LIU EMPLOYMENT LAW FIRM

May 8, 2026

Via Online Submission

Labor and Workforce Development Agency/
Department of Industrial Relations
PAGA Administrator

Re: Angela Cao v. Stanford University - Private Attorney Generals' Act Notice of Labor Code Violations

To Whom It May Concern:

This law firm represents Angela Cao against her former employer Stanford University and the Board of Trustees of Leland Stanford Junior University (jointly "Stanford") for violations of various wage-and-hour laws as enumerated hereinbelow. By virtue of this notice, Ms. Cao seeks penalties for violations of the California Labor Code pursuant to the provisions of California Labor Code §§ 2699, et seq., the Private Attorneys General Act ("PAGA") and all remedies available under PAGA.

Specifically, Ms. Cao seeks remedies against Stanford on behalf of herself and all current and former employees of Stanford employed as Research Administrators or Financial Administrators (collectively "Research Administrators"). In an unlawful manner, Stanford misclassified, and has continued to misclassify, Ms. Cao and other Research Administrators as exempt when they are in fact non-exempt employees and have worked or continue to work as salary exempt employees for Stanford. These employees are denied accurate wage statements reflective of their hours worked, meal breaks, rest breaks, and overtime pay.

I. FACTUAL SUMMARY

In November 2014, Ms. Cao joined Stanford University as a Research and Financial Administrator, with a subsequent title change to Research Administrator. In that position, she handled research administration functions within the School of Engineering. Ms. Cao followed the defined administrative and fiscal policies set by the University. Ms. Cao performed a range of administrative and customer-service tasks relating to research projects. In that role, she coordinated administrative and fiscal activities of the research awards, such as initiating, completing, and submitting contract and grant proposals on behalf of Principal Investigators (PI) to Stanford's Office of Sponsored Research (OSR). Ms. Cao also reported on the fiscal status of the awards to both PIs and sponsors and compiled financial reports that were reflective of a Principal Investigator's sponsored and non-sponsored activities.

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Even though Ms. Cao was classified as an exempt employee, the vast majority of Ms. Cao's responsibilities consisted of the following non-exempt tasks:

- Pre-populating ERA's Excel budget template and preparing preliminary budgets;
- Data entry of financial data into Excel spreadsheet;
- Communicating with PIs during the proposal preparation process;
- Following University proposal preparation and submittal instructions in reviewing award applications;
- Reviewing institutional pages of the proposal for accuracy;
- Following up with OSR to have on-time submission;
- Preparing budget based on specifications provided by the sponsor input from PI;
- Coordinating the preparation of' collaborative proposals;
- Preparing and editing charts for LDA entries;
- Responding to requests from OSR early accounts and allocations on awards;
- Submitting proposals to foundations through applicable portals; and
- Providing customer service to PIs, and other ERA customers.

On information and belief, Stanford employs hundreds of Research Administrators at any given time across a spectrum of departments with duties similar to those of Ms. Cao's non-exempt duties. To be considered an exempt employee in California, an employee must meet a strict duties test where the employee's duties must be primarily exempt duties. Labor Code 515(e) defines "primarily" as "more than one-half of the employee's worktime." That means an exempt employee must spend more than 50 percent of their actual working hours on duties that qualify for the exemption. In this case, on information and belief, the Research Administrators' duties do not meet the exemption requirements.

To qualify for the "executive exemption" under the Wage Order, for example, an employee must (1) be involved in "management of the enterprise ... or of a customarily recognized department or subdivision thereof," (2) "customarily and regularly direct . . . the work of two or more other employees therein," (3) possess "the authority to hire or fire" or to make recommendations on hiring or firing that "will be given particular weight," (4) "customarily and regularly exercise . . . discretion and independent judgment," (5) be "primarily engaged in duties which meet the test of the exemption,"2 and (6) "earn a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment." (Cal.Code Regs., tit. 8, § 11050, subd. 1(B)(1)(a)-(f).)

Furthermore, the "administrative exemption" applies to an employee who, in relevant part, (1) performs "office or non-manual work directly related to management policies or general business operations" of the employer or the employer's customers, (2) "customarily and regularly exercises discretion and independent judgment," (3) "performs only under general supervision work along specialized ... lines requiring special training, experience, or knowledge," (4) is "primarily engaged in duties that meet the test of the exemption,"3 and (5) "earn[s] a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment." (Cal.Code Regs., tit. 8, § 11050, subds. 1(B)(2)(a)(i), (b), (d), (f) & (g).)

