

LIDMAN LAW

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October 18, 2023

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Envoy Solutions, LLC, a Delaware limited liability company
c/o Cogency Global, Inc., Registered Agent
850 New Burton Road, Suite 201
Dover, Delaware 19904

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Royal Paper Corporation
15050 Shoemaker Avenue
Santa Fe Springs, CA 90670

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Waxie's Enterprises, LLC, a Delaware limited liability company
c/o Cogency Global, Inc., Registered Agent
1325 J. Ste., Ste. 1550
Sacramento, CA 95814

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Royal Paper Corporation
3701 S. 20th Street, Unit 100
DFW Airport, Texas, 75261

Re: *Rafael Reyes v. Royal Paper Corporation, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Rafael Reyes ("Mr. Reyes") in claims arising from his employment with Royal Paper Corporation, a California corporation; Envoy Solutions, LLC, a Delaware limited liability company; and Waxie's Enterprises, LLC, a Delaware limited liability company ("Defendants"). Mr. Reyes is an "aggrieved employee" as defined by Labor Code sections 2699, *et seq.* due to Defendants' numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an "aggrieved employee" should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Mr. Reyes files a civil lawsuit seeking civil penalties.

Mr. Reyes, a current employee, has been employed by Defendants since approximately June 2000. Mr. Reyes worked as a non-exempt employee in the Warehouse department as an Order Picker and/or Warehouse Shipper and his job duties included without limitation, picking orders, verifying

picked orders, loading trucks, checking computers for orders, printing orders, assembling pallets for orders, among other duties at Defendants' facility located in Santa Fe Springs, California.

Throughout Mr. Reyes' employment with Defendants, Mr. Reyes was generally scheduled to work Monday through Friday from approximately 5:00 p.m. to approximately 4:30 a.m. During his employment with Defendants, Mr. Reyes was not fully paid for all time worked due to Defendants' timekeeping policies and practices because Defendants would unlawfully shave Mr. Reyes' work time and/or round Mr. Reyes' work time such that Mr. Reyes would not be fully paid all wages he was rightfully owed. This time shaving/rounding practice utilized by Defendants was not-even handed over time and would round and/or shave in Defendants' favor such that Mr. Reyes and non-exempt employees were routinely underpaid for their time worked, including minimum and overtime wages. As a result of this policy or practice, Defendants failed to properly account for and track all time actually worked by Mr. Reyes and other non-exempt, hourly employees. Because they often worked over eight hours in a day and/or 40 hours in a week, Defendants' policy and practice of failing to compensate them for all hours worked also deprived them of overtime wages owed.

Defendants' policies and/or procedures failed to properly provide for sick pay in a manner that fully complies with Labor Code § 246. Defendant did not provide Mr. Reyes with sick pay wages in compliance with California law.

During his employment with Defendants, Mr. Reyes was not provided all legally required meal periods due to Defendants' unlawful meal period policies and practices. Throughout his employment with Defendants, Mr. Reyes was not provided all required meal periods due to Defendants' meal period policies/practices which fail to provide uninterrupted, duty-free and timely 30-minute meal periods when employees work in excess of 5.0 hours in a day. Specifically, due to Mr. Reyes' job duties, Mr. Reyes was often prevented from taking meal periods that commenced before the end of the 5th hour of work. As a result of Defendants' unlawful meal period policies and practices, Mr. Reyes meal periods were often late, short, missed and/or otherwise unlawful. Additionally, during times when Mr. Reyes worked in excess of 10.0 hours per shift, Defendants failed to provide Mr. Reyes with a second, timely meal period of at least 30 minutes in length.

Although Mr. Reyes and other non-exempt employees were not provided with all legally-compliant meal periods to which he was entitled, Defendants' policies and procedures failed to compensate them with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Reyes was also not authorized and permitted to take all legally required paid rest periods due to Defendants' unlawful rest period policies and practices. Specifically, Mr. Reyes worked shifts in excess of 3.5 hours, but was not authorized or permitted to take a ten-minute paid rest period for every four (4) hour period worked, or *major fraction thereof*. As a result of the work demands imposed by Defendants, Defendants failed to authorize and permit duty-free rest periods for every four hours worked, or major fraction thereof.

