

E&L, LLP
8889 W. OLYMPIC BLVD
2ND FLOOR
BEVERLY HILLS, CA 90211
TEL: 213.213.0000
FAX: 213.213.0025
WWW.EBRALAVI.COM
DAVID LAVI, Esq.
DIRECT: 213.213.0023



WRITER'S EMAIL
dlavi@ebralavi.com

April 13, 2026

**NOTICE OF PRIVATE ATTORNEYS GENERAL ACT CLAIM
PURSUANT TO LABOR CODE §2699.3**

To: California Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612
Via Online Submission Only

Department of Industrial Relations
Accounting Unit
455 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Certified Mail Number: 9589 0710 5270 2376 2564 91

Aids Healthcare Foundation
CSC - Lawyers Incorporating Service
22710 Gateway Oaks Drive
Sacramento, California 95833
Certified Mail Number: 9589 0710 5270 2376 2564 84

Aids Healthcare Foundation
Attn: Human Resources
6255 West Sunset Blvd., 21st Floor
Los Angeles, California 90028
Certified Mail Number: 9589 0710 5270 2376 2561 77

From: Henry Arturo Sanchez, on behalf of himself and other current and former aggrieved, California-based, hourly non-exempt employees of Aids Healthcare Foundation.

Factual Statement and Theories of Labor Code Violations

This office represents aggrieved employee Henry Arturo Sanchez ("Claimant") with respect to Claimant's claims under the California Labor Code against Aids Healthcare Foundation (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as "Employers"). Claimant was formerly employed by Employers as an hourly non-exempt employee from in or around May 2016 through in or around February 3, 2026.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, et seq. (“PAGA”). Claimant is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 227.3, 246, 245-248.5, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, and the Industrial Welfare Commission Wage Orders (“IWC Wage Orders”). The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY THE MINIMUM WAGE RATE OF PAY FOR ALL HOURS WORKED

Claimant maintains that during his employment, Employers failed to pay him and Aggrieved Employees with compensation at the minimum wage rate of pay for all the hours that they worked in violation of Labor Code §§ 1194 and 1197. Labor Code § 1197 provides, “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” Labor Code § 1194 states, “...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

Claimant maintains that during his employment, he and Aggrieved Employees worked more hours per day than Employers credited them for having worked based on the following:

- Employers maintained a policy, practice, and/or procedure whereby Employers required Claimant and Aggrieved Employees to complete other off-the-clock work tasks after clocking out for the end of their shifts and/or during uncompensated meal periods, resulting in off-the-clock work and the underpayment of minimum and overtime wages owed to Claimant and Aggrieved Employees. For example, based on information and belief, Employer required Claimant and Aggrieved Employees to clock out for the end of their shifts but to continue working due to the need to clean and/or organize their work stations/areas, provide shift status updates and/or debriefings and/or participate in work meetings, respond to work-related communications and/or perform other work tasks off-the-clock, resulting in the underpayment of minimum wages and overtime wages owed to Claimant and Aggrieved Employees.
- Employers maintained and enforced a uniform policy, practice, and/or procedure whereby Claimant and other Aggrieved Employees had their total daily hours “rounded down” or “shaved” to the benefit of Employers. Specifically, Employers systematically altered time records by truncating or