Research Administrators also will not meet the exemption requirement of the "professional exemption." A professional employee is exempt from overtime pay if the employee meets the following requirements. The employee must either be: (1) licensed or certified by the State of California and primarily engaged in the practice of one of the following recognized professions: law, medicine, dentistry, optometry, architecture, engineering, teaching or accounting or primarily engaged in an occupation commonly recognized as a learned or artistic profession. Moreover, the Research Administrators do not meet the "learned or artistic profession" exemption applies when an employee who is primarily engaged in work that either: (1) requires advanced knowledge in a science or learning field customarily acquired by a prolonged course of specialized intellectual instruction and study, as opposed to a general academic education or an apprenticeship, and from training in the performance of routine mental, manual or physical processes or work that is an essential part of any of the above work; or (2) is original and creative in character in a recognized field of artistic endeavor, as opposed to work that can be produced by a person endowed with general manual or intellectual ability and training, and the result of which depends primarily on the employee's invention, imagination or talent, or work that is an essential part of any of the above work. To qualify for the learned or artistic profession exemption, the work must be predominantly intellectual and varied in character, as opposed to routine mental, manual, mechanical or physical work, and the output produced or the result accomplished cannot be standardized in relation to a given period of time. Finally, to meet the test, the professional employee must also customarily and regularly exercises discretion and independent judgment in the performance of the duties previously described.

In this case, Stanford's Research Administrators would not qualify under any of the above exemptions, when they are not involved in management of the University, not directing work of other employees, and not possessing hiring or firing decisions. They also do not customarily and regularly exercise discretion and independent judgment, when they work under close supervision of their supervisors and adherence to strict guidelines.

By misclassifying Research Administrators as exempt employees, Stanford has failed to provide these employees the California Labor Code and California law protections, such as payment for overtime wages, satisfying meal and rest period requirements, satisfying payment of a wage-penalty for working through a meal or rest period.

Ms. Cao and other former and current Research Administrators of Stanford did not receive all overtime wages for all hours, in violation of Labor Code §§ 510, 1194, and 1197, including when their employment was terminated or they resigned in violation of Labor Code § 203. Among other things, Ms. Cao and other former and current Research Administrators worked over 40 hours per week and/or over 8 hours per day during many weeks, but they were denied overtime compensation at 1.5 times their regular rates of pay during many pay periods. Instead, they were paid at a flat salary, regardless of the number of hours worked. For instance, Ms. Cao regularly worked approximately 3 hours per day of overtime work on week days, and typically 2.5 hours of overtime work on weekends on Saturdays and Sundays, or 17.5 hours of overtime work per week. Thus, on a regular basis, she was required to work overtime hours, without overtime pay. On information and belief, the Research Administrators also work overtime without the overtime pay.

Ms. Cao and other former and current Research Administrators of Stanford were further denied meal and rest periods, along with premium pay for missed meal and rest periods, in violation of Labor Code §§ 226.7 and 512. On information and belief, the Research Administrators were often not permitted or unable to take rest periods due to a heavy workload or other factors, including a rest period for every 4 hours of work or major fraction thereof. Despite missing meal and rest periods, Ms. Cao and other former and current Research Administrators of Stanford were not provided premium pay for the missed meal or rest periods, as reflected in their wage statements.

On information and believe, the Research Administrators frequently worked through a lunchtime meal period and were either not provided a lunch break and/or not fully relieved of their duties during a meal period at least once, and indeed on numerous occasions, during their employment with Stanford. Nor were the Research Administrators paid for one hour of pay at their regular rate of compensation for each workday that they were not provided a lunch break and/or not fully relieved of their duties during a lunch break. As misclassified, exempt employees, the Research Administrators worked through their 10-minute rest break periods and were either not provided a rest break and/or not fully relieved of their duties during a rest period at least once, and indeed on numerous occasions, during their employment with Stanford. Nor were the Research Administrators paid for one hour of pay at their regular rate of compensation for each workday that they were not provided a rest break and/or not fully relieved of their duties during a rest break.

II. PAGA VIOLATIONS UNDER LABOR CODE § 2699, ET SEQ.

Ms. Cao and other former and current Research Administrators have various legal claims against Stanford. Further investigation and formal discovery will likely uncover other claims and additional facts supporting the liability. As stated above, these employees are misclassified as exempt employees, when they should have been classified as non-exempt employees, which give rise to at least the following violations by Stanford University.

A. STANFORD'S FAILURE TO PROVIDE EMPLOYEES WITH ACCURATE AND REQUIRED ITEMIZED STATEMENT OF WAGES (Labor Code §§ 226(a), 226.3, 2699, 1174, 1174.5, 1175 and 1198)

Pursuant to Labor Code § 226(a), at the time of each payment of wages, every employer must provide its employees with an accurate itemized statement in writing showing: (1) gross wages earned; (2) total hours worked by the employee; (3) all deductions; (4) net wages earned; (5) the inclusive dates of the period for which the employee is paid; (6) the name of the employee and his or her partial social security number or employee identification number; (7) the name and address of the legal entity that is the employer; and (8) all applicable hourly rates in effect during the pay period and the corresponding number of hours the employee worked at each hourly rate.

