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LAUREL
EMPLOYMENT LAW

June 19, 2026

ELECTRONICALLY FILED

Attn: PAGA Administrator
Labor and Workforce Development Agency
1515 Clay Street, Suite 801
Oakland, California 94612
PAGAfilings@dir.ca.gov

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

ASSURED ROBOT INTELLIGENCE, INC.
c/o: Telos Legal Corp.
1818 11th Street, Suite 101
Sacramento, California 95811

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

RAAD ALAM, individually
c/o Assured Robot Intelligence, Inc.
4365 Executive Drive, Suite 500
San Diego, California 92121

Re: Notice by Mohamed Sulevani on Behalf of Himself and All Other Aggrieved California Employees of Assured Robot Intelligence, Inc., Raad Alam, and Does 1-50, as an Individual and a Representative of the State of California

Dear PAGA Administrator:

Pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code sections 2698, *et seq.*, Mohamed Sulevani ("Mr. Sulevani" or "Claimant") intends to bring a civil action against ASSURED ROBOT INTELLIGENCE, INC., RAAD ALAM, and Does 1-50 (collectively "Defendant" or "Employer"), individually and on behalf of the State of California and all other Aggrieved Employees. This letter serves as Claimant's written notice pursuant to Labor Code section 2699.3(a)(1), providing the Labor and Workforce Development Agency ("LWDA") the opportunity to investigate the alleged Labor Code violations set forth herein. The specific provisions of the Labor Code allegedly violated by Defendant, and the facts and theories in support of said allegations, are detailed below. This information is based on currently possessed information and belief.

If the LWDA does not intend to investigate the alleged violations, Claimant intends to file a representative civil action for PAGA penalties on behalf of himself, the State of California, and all other Aggrieved Employees of Defendant. Claimant shall seek civil penalties under the PAGA for the violations described in this Notice. A copy of this Notice is being sent to Defendant by certified mail, return receipt requested, as required by Labor Code section 2699.3(a)(1).

Identity of Aggrieved Employees

Mr. Sulevani intends to pursue PAGA civil penalties on behalf of himself, the State of California, and all other current and former workers of Defendant who performed AI training, robot training, data annotation, and related duties for Assured Robot Intelligence, Inc. in California, including all individuals who were misclassified as independent contractors but who, under the applicable legal standard, are employees, and all other non-exempt employees who worked for Defendant at any of its California facilities at any time during the relevant limitations period of at least one year prior to the date of this Notice. The names of other Aggrieved Employees are contained within Defendant's personnel and business records.

Identity and Capacity of Employer

Claimant intends to pursue a PAGA action against ASSURED ROBOT INTELLIGENCE, INC., RAAD ALAM, and its parent companies, subsidiaries, successors, owners, officers, directors, and managing agents (collectively referred to as "Defendant" or "Employer"). Claimant will seek to hold all owners, directors, officers, and managing agents of Defendant personally liable for said violations to the extent permitted under Labor Code sections 558 and/or 558.1.

Assured Robot Intelligence, Inc. ("ARI") is a Delaware corporation licensed to do business and actively doing business in the State of California. ARI develops and trains humanoid robots designed to perform everyday human tasks. ARI operates a California facility located at 4365 Executive Drive, Suite 500, San Diego, California 92121. In order to meet its business objectives, ARI employs and/or retains as workers AI trainers, robot trainers, data annotators, and other individuals who perform labor at its San Diego facility and offsite locations throughout California. ARI employs approximately fifty workers at its San Diego, California location. Upon information and belief, in or around April 2026, ARI was acquired by a successor entity, which assumed or is otherwise responsible for the liabilities set forth herein. Employer's owners, officers, directors, and managing agents exercised direct control over the wages, hours, and working conditions of Mr. Sulevani and other Aggrieved Employees. Accordingly, Claimant will seek to hold each said individual and/or entity jointly and severally liable for any and/or all violations committed by Defendant.