rounding employees' actual clock-in and clock-out times, thereby reducing the total compensable hours worked each day. This unlawful rounding practice resulted in Claimant and Aggrieved Employees not being paid for all hours worked in violation of California Labor Code §§ 200, 510, 1194, and 1197, as well as the applicable Industrial Welfare Commission ("IWC") Wage Order. Under California law, all time during which an employee is subject to the control of the employer or suffered or permitted to work, whether or not required to do so, must be compensated. California courts have expressly rejected rounding or time-shaving practices that consistently favor the employer or fail to accurately capture all time actually worked, including in *Troester v. Starbucks Corp.* (2018) 5 Cal.5th 829, and *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58. Otherwise, Employers maintained a policy, practice, and/or procedure whereby they paid Claimant and Aggrieved Employees' for their scheduled hours instead of properly keeping track of their time. As a result, Employers failed to properly track the actual hours Claimant and Aggrieved Employees worked. The policies maintained by Employers resulted in the systematic underpayment of wages, failure to pay overtime premiums, and issuance of inaccurate wage statements in violation of Labor Code § 226(a). As a consequence of these unlawful practices, Claimant and Aggrieved Employees were denied earned wages, including overtime compensation, and those who separated from employment were not paid all wages due and owing at the time of termination, in violation of Labor Code §§ 201–203.

Employers' aforementioned policy, practice, and/or procedure results in time each day in which Claimant and Aggrieved Employees are subject to the control of employers' without being compensated for that time.

Based on these violations, Claimant intends to seek civil penalties pursuant to the Private Attorney General Act ("PAGA"), Labor Code § 2698, et seq. and Labor Code § 1197.1, subds. (a)(1)-(2), on behalf of the Labor and Workforce Development Agency ("LWDA") against Employers if authorized to file a representative action on behalf of the State of California. Claimant will also seek statutory penalties under Labor Code § 226(a)(1) because the failure to pay such minimum wages for all hours worked rendered Claimant's and Aggrieved Employees pay calculations inaccurate and in violation of Labor Code § 226(e)(2)(B)(i)).

2. FAILURE TO PAY OVERTIME WAGES FOR OVERTIME HOURS WORKED AND/OR FAILURE TO THE PROPER OVERTIME RATE OF PAY DUE TO EMPLOYERS' FAILURE TO INCLUDE ALL REMUNERATION WHEN CALCULATING THE REGULAR RATE OF PAY FOR PURPOSES OF PAYING OVERTIME WAGES

Claimant maintains that Employer failed to pay him and Aggrieved Employees for the overtime hours that they worked at their overtime rate of pay.

Labor Code § 510 provides:

"Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate

of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.”

Overtime is based upon an employee’s regular rate of pay. “The regular rate at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf, of the employee.” See Division of Labor Standards Enforcement – Enforcement Policies and Interpretations Manual, Section 49.1.2.

Finally, Labor Code § 1194 provides, “...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

As stated above, Claimant maintains that Employers failed to pay him and Aggrieved Employees for all of the hours that they worked based on the following:

- Employers maintained a policy, practice, and/or procedure whereby Employers required Claimant and Aggrieved Employees to complete other off-the-clock work tasks after clocking out for the end of their shifts and/or during uncompensated meal periods, resulting in off-the-clock work and the underpayment of minimum and overtime wages owed to Claimant and Aggrieved Employees. For example, based on information and belief, Employer required Claimant and Aggrieved Employees to clock out for the end of their shifts but to continue working due to the need to clean and/or organize their work stations/areas, provide shift status updates and/or debriefings and/or participate in work meetings, respond to work-related communications and/or perform other work tasks off-the-clock, resulting in the underpayment of minimum wages and overtime wages owed to Claimant and Aggrieved Employees.
- Employers maintained and enforced a uniform policy, practice, and/or procedure whereby Claimant and other Aggrieved Employees had their total daily hours “rounded down” or “shaved” to the benefit of Employers. Specifically, Employers systematically altered time records by truncating or rounding employees’ actual clock-in and clock-out times, thereby reducing the total compensable hours worked each day. This unlawful rounding practice resulted in Claimant and Aggrieved Employees not being paid for all hours worked in violation of California Labor Code §§ 200, 510, 1194, and 1197, as well as the applicable Industrial Welfare Commission (“IWC”) Wage Order. Under California law, all time during which an employee is subject to the control of the employer or suffered or permitted to work, whether or not required to do so, must be compensated. California courts have expressly rejected rounding or time-shaving practices that consistently favor the employer or fail to accurately capture all time actually worked, including in *Troester v. Starbucks Corp.* (2018) 5 Cal.5th 829, and *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58. Otherwise, Employers maintained a policy, practice, and/or procedure whereby they paid Claimant and