On information and belief, Stanford failed to provide such writings and all of this information to Ms. Cao and other former and current Research Administrators. Among other violations, their wage statements do not list their correct hourly rates of pay, their correct hours worked, their correct hourly rates of pay at the corresponding hours worked, or the correct gross and net wages earned. As noted earlier, Ms. Cao and others were not paid overtime wages when they worked over 8 hours per day or over 40 hours per week. Thus, their wage statements fail to show any overtime rates of pay at 1.5 times the regular rate of pay, gross and net wages that reflect overtime pay, or the number of hours worked at an overtime rate of pay.

Labor Code § 226(c) provides that an employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50.00) for the initial pay period in which a violation occurs and one hundred dollars ($100.00) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000.00), and is entitled to an award of costs and reasonable attorney's fees.

Further, Ms. Cao and other former and current Research Administrators of Stanford were deemed injured because they could not promptly and easily determine from their wage statements, all of the aforementioned information required by Labor Code § 226, including their correct gross and net wages earned, their correct hours worked, and their correct rates of pay, including at the corresponding hours worked.

Labor Code § 226.3 imposes an additional civil penalty on the employer for a violation of Labor Code § 226(a). The penalty amount is $250.00 per employee per initial violation, and $1,000 per employee per subsequent violation. This civil penalty is in addition to the civil penalty of $100/$200 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code § 2699 et seq. for a violation. Pursuant to Labor Code § 2699 et seq., Ms. Cao and other former and current Research Administrators are entitled to collect 25% of the penalty assessed.

Further, Labor Code § 1174(d), 1198, and IWC wage orders require that payroll records show the hours worked daily by employees and the corresponding wages to be paid for the hours worked. On information and belief, Stanford violated this requirement by failing to accurately record employee hours worked and/or paid, including the beginning and ending of work periods and when all meal periods were taken. Labor Code § 1174.5 imposes a civil penalty of $500 for an employer's failure to maintain accurate and complete records. This civil penalty is in addition to the civil penalty of $100/$200 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code § 2699 et seq. for a violation of Labor Code §§ 1174.(d), 1198 and IWC wage orders. Ms. Cao and other former and current on-Research Administrators are entitled to collect 25% of the penalty imposed pursuant to § 2699 et seq. accordingly.

B. STANFORD'S FAILURE TO PAY OVERTIME WAGES (Labor Code §§ 510, 558, 1194 and 1197)

On information and belief, during their employment with Stanford, Ms. Cao and other former and current Research Administrators did not receive overtime wages for hours worked.

Pursuant to Labor Code § 510, non-exempt employees are entitled to 1.5 times their regular pay rate for any work performed in excess of 8 hours in a day, any work performed in excess of 40 hours per week and for the first 8 eight hours on the seventh workday. Further, they are entitled to twice their regular pay rate for any work performed past 12 hours in one day or past 8 hours on the seventh day.

On information and belief, although Ms. Cao and other former and current Research Administrators of Stanford worked for a flat salary, and Stanford failed to pay them all overtime wages which it owes to them. For a violation of § 510, Labor Code § 558 imposes a penalty of $50.00 for each underpaid employee for the initial violation and $100.00 per employee for each pay period for which the employee was underpaid. This civil penalty is in addition to the civil penalty of $100/$200 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code § 2699 et seq. for a violation. Furthermore, pursuant to Labor Code § 2699 et seq., Ms. Cao and other former and current Research Administrators are entitled to collect 25% of the penalty assessment.

C. STANFORD'S FAILURE TO PAY OVERTIME WAGES IN A TIMELY MANNER (Labor Code §§ 204, 210, 225.5, 227.3, 558, 1194, 1197 and 1197.1)

Pursuant to Labor Code § 204, all wages earned by any person in any employment are due and payable twice during each calendar month, at the times set forth in this section. Furthermore, Labor Code § 204 states that "all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period." On information and belief, Stanford violated this code section by not timely paying, in the pay period earned, all overtime wages owed to Ms. Cao and other former and current Research Administrators, as described above or otherwise. Instead, on information and belief, wages earned in one pay period were paid in a later, unrelated pay period. Labor Code § 210 imposes a civil penalty of $200.00 for each willful or intentional violation of §204 in failing to pay each employee, plus 25% of the amount unlawfully withheld. Additionally, pursuant to Labor Code § 2699 et seq., Ms. Cao and other former and current Research Administrators are entitled to collect 25% of the penalty.

For such violations, Labor Code §§ 558 and 1197.1 impose a penalty of $50.00 for each underpaid employee for the initial violation and $100.00 per employee for each pay period for which the employee was underpaid. The civil penalties noted above are in addition to the civil penalty of $100/$200 per pay period for each violation, per aggrieved employee that would be imposed pursuant to Labor Code § 2699 et seq. for a violation. Pursuant to Labor Code § 2699 et seq., Ms. Cao and other former and current Research Administrators are entitled to 25% of the penalty.