ARI's co-founders and Presidents Xiaolong Wang and Lerrel Pinto occupied ownership and officer positions with authority over Defendant's corporate policies and practices. Xiaolong Wang, as Co-Founder and President, executed the original consulting agreement governing Mr. Sulevani's engagement. Lerrel Pinto, as Co-Founder and President, executed the termination notice and Termination and Release Agreement. Accordingly, Claimant will seek to hold each individually and jointly and severally liable for the violations alleged herein to the extent permitted under Labor Code sections 558 and 558.1.

ARI's Manager Raad Alam occupied a managerial and supervisorial position with direct authority over Mr. Sulevani and other Aggrieved Employees. Raad Alam conducted the hiring and onboarding of Mr. Sulevani, communicated work schedules to Aggrieved Employees, supervised their day-to-day activities, and exercised authority over their hours and working conditions, including by personally interrupting designated break periods. Acting Manager Jiaqui Li similarly communicated daily start times and task assignments to Mr. Sulevani and his colleagues, including through a group messaging platform. Raad Alam exercised substantial independent authority and judgment in corporate decision-making such that his decisions ultimately determined Defendant's corporate policy. Accordingly, Claimant will seek to hold Mr. Alam individually and jointly and severally liable for the violations alleged herein to the extent permitted under Labor Code sections 558 and 558.1.

<u>Background, Employment Details, and Violations Overview</u>

At all times herein, ASSURED ROBOT INTELLIGENCE, INC. operates a facility in San Diego, California, located at 4365 Executive Drive, Suite 500, San Diego, California 92121. ARI develops and trains humanoid robots designed to perform everyday human tasks. ARI employs and/or retains workers, including AI trainers and robot trainers, who collect, annotate, and process data and perform related duties at its California facility and at offsite data collection locations throughout California.

Mr. Sulevani was engaged by Employer as an AI Trainer beginning on or about February 2, 2026. Defendant classified Mr. Sulevani as a 1099 independent contractor. However, under California's applicable legal standard, Mr. Sulevani was an employee. Mr. Sulevani performed work at ARI's facility located at 4365 Executive Drive, Suite 500, San Diego, California 92121, as well as at offsite data collection locations to which Defendant directed him, including beach locations. Mr. Sulevani's actual last day of work was April 24, 2026, when Defendant effectively terminated his engagement. Throughout his engagement, Mr. Sulevani was compensated at a standard rate of $25.00 per hour. Mr. Sulevani regularly worked approximately ten hours per day, four to five days per week, consistently exceeding both the eight-hour daily and forty-hour weekly thresholds. In addition to his hourly compensation, Mr. Sulevani received a non-discretionary Performance Bonus of $200.00.

Throughout his engagement, ARI subjected Mr. Sulevani and other Aggrieved Employees to policies and practices that violated the California Labor Code. ARI willfully misclassified Mr. Sulevani and other workers as independent contractors when, under California's ABC test and applicable law, they were employees. As employees, ARI failed to pay Mr. Sulevani all overtime wages owed and failed to incorporate his non-discretionary Performance Bonus into his regular rate of pay for purposes of calculating overtime. ARI also failed to pay minimum wages for all hours actually worked when total compensation was divided by all hours worked, including time during interrupted break periods. ARI denied Mr. Sulevani timely, uninterrupted meal periods, with Manager Raad Alam personally interrupting designated break periods approximately two times per week; ARI also failed to authorize and permit compliant rest periods and never provided premium pay for either. ARI required Mr. Sulevani to use his personal laptop for data annotation work during approximately the first month of his engagement without reimbursement, and directed him to use his personal vehicle to transport work materials between the office and offsite data collection locations, reimbursing him for at least one billing period at a rate below the agreed-upon amount. As a result of these substantive violations, ARI failed to pay all wages on a timely semi-monthly basis as required by California law, failed to provide any employer-issued itemized wage statements, and failed to maintain required payroll records. ARI also failed to timely pay all wages owed when Mr. Sulevani's engagement ended. Shortly after acquiring ARI in or around April 2026, Defendant presented Mr. Sulevani and approximately twenty of his co-workers with a Termination and Release Agreement requiring them to execute a release of their Labor Code wage claims as a condition of receiving a severance payment. When Mr. Sulevani declined to sign the release, Defendant proceeded to terminate his engagement, constituting unlawful retaliation for exercising his protected Labor Code rights.