Aggrieved Employees' for their scheduled hours instead of properly keeping track of their time. As a result, Employers failed to properly track the actual hours Claimant and Aggrieved Employees worked. The policies maintained by Employers resulted in the systematic underpayment of wages, failure to pay overtime premiums, and issuance of inaccurate wage statements in violation of Labor Code § 226(a). As a consequence of these unlawful practices, Claimant and Aggrieved Employees were denied earned wages, including overtime compensation, and those who separated from employment were not paid all wages due and owing at the time of termination, in violation of Labor Code §§ 201–203.

Employers' aforementioned policy, practice, and/or procedure results in time each day in which Claimant and Aggrieved Employees are subject to the control of employers' without being compensated for that time. To the extent that the foregoing unpaid time resulted Claimant and Aggrieved Employees being subject to the control of Employers when they worked more than eight (8) hours in a workday or 40 hours in a workweek, Employers failed to pay Claimant and Aggrieved Employees for all of the overtime hours that they worked at their overtime rate of pay.

Additionally, when Employers did pay overtime wages to Claimant and Aggrieved Employees, Employer failed to pay the overtime wages at the proper overtime rate of pay due to Employers' failure to include all remuneration when calculating the overtime rate of pay. Specifically, Employers maintained a policy, practice, and/or procedure that entirely excluded additional remuneration Employee and Aggrieved Employees earned including, but not limited to, bonus compensation, commissions, and/or incentives when calculating Claimant's and Aggrieved Employees' regular rate of pay for the purpose of paying overtime. As a result, Claimant is informed and believes that Employers failed to pay him and Aggrieved Employees for all overtime hours worked and failed to pay overtime wages at their proper overtime rate of pay.

Based on these violations, Claimant intends to seek civil penalties pursuant to the PAGA, Labor Code § 2698, et seq. and Labor Code §§ 558 and/or 1197.1, subds. (a)(1)-(2), on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employers' failure to pay overtime wages for overtime hours worked and/or failure to pay overtime wages at the proper overtime rate of pay, Claimant will also seek statutory penalties under Labor Code § 226(a)(1) because the failure to pay such overtime wages and/or failure to pay them at the proper overtime rate of pay rendered Claimant's and Aggrieved Employees' pay calculations inaccurate and in violation of Labor Code § 226(e)(2)(B)(i).

3. FAILURE TO AUTHORIZE OR PERMIT MEAL PERIODS IN VIOLATION OF LABOR CODE §§512 AND 226.7 AND/OR FAILURE TO PAY MEAL PERIOD PREMIUMS AT THE PROPER RATE OF PAY DUE TO EMPLOYERS' FAILURE TO INCLUDE ALL REMUNERATION WHEN CALCULATING THE REGULAR RATE OF PAY FOR PURPOSES OF PAYING MEAL PERIOD PREMIUMS

Claimant maintains that during his employment, Employers failed to maintain compliant meal period polices. California law requires an employer to provide an employee an uninterrupted meal period of no less than 30-minutes in which the employee is relieved of all duties and the employer relinquishes control over the employee's activities prior to the employee's sixth hour of work. Cal. Lab. Code §§ 226.7, 512; Wage Order 4, §11; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. An

employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second such meal period of not less than 30 minutes prior to the start of the eleventh hour of work. *Id.* If the employer requires the employee to remain at the work site or facility during the meal period, the meal period must be paid. This is true even where the employee is relieved of all work duties during the meal period. *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968. Labor Code § 226.7 provides that if an employee does not receive a required meal or rest period that “the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each work day that the meal or rest period is not provided.”