D. STANFORD'S FAILURE TO PAY EMPLOYEES PREMIUM PAY OWED FOR MISSED MEAL AND REST PERIODS (Labor Code §§ 226.7 and 512)

Labor Code § 226.7(a) states, "no employer shall require any employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission." The applicable Wage Orders provide, in pertinent part: "Every 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 for four (4) hours or major fraction thereof." Labor Code § 512 and the Wage Orders require an uninterrupted, 30-minute meal period when employees work in excess of 6 hours per day and require the meal period start before the end of the 5th hour of work.

During the time that Ms. Cao and other former and current Research Administrators performed work for Stanford, on information and belief, they were often not provided all 10-minute rest periods in violation of the standard articulated in Brinker or all uninterrupted, 30-minute meal periods before the end of the 5th hour of work. On information and belief, Ms. Cao and other former and current Research Administrators were unable to take their rest periods because the workload was too heavy, among other things. However, they did not receive premium pay for all missed rest periods. Ms. Cao and others were not authorized or permitted to take an entire 30 minutes for a meal period or to begin meal periods before the end of the 5th hour of work on many occasions. Accordingly, Stanford failed to provide Ms. Cao and other former and current Research Administrators the rest and meal periods due them under the law.

Labor Code § 226.7(b) states, in pertinent part,: "[I]f 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 work day that the meal or rest period is not provided." Consequently, Ms. Cao and other former and current Research Administrators of Stanford were entitled to receive a one-hour wage premium for each day a rest period was required but not provided and another hour of premium pay for each day a compliant meal period was not provided, but this did not occur as demonstrated (in part) in time entry records and wage statements. The civil penalty for violating Labor Code §§ 226.7 and 512 is $100/$200 per pay period, per aggrieved employee, for each violation pursuant to Labor Code § 2699 et seq. Pursuant to Labor Code § 2699 et seq., Ms. Cao and other former and current Research Administrators are entitled to collect 25% of the penalty assessment.

E. STANFORD'S FAILURE TO FULLY COMPENSATE EMPLOYEES AT THE END OF THEIR EMPLOYMENT (Labor Code §§ 201, 202, 203 and 256)

Labor Code § 201 requires employers to immediately pay any wages, without abatement or reduction, to any employee who is discharged. Labor Code § 202 requires employers to pay all wages earned and unpaid, without abatement or reduction, no later than 72 hours of receiving an employee's notice of intent to quit or immediately at the time of quitting if the employee provided at least 72 hours' notice of intent to quit. For violations of Labor Code §§ 201 and 202, Labor Code § 203 causes the unpaid wages of the employee to continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is commenced, but the wages shall not continue for more than 30 days. Likewise, Labor Code § 256 provides for a penalty of 30 days' wages as a result of the same violations. On information and belief, Stanford violated each of the foregoing Labor Code sections and is responsible for the foregoing penalties, along with civil penalties under Labor Code § 2699 et seq. Again, Stanford did not pay, or not timely pay, all overtime wages to former California employees upon the termination of their employment. Specifically, Stanford failed to pay or timely premium pay and overtime wages within the time periods set forth in Labor Code §§ 201-202. The civil penalty is $100/$200 per pay period, per aggrieved employee pursuant to Labor Code § 2699 et seq. for a violation. Ms. Cao and former Research Administrators employees of Stanford are entitled to collect 25% of the penalty imposed pursuant to Labor Code § 2699 et seq.

F. STANFORD IS LIABLE FOR ATTORNEY'S FEES, INTEREST, & PENALTIES (Labor Code §§ 218.5, 218.6, 2699(g)(1), 2699.5)

Labor Code §§ 218.5, 218.6, and 2699(g)(1) provide employees the right to recover in a civil action interest, reasonable attorney's fees, and costs of suit. Accordingly, Stanford is liable for interest, attorney's fees and costs. Ms. Cao and other former and current Research Administrators of Stanford have already incurred and will continue to incur costs in seeking to recover penalties.

III. CONCLUSION

Please be advised that this notice is provided for the purpose of exhausting the requirements set forth under California Labor Code §2699 et seq. As required by law, an employee alleging a violation of one of the above reference sections must notify his or her employer and the Labor and Workforce Development Agency before the employee may invoke the provisions of §2699 et seq., by seeking redress in court. The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file or amend the lawsuit invoking the provisions under Labor Code § 2699. Any matters not addressed here and within the prescribed time under Labor Code § 2699 et seq. shall be pursued in litigation as applicable. This letter is provided subject to and without waiver of Ms. Cao's rights and remedies, all of which are hereby expressly reserved.

Very truly yours,

CLARICE C. LIU

cc: Stanford University (Via Certified Mail)
Ms. Angela Cao