At all relevant times at least one year prior to the date of this Notice, Employer subjected Mr. Sulevani and other Aggrieved Employees to policies and practices that caused the violations of the Labor Code as described herein. Claimant now seeks civil penalties on behalf of all Aggrieved Employees and the State of California based on the alleged violations of the Labor Code and applicable IWC Wage Order(s). Claimant's claims are set forth in further detail below.

For reasons set forth herein, Claimant alleges the following violations of the Labor Code and applicable IWC Wage Order on behalf of himself and all other Aggrieved Employees of Employer:

1. Willful Misclassification as Independent Contractor (Lab. Code section 226.8)
2. Failure to Pay All Wages for Hours Worked, Including Overtime and Double-Time Wages (Lab. Code sections 510, 1194, and 1198)
3. Failure to Pay Minimum Wage (Lab. Code sections 1194 and 1197)
4. Failure to Provide Meal Periods (Lab. Code sections 512 and 226.7)
5. Failure to Provide Rest Periods (Lab. Code section 226.7)
6. Failure to Reimburse Necessary Business Expenses (Lab. Code section 2802)
7. Failure to Pay All Wages Owed During Employment (Lab. Code section 204)
8. Failure to Maintain Payroll Records (Lab. Code sections 1174 and 1198.5)
9. Failure to Provide Accurate Itemized Wage Statements (Lab. Code section 226(a))
10. Failure to Provide Employment Records Upon Request (Lab. Code sections 226(b)(c) and 1198.5)
11. Failure to Pay All Wages Upon Separation of Employment (Lab. Code sections 201-204)
12. Retaliation for Exercising Labor Code Rights (Lab. Code sections 98.6 and 206.5)

Willful Misclassification as Independent Contractor (Lab. Code section 226.8)

Labor Code section 226.8 and the applicable IWC Wage Order(s) prohibit employers from willfully misclassifying individuals as independent contractors. An employer "willfully misclassifies" an employee by voluntarily and knowingly misclassifying that individual as an independent contractor. Section 226.8 imposes civil penalties for each instance of willful misclassification, with increased penalties where an employer has engaged in a pattern or practice of such violations. The prohibition on misclassification also underlies each of the wage-and-hour violations described in this Notice, because the misclassification itself deprives workers of the protections and compensation to which they are entitled as employees under California law. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

ARI willfully misclassified Mr. Sulevani and other Aggrieved Employees as independent contractors despite the fact that they were, in all material respects, employees under California law. ARI directed Mr. Sulevani and the Aggrieved Employees as to when, where, and how to perform their work, including by communicating schedules through Manager Raad Alam and Acting Manager Jiaqui Li via group chat messages, requiring minimum weekly hours of twenty hours, setting maximum weekly hours and requiring prior approval for hours above that cap, and supervising workers during their shifts and purported break periods. The services performed by Mr. Sulevani and the Aggrieved Employees were AI training and robot training, which constitute work that is directly within the usual course of ARI's business of developing and training humanoid robots. Mr. Sulevani did not maintain an independent business, had no other clients performing similar work, and had no business license. The independent contractor classification deprived Mr. Sulevani and Aggrieved Employees of wage-and-hour protections, overtime compensation, meal and rest period premiums, expense reimbursements, itemized wage statements, payroll record protections, and all other benefits and protections available to California employees. Upon information and belief, ARI instituted a policy and practice of classifying all of its AI trainer and robot trainer workers as independent contractors notwithstanding their employee status under applicable California law.

This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code section 226.8.