Claimant maintains that Employers failed to authorize or permit him and Aggrieved Employees to take compliant meal periods based on the following:

- Employers maintained and enforced a uniform policy, practice, and/or procedure that failed to authorize and permit Claimant and other Aggrieved Employees to take lawful, duty-free meal periods. Specifically, Employers regularly required Claimant and Aggrieved Employees to work through their first and/or second meal periods, to take their first meal period after the fifth (5th) hour of work, and/or to take their second meal period, when provided at all, after the tenth (10th) hour of work. In many instances, meal periods were short, interrupted, and performed under the control of Employers, preventing Claimant and Aggrieved Employees from being relieved of all duties. Further, Employers failed to authorize and permit second meal periods for employees who worked shifts in excess of ten (10) hours, in direct violation of applicable Labor Code provisions and Industrial Welfare Commission (“IWC”) Wage Orders. Nevertheless, Employers automatically deducted 30 minutes from Claimant and Aggrieved Employees daily hours worked and attributed that time to a first meal period. As a result, Claimant and Aggrieved Employees were denied compliant meal periods and were not compensated with premium pay as required by law.

Employers’ policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers’ management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers’ policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees’ right to receive timely, uninterrupted, and duty-free meal periods.

Further, Claimant alleges, Employers maintained a policy, practice, and/or procedure whereby they failed to pay Claimant and Aggrieved Employees a meal period premium wage of one additional hour of pay at their regular rate of compensation for each work day that Employers failed to authorize or permit all required meal periods, timely meal periods, meal periods of at least 30 minutes, uninterrupted meal periods, and/or duty free meal periods as required by Labor Code § 226.7.

Additionally, on occasions Employers did pay Claimant and Aggrieved Employees a “premium” wage for late, missed, short, or on-premise meal periods, Employers failed to pay it at one additional hour of pay at Claimant’s and Aggrieved Employees’ regular rate of compensation. Specifically, Employers maintained a policy, practice, and/or procedure that entirely excluded additional remuneration Claimant and Aggrieved Employees earned including, but not limited to, bonus compensation, commissions, and/or incentives when calculating Claimant’s and Aggrieved Employees’ regular rate of pay for the purpose of paying meal period premiums.

Based on these violations, Claimant intends to seek civil penalties pursuant to the PAGA, Labor Code §2698, et seq. on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employers’ failure to authorize or permit meal periods and/or failure to pay meal period premiums at the proper rate of pay due to failure to include all remuneration when calculating the regular rate of pay or pay meal period premium wages, Claimant will seek statutory penalties under Labor Code § 226(a)(1) because the failure to pay such meal period premiums or failure to pay meal period premiums at the proper rate rendered Claimant’s and Aggrieved Employees’ pay calculations inaccurate and in violation of Labor Code § 226(e)(2)(B)(i).

4. FAILURE TO AUTHORIZE OR PERMIT REST PERIODS IN VIOLATION OF LABOR CODE §226.7

Claimant maintains that during his employment, Employers failed to maintain compliant rest period policies. California law requires that “[e]very 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....” Wage Order 4, §12. Employees are entitled to 10 minutes’ rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.” *Brinker Restaurant Corp. v. Sup. Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004, 1029; Lab. Code § 226.7. Additionally, the rest period requirement “obligates employers to permit-and authorizes employees to take-off-duty rest periods.” *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257, 269. That is, during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time. *Id.* If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each work day that the rest period is not provided.” Wage Order 4, §12; Lab. Code §226.7.

Claimant maintains that Employers failed to authorize or permit him and Aggrieved Employees to take compliant meal periods based on the following:

- Despite that California law requires Employer to provide Claimant with one 10 minute rest break when an employee's work shift is in excess of 3.5 hours, a second 10 minute rest break when a shift is in excess of 6 hours, a third 10-minute rest break when a shift is in excess of 10 hours, Employer regularly failed to do so. As a result, Claimant and Aggrieved Employees did not receive legally compliant rest periods as they were untimely, on-duty, or were not taken at all.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant 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.