On those occasions when Mr. Reyes and other non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which he was entitled, Defendants failed to compensate Mr. Reyes with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

Throughout Mr. Reyes' employment with Defendants, Defendants failed to reimburse Mr. Reyes for expenses he incurred in direct consequence of the discharge of his duties including, without limitation, costs incurred for using his personal cellular phone. Specifically, his supervisor would often text or call Mr. Reyes. Despite the necessity of incurring expenses in the discharge of his duties, Mr. Reyes was never reimbursed for all necessary expenditures he incurred as a direct consequence of the discharge of his duties, as mandated by Labor Code section 2802 and *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137.

As a result of Defendants' failure to pay all minimum and overtime wages, as well as meal and rest period premium wages and sick pay wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Reyes.

As a further result of Defendants' failure to pay all minimum and overtime wages, failure to pay all meal and rest period premium wages, and failure to pay sick pay, Defendants failed to pay all wages owed to Mr. Reyes upon separation of his employment with Defendants.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 7 ("Wage Order 7"):

Minimum Wage Violations

Defendants were required to pay Mr. Reyes and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197, 1197.1; The Wage Order 9, § 4. Mr. Reyes and other aggrieved employees were not paid for all hours worked due to Defendant's unlawful practices and procedures. As alleged above, throughout Mr. Reyes' employment with Defendants, Mr. Reyes was generally scheduled to work Monday through Friday from approximately 5:00 p.m. to approximately 4:30 a.m. During his employment with Defendants, Mr. Reyes was not fully paid for all time worked due to Defendants' timekeeping policies and practices because Defendants would unlawfully shave Mr. Reyes' work time and/or round Mr. Reyes' work time such that Mr. Reyes would not be fully paid all wages he was rightfully owed. This time shaving/rounding practice utilized by Defendants was not-even handed over time and would round and/or shave in Defendants' favor such that Mr. Reyes and other aggrieved employees were routinely underpaid for their time worked, including minimum wages. As a result of this policy or practice, Defendants failed to properly account for and track all time actually worked by Mr. Reyes and other aggrieved employees. These practices by Defendants resulted in Defendant not paying Mr. Reyes and other aggrieved employees for all wages owed for the work they performed, including failing to pay then all required minimum wages.

Overtime Violations

Defendants were required to pay Mr. Reyes and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 7, § 3. According to Labor Code § 510(a), "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." This Section further provides, "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." As alleged above, throughout Mr. Reyes' employment

with Defendants, Mr. Reyes was generally scheduled to work Monday through Friday from approximately 5:00 p.m. to approximately 4:30 a.m. During his employment with Defendants, Mr. Reyes was not fully paid for all time worked due to Defendants' timekeeping policies and practices because Defendants would unlawfully shave Mr. Reyes' work time and/or round Mr. Reyes' work time such that Mr. Reyes would not be fully paid all wages he was rightfully owed. This time shaving/rounding practice utilized by Defendants was not-even handed over time and would round and/or shave in Defendants' favor such that Mr. Reyes and other aggrieved employees were routinely underpaid for their time worked, including overtime wages. As a result of this policy or practice, Defendants failed to properly account for and track all time actually worked by Mr. Reyes and other aggrieved employees. Because Mr. Reyes and other aggrieved employees worked over eight hours in a day and/or 40 hours in a week, Defendants' policy and practice of failing to compensate them for all hours worked also deprived them of overtime wages owed. As a result of Defendants' policies and/or practices that fail to compensate for all hours worked at the correct overtime rate, Mr. Reyes and other aggrieved employees were deprived all required overtime wages earned.