Failure to Pay All Wages for Hours Worked, Including Overtime and Double-Time Wages (Lab. Code sections 510, 1194, and 1198)

Labor Code sections 510, 1194, and 1198 and the applicable IWC Wage Order(s) impose a non-waivable duty on Employers to pay employees overtime compensation at one and one-half times their regular rate of pay for all hours worked in excess of eight in a day or forty in a week, and double-time compensation for all hours worked in excess of twelve in a day. The regular rate of pay must incorporate all non-discretionary remuneration, including bonuses, paid during the workweek. Any policy or practice that excludes non-discretionary compensation from the regular rate, or that fails to compensate for all overtime and double-time hours, constitutes a violation.

Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

ARI failed to pay Mr. Sulevani and other Aggrieved Employees proper compensation for all overtime and double-time hours worked. Mr. Sulevani regularly worked approximately ten hours per day, four to five days per week, throughout his engagement, consistently exceeding both the eight-hour daily and forty-hour weekly thresholds. ARI failed to ensure that all overtime compensation was calculated, tracked, and paid in the manner required by California law. Additionally, ARI paid Mr. Sulevani a non-discretionary Performance Bonus of $200.00 but failed to incorporate this amount into Mr. Sulevani's regular rate of pay for overtime and double-time calculations. By failing to include the Performance Bonus in the regular rate calculation, ARI underpaid Mr. Sulevani and the Aggrieved Employees for each overtime and double-time hour worked. ARI's compensation policies also resulted in Mr. Sulevani and the Aggrieved Employees regularly exceeding the maximum hours of work established by the applicable IWC Wage Order without proper compensation, in violation of Labor Code section 1198. Upon information and belief, ARI instituted a similar, if not identical, regular rate calculation policy for all of its workers in California.

This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 510, 1194, and 1198.

Failure to Pay Minimum Wage (Lab. Code sections 1194 and 1197)

Labor Code sections 1194 and 1197 and the applicable IWC Wage Order(s) impose a non-waivable duty on Employers to pay employees no less than the applicable minimum wage for all hours worked. This obligation requires that when total compensation received in a pay period is divided by all hours actually worked during that period — including time during which employees were not fully relieved of duty — the resulting effective hourly rate must meet or exceed the applicable minimum wage. Any policy or practice that results in an effective hourly rate below the minimum wage constitutes a violation. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

ARI failed to pay Mr. Sulevani and other Aggrieved Employees the applicable minimum wage for all hours actually worked. As set forth herein, ARI's policies and practices caused Mr. Sulevani and the Aggrieved Employees to perform compensable work during periods that were not tracked or compensated, including time during purported meal and rest periods that were interrupted by managerial inquiries and work-related demands. When the total compensation received by Mr. Sulevani and the Aggrieved Employees in a given pay period is divided by all hours actually worked during that period — including uncompensated time during interrupted break periods — the effective hourly rate of compensation was reduced below the minimum wage to which they were entitled for some pay periods. ARI's failure to accurately track and compensate all hours worked, compounded by its misclassification of these workers as independent contractors, caused systematic underpayment below the minimum wage floor. Upon information and belief, ARI instituted a similar, if not identical, policy and practice with respect to all of its AI trainer and robot trainer workers in California.

This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid minimum wages or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 1194 and 1197.

Failure to Provide Meal Periods (Lab. Code sections 512 and 226.7)

Labor Code section 512 and the applicable IWC Wage Order(s) impose a non-waivable duty on Employers to provide timely, uninterrupted meal periods of not less than thirty minutes for qualifying shifts of at least six hours and to ensure that employees are relieved of all duty during such periods. Labor Code section 226.7 requires Employers to pay one additional hour of pay at the employee's regular rate of compensation for each workday on which a compliant meal period is not provided. This obligation prohibits policies or practices that deny, delay, interrupt, or discourage meal breaks in violation of statutory or IWC requirements. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

