

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT
(LABOR CODE § 2698, ET SEQ.)**

TO: Labor and Workforce Development Agency (LWDA)

Taelor Inc. (Hayward, CA)

RE: Notice of California Labor Code Violations

CLAIMANT: Alisha Madrigal

EMPLOYMENT DATES: 3/18/2025 – 9/11/2025

This document serves as formal written notice pursuant to the California Private Attorneys General Act (PAGA), Labor Code § 2699.3, of systemic Labor Code violations committed by Taelor Inc. against Alisha Madrigal and similarly situated aggrieved employees.

IDENTIFY THE CLASS

The "Aggrieved Employees" encompass all individuals employed by Taelor Inc. in California during the applicable statutory period who were subject to the same illegal policies and practices. This class includes, but is not limited to:

- Individuals hired as "Stylists" or performing core styling duties who were unlawfully classified as independent contractors (1099).
- Individuals acting as core labor (e.g., building the LLM, managing the back end, running early advertising) who were unlawfully classified as "unpaid interns."

DETAIL OF FACTS AND CITED LAW

Below is the chronological breakdown of the employer's conduct, the dates the violations occurred, and the specific Labor Code statutes violated during Mrs. Madrigal's tenure with the company.

1. Hiring and Classification

- **3/18/2025-9/11/2025 Worker Misclassification (CA Labor Code § 2775):** California uses the strict "ABC Test" (established by AB 5) to determine employment status. Because the company strictly controlled her schedule (9am–5pm), required mandatory meetings, micromanaged her daily metrics (3 clients per hour, 3-hour response times), required management approval before finalizing work, and styling is the core function of the business, she almost certainly qualifies as a W-2 employee, not a 1099 contractor.
- **3/18/2025-9/11/2025 Unpaid Intern Misclassification (CA Labor Code § 1194):** The former unpaid interns acting as core labor (building the LLM, running early advertising,

managing the back end) violates the state and federal "Primary Beneficiary Test." If the company benefits more from the intern's work than the intern does from the educational experience, they must be paid minimum wage.

2. Daily Operations and Wage Violations

- **3/18/2025-9/11/2025 Off-the-Clock Work & Unpaid Minimum Wage (CA Labor Code § 1194, 1197):** The employee was pressured to clock out while waiting for manager approval to protect her "styled per hour" compliance metric. Employees must be paid for all hours they are "subject to the control of the employer," including time spent waiting for a manager to review work.
- **3/18/2025-9/11/2025 Meal and Rest Breaks (CA Labor Code § 512 & IWC Wage Orders):** Because she was legally an employee, she was entitled to a paid 10-minute rest break for every 4 hours worked, and an uninterrupted, unpaid 30-minute meal period for shifts over 5 hours.
- **3/18/2025-9/11/2025, 5/16/2025 Unreimbursed Business Expenses (CA Labor Code § 2802):** Employers must reimburse employees for all necessary business expenses. Forcing the employee to use her personal computer, personal cellphone and personal Wi-Fi to complete without reimbursement is a violation. Additionally, Mrs. Madrigal was not reimbursed for the travel expenses incurred by her weeklong training and the team meeting which took place on 5/16/2025.
- **3/18/2025-9/11/2025 Paid Sick Leave (CA Labor Code § 246):** California requires employers to provide paid sick leave to employees. Denying this based on the illegal 1099 classification is a violation.

3. Workplace Environment and Facilities

- **3/18/2025-9/11/2025 Lactation Accommodation (CA Labor Code § 1030-1033):** Employers must provide a reasonable amount of break time and make a reasonable effort to provide a private space, other than a bathroom, close to the employee's work area for expressing breast milk. During her time in training, Mrs. Madrigal was informed that she could bring her child to work with her, however, upon utilizing this accommodation she resorted to breastfeeding in her car.
- **3/18/2025-9/11/2025 Workplace Postings (Various Labor Codes & Title 8):** Employers are required by state and federal law to display posters detailing minimum wage, occupational safety (OSHA), whistleblower protections, and anti-discrimination rights in a conspicuous place.

4. End of Employment and Payroll

- **9/11/2025 Reporting Time Pay (IWC Wage Orders):** When an employee logs in or shows up for their scheduled shift and the employer furnishes less than half of their usual work (such as stripping her of all her clients so she cannot work), the employer must pay "reporting time pay" for half of the scheduled shift.
- **9/11/2025-10/11/2025 Waiting Time Penalties (CA Labor Code § 201, 202, 203):** If an employee quits with at least 72 hours' notice, final wages must be paid on their last day. If they are fired (or told their "services are no longer needed"), they must be paid immediately. Because her final check was a month late, she is entitled to "waiting time penalties" equal to her daily rate of pay for every day the check was late, up to 30 days.
- **3/18/2025-9/11/2025 Inaccurate Itemized Wage Statements (CA Labor Code § 226):** Employers must provide accurate, itemized wage statements (pay stubs). While statements were provided, they violated the law by failing to accurately distinguish between client-paid gratuities and company-paid wages.
- **3/18/2025-9/11/2025 Misclassification of Gratuities (CA Labor Code § 351):** Tips left by a client are the sole property of the employee. While California law does allow employers to hold credit card tips until the next regular payday, classifying these third-party tips as company pay or "bonuses" is unlawful. This misrepresents the funds, inflates the company's apparent compensation numbers, and improperly shifts the employer tax burden onto the worker.