Claimant and other 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, Employers violated the applicable IWC Wage Orders and California Labor Code §§ 226.7, and 1198.

Based on these violations, Claimant intends to seek civil penalties pursuant to the PAGA, Labor Code § 2698, et seq. on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employers' failure to authorize or permit rest periods or pay rest period premium wages, Claimant will seek statutory penalties under Labor Code § 226(a)(1) because the failure to pay such rest period premiums rendered Claimant's and Aggrieved Employees' pay calculations inaccurate and in violation of Labor Code § 226(e)(2)(B)(i).

5. FAILURE TO INDEMNIFY EMPLOYEES FOR EMPLOYMENT-RELATED LOSSES AND EXPENSES IN VIOLATION OF LABOR CODE §§ 2802 AND 2802

Claimant maintains that during his employment, Employer failed to indemnify him and Aggrieved Employees for all necessary expenditures or losses incurred by them in the discharge of their duties. California Labor Code §§ 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. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers.

Employer employed policies and procedures which ensured Claimant and Aggrieved Employees would not receive indemnification for the aforementioned necessary expenditures incurred as result of their employment with Employer. Employer's aforementioned policies, practices, and/or procedures resulted in Claimant and Aggrieved Employees not receiving indemnification for employment-related expenditures in compliance with California law.

For these reasons, Claimant will seek both restitution for himself and Aggrieved Employees for Employer's violations of Labor Code § 2802 and will seek civil penalties under PAGA, Labor Code § 2698, et seq., on behalf of the LWDA against Employer if authorized to file a representative action on behalf of the State of California; and attorneys' fees and costs.

6. FAILURE TO PAY ACCRUED AND VESTED VACATION WAGES

Employers had a policy and/or procedure of providing its employees, including Claimant and Aggrieved Employees, with paid vacation time and/or personal time off ("Vacation/PTO"). Vacation/PTO wages are deferred wages that vest once accrued. Labor Code § 227.3 provides that Employers must pay its employees, including Claimant and Aggrieved Employees, all unused vested vacation/PTO at the time of termination at the employees' final rate of pay.

Employers had a vacation policy in which Claimant and Aggrieved Employees accrued vacation/PTO wages. However, Claimant maintains that Employer terminated Claimant and Aggrieved Employees without paying them the full amount of their earned vacation/PTO wages, in violation of California law, and employed policies and procedures which ensured Claimant and Aggrieved Employees would not receive their accrued and vested vacation/PTO wages upon termination.

7. FAILURE TO TIMELY PAY EARNED WAGES DURING EMPLOYMENT

In California, wages must be paid at least twice during each calendar month on days designated in advance by the employer as regular paydays, subject to some exceptions. Labor Code § 204(a). Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid between the 16th and the 26th day of that month and wages earned between the 16th and the last day, inclusive, of any calendar month must be paid between the 1st and 10th day of the following month. *Id.* Other payroll periods such as those that are weekly, biweekly, or semimonthly, must be paid within seven (7) calendar days following the close of the payroll period in which wages were earned. Labor Code § 204(d).

Employer's aforementioned policies, practices, and/or procedures resulted in their failure to pay Claimant and Aggrieved Employees their earned wages within the applicable time frames outlined in Labor Code § 204.

8. FAILURE TO PROVIDE SICK PAY AT THE REGULAR RATE

In California, sick pay must be compensated at the employee's regular rate of pay, for the workweek in which the paid leave was taken, or at a rate determined by averaging total wages excluding overtime over 90-days. (Lab. Code § 246(1).) Claimant maintains that Employers failed to pay Claimant and Aggrieved Employees, sick pay at the correct rate. In addition to hourly wages, Claimant and Aggrieved Employees received compensation in addition to hourly wages, including but not limited to, bonus compensation, commissions, and/or incentives, but those additional amounts were not included when calculating sick pay wages. By failing to pay Claimant and Aggrieved Employees for sick pay at the correct rate, Employers willfully violated Labor Code § 246.