ARI's policies, practices, and procedures caused Mr. Sulevani and other Aggrieved Employees to systematically miss their required meal periods, yet ARI failed to provide premium pay for the non-compliant periods. While ARI communicated designated break and meal times via group chat messages, Manager Raad Alam personally approached Mr. Sulevani and his co-workers during those designated periods approximately two times per week to question them about work progress, episode counts, and task completion. These interruptions deprived Mr. Sulevani of duty-free, uninterrupted meal periods. Aggrieved Employees were subject to significant pressure to work through meal periods in order to train the robots and process data. ARI did not properly monitor, take steps, or otherwise reasonably attempt to ensure that uninterrupted, off-duty meal periods were made available to Mr. Sulevani and the Aggrieved Employees. As a result, Mr. Sulevani and the Aggrieved Employees were not provided with duty-free, uninterrupted, timely thirty-minute meal periods by the end of the fifth hour of work. ARI failed to pay Mr. Sulevani and the Aggrieved Employees any premium wages for each workday on which they were denied compliant meal periods. Employer knew, or with the exercise of reasonable diligence would have known, about these work schedules and requirements but failed to provide compliant meal periods or to relieve Mr. Sulevani and the Aggrieved Employees of all duties during meal periods.

This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek meal period premium wages as damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 512 and 226.7.

Failure to Provide Rest Periods (Lab. Code section 226.7)

Labor Code section 226.7 and the applicable IWC Wage Order(s) impose a non-waivable duty on Employers to authorize and permit uninterrupted ten-minute paid rest periods for every four hours worked or major fraction thereof, during which employees must be relieved of all duties and free from the employer's control. Labor Code section 226.7(c) further requires Employers to pay one additional hour of pay at the employee's regular rate of compensation for each workday on which a compliant rest period is not authorized and permitted. This obligation prohibits policies or practices that deny, delay, interrupt, or discourage rest breaks in violation of statutory or IWC requirements. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

Employer's policies, practices, and procedures caused Mr. Sulevani and other Aggrieved Employees to systematically miss their required rest periods. Manager Raad Alam personally approached Mr. Sulevani and his co-workers during designated break periods approximately two times per week, questioning them about work progress and task completion, thereby depriving them of uninterrupted, duty-free rest breaks. Mr. Sulevani and the Aggrieved Employees were not provided with uninterrupted, ten-minute rest periods while completely relieved of any duty and/or control by ARI, by the end of the fourth hour of work and each subsequent four hours of work or major fraction thereof. ARI failed to pay Mr. Sulevani and the Aggrieved Employees a premium wage for each workday in which they were not provided compliant rest periods. Employer knew, or with the exercise of reasonable diligence would have known, about these work schedules and requirements but failed to authorize or permit compliant rest periods.

Labor Code section 226.7(c) requires one additional hour of pay at the regular rate for each workday a compliant rest period was not provided. The failure to pay these premium wages constitutes an additional violation under Labor Code section 204. This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices. This section does not seek rest period premium wages as damages, only civil penalties under PAGA.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code section 226.7.

Failure to Reimburse Necessary Business Expenses (Lab. Code section 2802)

Labor Code section 2802 and the applicable IWC Wage Order(s) impose a non-waivable duty on Employers to indemnify employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, including costs incurred through the use of personal equipment and personal vehicles for employer-required business activities. Any policy or practice that requires employees to bear such costs without full reimbursement violates this provision. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

ARI required Mr. Sulevani to use his personal laptop to perform data annotation tasks during approximately the first month of his engagement, and ARI provided no reimbursement for this business use of his personal equipment. ARI also directed Mr. Sulevani to use his personal vehicle to transport work materials and equipment between ARI's office facility and offsite data collection locations, including beach locations. While the parties had an agreed-upon mileage reimbursement rate of $0.50 per mile, ARI's invoiced records reflect that at least one billing period (March 16-27, 2026) reflected reimbursement at a rate of only $0.20 per mile, below the agreed-upon rate, resulting in an underpayment of necessary business expenses for that period. Upon information and belief, other Aggrieved Employees were similarly required to incur necessary business expenses on behalf of ARI without full reimbursement. Employer knew, or with the exercise of reasonable diligence would have known, that Mr. Sulevani and other Aggrieved Employees were incurring unreimbursed or under-reimbursed business expenses, but took no steps to remedy the violation.

