities that do not accumulate piece-rate earnings, including travel time between customers. This practice violates California law, because piece-rate employees are entitled to compensation for “nonproductive” time and for “rest periods” at an hourly rate *separate* from any piece-rate compensation. Labor Code section 226.2. Employer systematically violated this statute and the minimum wage laws by denying separate compensation for rest periods and nonproductive time, which for this case includes time spent traveling between clients and preparing/purchasing cleaning supplies.

Additionally, Employer’s piece-rate formula has violated overtime laws by failing to apply the statutory compensation for overtime pay. Employer regularly required Mr. Suarez and Aggrieved Employees to work more than eight (8) hours in a day or forty (40) hours in a workweek, but failed to pay them overtime compensation for such work. Additionally, Mr. Suarez and Aggrieved Employees frequently worked seven consecutive days in a workweek without overtime wages for the first 8 hours worked or double-time wages for any additional hours worked. In a piece-rate system, all earnings in the pay period must be taken into account in computing the regular rate of pay for purposes of overtime. Employer systematically failed to compute overtime properly and failed to pay any overtime or doubletime premiums to Mr. Suarez and Aggrieved Employees.



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Employer also failed to record any of the time worked by Mr. Suarez and Aggrieved Employees, which resulted in a failure to pay Mr. Suarez and Aggrieved Employees for all hours actually worked, including minimum wages, straight time wages and overtime wages.

As a result of the foregoing practices, Employer has failed to pay Mr. Suarez and Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employer violated IWC Wage Order No. 4 and California Labor Code sections 204, 226.2, 510, 1194, 1197, 1197.1 and 1198.

Mr. Suarez and Aggrieved Employees will therefore seek unpaid wages; PAGA default penalties; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 4; penalties pursuant to California Labor Code sections 226.8, 558, 1197.1, and 1199; compensation pursuant to Labor Code Section 1194; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

Due to the willful misclassification of Mr. Suarez and Aggrieved Employees as independent contractors, Employer systematically failed to provide any meal periods or premiums in lieu thereof.

Employer failed to provide Mr. Suarez and Aggrieved Employees with legally-compliant 30-minute meal periods. Mr. Suarez and Aggrieved Employees were required by Employer to work more than five (5) hours per day, but were not provided with timely uninterrupted 30-minute meal periods. Further, Mr. Suarez and Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employer regularly required Mr. Suarez and Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Mr. Suarez and Aggrieved Employees were regularly unable to take a meal break period due to the overwhelming work load. Because they often worked on units that were rented to guests. Mr. Suarez and Aggrieved Employees were required to adhere to strict schedules to ensure that the units were cleaned by the designated rental times, which meant foregoing meal periods.

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Suarez and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employer's management at various levels, affecting all hourly-non-exempt employees, failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employer failed to adequately inform and train Mr. Suarez and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employer failed to adequately inform and train Mr. Suarez and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employer failed to ensure that there was adequate staffing to allow Mr. Suarez and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; and



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(6) Employer's policy and culture prevented Mr. Suarez and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on completing job requirements over employees right to receive timely, uninterrupted, and duty-free meal periods.

Mr. Suarez and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employer violated IWC Wage Order No. 4 and California Labor Code sections 226.7, 512(a) and 1198.

Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 4; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

Due to the willful misclassification of Mr. Suarez and Aggrieved Employees as independent contractors, Employer systematically failed to provide any rest breaks or premiums in lieu thereof.

Employer compensates Mr. Suarez and Aggrieved Employees a set rate for each unit cleaned and provided no compensation for a substantial amount of worktime spent performing work activities that does not accumulate piece-rate earnings, including non-productive time or for rest breaks. This practice violates California law, because piece-rate employees are entitled to compensation for "nonproductive" time and for "rest periods" at an hourly rate *separate* from any piece-rate compensation. Labor Code section 226.2. Employer systematically violated this statute by failing to separate compensation Mr. Suarez and Aggrieved Employees for rest periods.

Employer failed to authorize and permit Mr. Suarez and Aggrieved Employees take legally-compliant 10-minute rest periods. Employer required Mr. Suarez and Aggrieved Employees to work through rest periods. Mr. Suarez and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Mr. Suarez and Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. Mr. Suarez and Aggrieved Employees were never provided with a single purported rest break period throughout the entirety of their employment with the Employer. Moreover, Mr. Suarez and Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016). Mr. Suarez and Aggrieved Employees were regularly unable to take rest breaks due to the overwhelming work load. Because they often worked on units that were rented to guests, Mr. Suarez and Aggrieved Employees were required to adhere to strict schedules to ensure that the units were cleaned by the designated rental times, which meant foregoing rest breaks.

Employer's policies, practices, and procedures were responsible for the violations alleged above and



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prevented Mr. Suarez and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employer's management at various levels, affecting all hourly-non-exempt employees, failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employer failed to adequately inform and train Mr. Suarez and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employer failed to adequately inform and train Mr. Suarez and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employer failed to ensure that there was adequate staffing to allow Mr. Suarez and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; and (6) Employer's policy and culture prevented Mr. Suarez and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees right to receive rest periods.

Mr. Suarez and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employer violated IWC Wage Order No. 4 and California Labor Code sections 226.2, 226.7, and 1198.

Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 4; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

As to each pay period, and as a result of the foregoing violations, Employer has failed to timely pay all wages earned because Mr. Suarez and Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employer violated California Labor Code section 204(a).

Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

As a result of the practices described above, the wage statements provided to Mr. Suarez and Aggrieved Employees failed to include the actual hours worked, the actual gross wages earned, and the correct rates of pay. Accordingly, Employer violated California Labor Code section 226(a).

Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to



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California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

Employer has failed to maintain accurate records relating to Mr. Suarez and Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employer violated IWC Wage Order No. 4 and California Labor Code sections 1198.5 and 1174(d).

Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 4; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 4 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Mr. Suarez and Aggrieved Employees incurred necessary business-related expenses and costs that were not reimbursed by Employer. These costs include, but are not limited to, costs associated with the use personal vehicles and for purchasing cleaning supplies required to perform job duties.

Accordingly, Employer violated IWC Order No. 4 and California Labor Code sections 2800 and 2802.

Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 4; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

Upon the termination of employment, Mr. Suarez and Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employer's practices of requiring Mr. Suarez and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employer failed to pay Mr. Suarez and Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employer also failed to pay Mr. Suarez and Aggrieved Employees for meal period premiums, and rest period premiums they were owed, amongst other wages. Accordingly, Employer violated California Labor Code sections 201 and 202.



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Mr. Suarez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 203, 1199, and 2699(f)(2); and attorneys' fees and costs.

Therefore, on behalf of the State of California and all Aggrieved Employees, Mr. Suarez may seek all applicable penalties related to these violations of the California Labor Code pursuant to PAGA. If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter.

Very Truly Yours,

Kristy R. Connolly, Esq.

Notice provided to Employer via Certified Mail (9414711105495814604550)

Blueground US, Inc. dba Blueground Cleaning
101 5th Ave, Floor 7
New York, NY 10003

Notice provided to Employer via Certified Mail (9414711105495814604529)

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Attn: Agent – Amanda Garcia
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