9. FAILURE TO PROVIDE PROPER PAID SICK LEAVE

Throughout the relevant time period, Employer failed to provide proper paid sick leave to Claimant and Aggrieved Employees, in violation of Labor Code §§ 245-248.5. Employer either failed to provide paid sick leave, or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Claimant and Aggrieved Employees by failing to base the accrued sick leave hours on the correct number of hours worked failing to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, into the sick leave pay rate calculation.

Based on information and belief, Employer further failed to provide notice of the correct sick leave amount balance available to Claimant and Aggrieved Employees on their wage statements or other written statements. Based on information and belief, Employer failed to put Claimant and Aggrieved Employees on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code § 2810.5 notice. In addition, Employer failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Claimant and Aggrieved Employees throughout the relevant time period.

Based on information and belief, throughout the relevant period, Employer failed to provide notice of sick leave amount balance left for Claimant and Aggrieved Employees, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Claimant and Aggrieved Employees would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and Claimant seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Claimant and Aggrieved Employees.

In violation of Labor Code § 247.5, Employer failed to maintain records documenting the hours worked and paid sick days accrued and used by Claimant and Aggrieved Employees, permitting the presumption that Claimant and Aggrieved Employees were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employer further failed and continue to fail to comply with Labor Code § 246, by failing to provide Claimant and Aggrieved Employees with a Labor Code §226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages. Employer unlawfully retained and continue to retain paid sick leave that should have been paid but was not, as a result of Employer failure to properly institute a paid sick leave program. On information and belief, Claimant alleges that all of these practices were experienced and continue to be experienced by Aggrieved Employees.

Claimant requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employer sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Claimant and Aggrieved Employees are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. Claimant requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code §§ 233 and 234, which incorporates the paid sick leave requirements.

10. FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS

California Labor Code § 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, inter alia, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (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 other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked, the actual gross wages earned (including wages owed, and meal and rest period premiums), correct number of sick-days available. Accordingly, Employers violated California Labor Code § 226(a).

Based on the aforementioned derivative violations for failure to provide complete and accurate wage statements pursuant to Labor Code §§ 2698, et seq. and 226.3, Claimant will seek recovery of civil penalties on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California, and attorney's fees and costs.

11. FAILURE TO TIMELY PAY ALL WAGES DUE AT THE TIME OF TERMINATION/RESIGNATION

California Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72)

hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. As a result of the aforementioned violations of the Labor Code, Employee was not paid his final wages in a timely manner as required by Labor Code § 203.

Claimant is informed and believes that Aggrieved Employees who separated from Employers, whether voluntarily or involuntarily, were not paid at the time of Claimant's separation of employment, including (a) minimum wage; (b) overtime hours for overtime hours worked and/or remuneration when calculating the regular rate of pay for purposes of paying overtime wages; (c) meal period premiums and/or remuneration meal period premiums; (d) rest period premiums; (e) proper sick pay to include additional remunerations earned; and (f) vacation/PTO, as required by Labor Code §§ 201, 202, and 203.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code § 2699; penalties pursuant to California Labor Code §§ 203 and 1199; and attorneys' fees and costs.

12. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code §1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Employee and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code §§ 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code § 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; California Labor Code § 1174.5 penalties; and attorneys' fees and costs.

13. CIVIL PENALTIES

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an aggrieved employee, Claimant has standing to, and intends to, on behalf of the LWDA, pursue civil penalties against Employers for any and all other violations Labor Code violations committed by Employers. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under the PAGA may also bring PAGA claims against the employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimant, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of the LWDA for unrelated Labor Code violations by Employers.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. 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 Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

Very truly yours,
E&L, LLP

A handwritten signature in dark ink, appearing to read 'David Lavi', with a stylized, overlapping loop structure.

David Lavi, Esq.