This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unreimbursed expense amounts as individual damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code section 2802.

Failure to Pay All Wages Owed During Employment (Lab. Code section 204)

Labor Code section 204 and applicable IWC Wage Order(s) require that employers pay all wages earned by any person at least twice during each calendar month on pre-designated pay days. This includes premium pay for missed or non-compliant meal and rest periods, compensation for all overtime and double-time hours worked, and reimbursement for all necessary business expenses. In addition, ARI's contract provided for payment on a monthly-in-arrears basis, a payment schedule that itself failed to satisfy the semi-monthly payment requirement of Labor Code section 204.

As a direct result of Employer's failure to compensate Mr. Sulevani and the Aggrieved Employees for all overtime and double-time hours worked, failure to include the non-discretionary

Performance Bonus in the regular rate of pay, failure to provide compliant meal periods and rest periods, and failure to fully reimburse necessary business expenses, Employer owed Mr. Sulevani and the Aggrieved Employees additional wage compensation and premium payments for each applicable workday. Employer failed to pay these legally required amounts on each regular payday, thereby failing to pay all wages owed in violation of Labor Code section 204. Further, ARI's practice of paying workers on a monthly-in-arrears schedule did not satisfy California's requirement that wages be paid at least twice each calendar month on designated paydays.

This Cause of Action seeks civil penalties on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code section 204 and applicable IWC Wage Orders.

Failure to Maintain Payroll Records (Lab. Code sections 1174 and 1198.5)

Labor Code sections 1174 and 1198.5, as well as the applicable IWC Wage Order(s), impose a non-waivable duty on Employers to accurately keep, maintain, and preserve complete payroll records showing hours worked, wages paid, meal and rest periods, and other required data for each employee for a period of at least three years. This duty includes ensuring that such records are available for inspection and copying by employees and state officials upon request. Any policy or practice that causes records to be missing, incomplete, inaccurate, or not produced as required constitutes a violation. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps set forth in Labor Code section 2699.3.

Employer failed to maintain complete and accurate payroll records reflecting Mr. Sulevani's hours worked, wages paid, premium pay owed, and other required information. ARI never issued employer-generated payroll records for Mr. Sulevani or other Aggrieved Employees; instead, it directed workers to prepare their own invoices using an ARI-provided template and submit them to ARI's accounting department. These self-generated invoices did not constitute the employer-maintained payroll records required by California law and did not accurately capture all hours worked, all wages owed, or all required employment information. Accurate employer-maintained records would have documented the systematic meal and rest period violations, the overtime and double-time violations, the regular rate miscalculations, and all compensable hours worked during Mr. Sulevani's engagement. Upon information and belief, ARI failed to maintain similarly complete and accurate records for other Aggrieved Employees.

This Cause of Action seeks civil penalties only on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 1174 and 1198.5.

Failure to Provide Accurate Itemized Wage Statements (Lab. Code section 226(a))

Labor Code section 226(a) and the applicable IWC Wage Order(s) impose a non-waivable duty on Employers to furnish each employee with accurate, itemized wage statements that set forth all required information, including gross wages earned, total hours worked, all deductions, net wages, pay period dates, employee name and only the last four digits of the employee's social security number or employee identification number, employer name and address, and all applicable hourly rates in effect during the pay period with corresponding hours worked at each rate. Employers must not adopt policies or practices that result in missing, incomplete, or inaccurate wage statements. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

ARI never issued employer-generated, compliant itemized wage statements to Mr. Sulevani or other Aggrieved Employees. Instead, ARI directed workers to prepare their own invoices using an ARI-provided template and submit them to ARI's accounting department for payment. These worker-generated invoices did not constitute itemized wage statements under Labor Code section 226(a) and did not contain the required information, including gross wages earned, net wages earned, deductions, employer name and worksite address, or all applicable hourly rates with corresponding hours worked. The invoices also reflected the New York office address rather than the San Diego worksite where Mr. Sulevani actually performed his work. These wage statement deficiencies prevented Mr. Sulevani and other Aggrieved Employees from confirming the correctness of their pay.