Meal Period Violations

As alleged above, Defendants failed to provide the aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 7, § 11. As described above, throughout his employment with Defendants, Mr. Reyes was not provided all required meal periods due to Defendants' meal period policies/practices which fail to provide uninterrupted, duty-free and timely 30-minute meal periods when employees work in excess of 5.0 hours in a day. Specifically, due to Mr. Reyes' job duties, Mr. Reyes was often prevented from taking meal periods that commenced before the end of the 5th hour of work. As a result of Defendants' unlawful meal period policies and practices, Mr. Reyes meal periods were often late, short, missed and/or otherwise unlawful. Additionally, during times when Mr. Reyes worked in excess of 10.0 hours per shift, Defendants failed to provide Mr. Reyes with a second, timely meal period of at least 30 minutes in length. Therefore, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although the aggrieved employees were not provided with all legally-compliant meal periods to which they were entitled, Defendants failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendants also failed to authorize and permit their aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 7, § 12. Specifically, Mr. Reyes and other aggrieved employees were not authorized and permitted to take all required rest periods due to Defendants' rest period policies/practices, which upon information and belief, fail to authorize and permit all rest periods for every four hours worked, or *major fraction thereof*. Additionally, Defendants has often failed to authorize and permit a third rest period when Mr. Reyes worked a shift in excess of 10.0 hours. As a result, Mr. Reyes and the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare

Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Reyes and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all overtime wages earned, meal and rest period premiums, total gross wages earned, and total net wages earned, in violation of Labor Code § 226 *et seq.* Defendants' failure to furnish Mr. Reyes and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime wages earned and meal and rest period premiums, and deprived them of the information necessary to identify discrepancies in Defendants' reported data.

Failure to Pay Sick Pay at the Legal Pay Rate

Defendants' pattern, practice and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement, pursuant to Labor Code §§ 246, 248.5 and/or Labor Code §§ 2699, *et seq.*, to recovery by Mr. Reyes and other aggrieved employees, in a civil action, to the extent allowed by law.

Labor Code §246(a) states: "(a) An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section." Labor Code § 246(b)(1) states: "An employee shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment or the operative date of this article, whichever is later, subject to the use and accrual limitations set forth in this section." Labor Code §246(l) states: "For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations: (1) Paid sick time for non-exempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek. (2) Paid sick time for non-exempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment. (3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time."

Defendants, as a matter of established company policy and procedure, at each and every one of the individual facilities owned and/ or operated by Defendants, during the relevant time period: (a) administered a uniform company policy and practice as to the pay policies regarding Mr. Reyes and other aggrieved employees; and (b) failed to pay Mr. Reyes and other aggrieved employees for paid sick days in a manner that fully complies with Labor Code § 246(l), failed to pay sick days at the regular rate of pay, and/or unlawfully paid sick days at the straight time or base rate of pay.

Failure to Reimburse Business Expenses

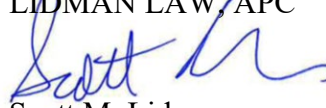
During Mr. Reyes' employment with Defendants, Mr. Reyes and other aggrieved employees were required to use their personal cellular phone to discharge their duties. Defendants' policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 7 § 9, and Labor Code § 2802 ("An employer shall indemnify his or her employees 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.") Mr. Reyes the aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

As an "aggrieved employee," Mr. Reyes will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Reyes' own investigation, and on information and belief, Defendants committed the following Labor Code violations:

- a) Defendants violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Reyes and other aggrieved employees the statutory minimum wage for all hours worked;
- b) Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Reyes and other aggrieved employees all overtime compensation earned;
- c) Defendants violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Reyes and the aggrieved employees;
- d) Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Reyes and the aggrieved employees;
- e) Defendants violated Labor Code § 226 by failing to furnish Mr. Reyes and other aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendants violated Labor Code §§ 204 and 210 by failing to pay Mr. Reyes and other aggrieved employees all earned wages at least twice during each calendar month;
- g) Defendants violated Labor Code § 246 by failing to pay Mr. Reyes and other aggrieved employees sick pay at the legal pay rate;
- h) Defendants violated Labor Code § 2802 by failing to reimburse Mr. Reyes and other aggrieved employees for all necessary expenditures incurred;
- i) Defendants violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Reyes and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC



Scott M. Lidman