This Cause of Action seeks civil penalties only on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices. Labor Code section 226(e) provides statutory damages, and Labor Code section 226.3 provides for civil penalties.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code section 226(a).

Failure to Provide Employment Records Upon Request (Lab. Code sections 226(b)(c) and 1198.5)

Labor Code section 226(b) and (c), as well as Labor Code section 1198.5 and the applicable IWC Wage Order(s), impose a non-waivable duty on Employers to permit current and former employees (and their representatives) to inspect or receive a copy of records pertaining to their employment, including wage statements and personnel records, within statutorily prescribed timeframes: twenty-one calendar days for wage statements under Labor Code section 226(c) and thirty calendar days for personnel records under Labor Code section 1198.5. Employers must maintain a process for promptly responding to such requests, and any policy or practice resulting in delay or denial violates the statute. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling requirements in Labor Code section 2699.3.

On or about June 11, 2026, Mr. Sulevani's counsel submitted a formal written request to Employer for complete payroll records and personnel files pursuant to Labor Code sections 226, 432, 1174, and 1198.5. Employer failed to provide the requested records within the required statutory periods, knowingly delaying or denying Mr. Sulevani access to essential pay information and employment documentation. This practice also affected other Aggrieved Employees who requested and did not promptly receive wage-statement records or personnel files, or who would have been similarly denied access had they submitted such requests. Labor Code section 1198.5 provides for a seven-hundred-fifty-dollar ($750) penalty for failure to provide records as requested, and Labor Code section 226(f) provides for a seven-hundred-fifty-dollar ($750) penalty for failure to permit inspection or receipt of wage-statement records within the statutory timeframe.

This Cause of Action seeks civil penalties only on a representative basis. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 226(b) and (c) and 1198.5.

<u>Failure to Pay All Wages Upon Separation of Employment (Lab. Code sections 201-204)</u>

Labor Code sections 201-204 require employers to pay all earned wages, including all premium pay and compensation owed for overtime, double-time, and unreimbursed business expenses, to employees who leave their employment within specific time periods depending on whether the separation was voluntary or involuntary. For an employee who is discharged, all wages are due and payable at the time of termination. "Wages" includes all compensation owed, including meal and rest period premiums and compensation for all hours worked. As a direct result of Employer's failure to pay all wages owed during employment, including overtime and double-time wages, meal and rest period premiums, and unreimbursed business expenses, Employer necessarily failed to pay all wages owed when Mr. Sulevani's engagement ended.

Mr. Sulevani's last day of work was April 24, 2026, triggering the requirement under Labor Code section 201 that all earned and unpaid wages be paid immediately at the time of discharge. At the time of his separation, Employer owed Mr. Sulevani substantial unpaid wages, including overtime and double-time wages for each pay period in which his hours were not fully compensated, premium pay for each meal and rest period violation, and reimbursement for necessary business expenses. Mr. Sulevani's final invoice payment was not received until April 29, 2026, five days after his last day of work, evidencing that all final wages had not been timely paid at the time of separation. Employer likewise failed to pay all wages owed when other Aggrieved Employees left their employment, whether through resignation or termination.

Labor Code section 203 provides for waiting time penalties of up to thirty days' wages at the employee's regular rate for willful failure to timely pay final wages. This Cause of Action seeks civil penalties only on a representative basis under Labor Code section 2699(a) and does not seek waiting time penalties as individual damages, which are reserved for non-PAGA claims. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 201-204.

Retaliation for Exercising Labor Code Rights (Lab. Code sections 98.6 and 206.5)

Labor Code section 98.6 imposes a non-waivable duty on Employers prohibiting retaliation, discrimination, or any adverse employment action against employees for filing complaints or exercising rights protected under the Labor Code, including asserting rights to receive all wages earned. Labor Code section 206.5 separately prohibits employers from requiring employees to execute a release of a claim or right on account of wages due, or from discharging or retaliating against any employee for refusing to execute such a release. Any policy or practice resulting in adverse employment action following protected activity, including declining to waive Labor Code wage rights, violates these prohibitions. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

Prior to engaging in any protected activity, Mr. Sulevani had no documented performance concerns or disciplinary history of any kind. ARI informed Mr. Sulevani that his engagement was being terminated for unspecified internal matters unrelated to his performance. In or around April 2026, following ARI's acquisition, Defendant presented Mr. Sulevani and approximately twenty co-workers with a Termination and Release Agreement conditioning receipt of a $2,000 payment upon the execution of a release of all claims, including Labor Code and wage claims. Mr. Sulevani declined to execute the release. Despite his declination, ARI unilaterally transmitted $2,000 to his bank account. ARI then issued a Termination Notice signed by Co-Founder and President Lerrel Pinto, directing Mr. Sulevani to perform no services or incur no fees through a paper termination date of May 30, 2026. The causal connection between Mr. Sulevani's refusal to release his Labor Code rights and Defendants' subsequent issuance of the termination notice demonstrates retaliatory conduct prohibited by Labor Code sections 98.6 and 206.5. ARI's requirement that Mr. Sulevani and the other Aggrieved Employees execute a release of wage claims as a condition of receiving a severance payment itself constitutes a violation of Labor Code section 206.5. Upon information and belief, ARI applied similar retaliatory policies and practices to other workers who declined to execute the release agreement.

The applicable PAGA civil penalty for violations of Labor Code section 98.6 authorizes a penalty of up to $10,000.00 per employee for each discrete retaliatory act, recoverable under Labor Code section 2699(a). This Cause of Action seeks civil penalties on a representative basis for the benefit of the State of California and Aggrieved Employees. It does not seek individual damages for retaliation, which are reserved for non-PAGA claims. Employer, Raad Alam, Xiaolong Wang, Lerrel Pinto, jointly and severally, and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the policies and practices that resulted in adverse action against employees for exercising their Labor Code rights.

Accordingly, Claimant now seeks civil penalties pursuant to PAGA on behalf of the State of California and all Aggrieved Employees based on the alleged violations of Labor Code sections 98.6 and 206.5.

Attorneys' Fees, Costs, Interest, and Penalties

Labor Code sections 218.5, 218.6, 226(e), 1194, 1194.2, and 2699, *et seq.*, authorize recovery of reasonable attorney's fees, costs, and interest in employment litigation. Pursuant to Labor Code section 2699(f), civil penalties under PAGA are assessed at one hundred dollars ($100) per employee per pay period for initial violations and two hundred dollars ($200) per employee per pay period for subsequent violations.

Pursuant to Labor Code section 2699(m), Aggrieved Employees are entitled to collect 35% of the civil penalty assessment, with 65% distributed to the Labor and Workforce Development Agency. Accordingly, Employer, Raad Alam, Xiaolong Wang, and Lerrel Pinto, jointly and severally, are liable for all civil penalties under PAGA for the violations alleged herein, plus unpaid wages and premiums, statutory damages and penalties, interest pursuant to Civil Code section 3287 and Labor Code section 218.6, reasonable attorneys' fees, and costs of suit. Claimant has already incurred and will continue to incur actual damages, costs, and attorney's fees because of Employer's unlawful actions.

Conclusion

If the State of California intends to investigate the matters set forth herein, please notify Claimant's counsel as soon as possible, as prompt administrative action will enable the unlawful practices to be rectified in a timely manner. If the State of California does not send notification of its intent to investigate the alleged violations set forth herein, then pursuant to Labor Code sections 2698, *et seq.*, Mr. Sulevani reserves the right to file a PAGA cause of action seeking all available damages, penalties, remedies, attorneys' fees, interest, and costs against Defendant. Should the LWDA require any additional information, Claimant's counsel is available to provide it.

Sincerely,

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