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June 16, 2026

California Labor & Workforce Development Agency **<u>Sent via Online Portal</u>**
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612

Cirrus Asset Management, Inc. **<u>Sent via Certified Mail</u>**
Registered Agent / Legal Department
20720 Ventura Blvd., Suite 300
Woodland Hills, California 91364

Cirrus Property Management Services, LLC
Registered Agent / Legal Department
20720 Ventura Blvd., Suite 300
Woodland Hills, California 91364

Insperity PEO Services, L.P.
Registered Agent / Legal Department
19001 Crescent Springs Drive
Kingwood, Texas 77339

RE: PAGA Notice Pursuant to California Labor Code § 2698 et seq.
Aggrieved Employee: Natashia Shanette Smith
Employer(s): Cirrus Asset Management, Inc.; Cirrus Property Management Services, LLC; Insperity PEO Services, L.P.
Period: July 10, 2024 through the present

Dear Labor & Workforce Development Agency:

The undersigned law firm represents Natashia Shanette Smith ("Ms. Smith" or "Aggrieved Employee"), a current non-exempt salaried employee of Cirrus Asset Management, Inc. and Cirrus Property Management Services, LLC (collectively, "Cirrus"), who was co-employed at all relevant times by Insperity PEO Services, L.P. ("Insperity") (Cirrus and Insperity, collectively, "Employer"). Pursuant to California Labor Code § 2699.3(a), Ms. Smith hereby submits this notice to the California Labor and Workforce Development Agency ("LWDA") describing the specific provisions of the Labor Code violated and the facts and theories supporting each violation. This notice is provided so that the LWDA may investigate and, if it chooses, cite the Employer. If the LWDA does not investigate or cite the Employer within the statutory period, Ms. Smith will proceed with a representative action under PAGA on behalf of herself and all other aggrieved employees.

I. BACKGROUND

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Ms. Smith was hired by Cirrus on or about July 10, 2024 and has been employed continuously as a Community Manager at Cirrus's Heritage Park at Hilltop property located in Woodland Hills, California (Location 59314). She is classified as a salaried, exempt employee. Her initial pay rate was $35.00 per hour / $3,033.33 semimonthly, which increased over time to approximately $3,217.92 semimonthly (approximately $37.13/hour imputed). Insperity PEO Services, L.P. serves as her co-employer of record and processes her payroll through the Insperity Premier system.

Ms. Smith routinely works 50 to 60 hours per week — and in some pay periods documented in her own pay stubs, more than 60 hours — in the performance of her duties, which include managing apartment operations, handling payroll, conducting resident certifications and inspections, coordinating with vendors and Section 8 housing authorities, preparing financial reports, conducting employee reviews, and assisting with event organization. Despite the 'exempt' classification, Ms. Smith performs significant non-managerial and non-administrative work throughout each workday.

II. SPECIFIC VIOLATIONS

A. Failure to Pay All Wages Owed for Hours Worked (Labor Code §§ 204, 510, 1194, 1197)

Ms. Smith's pay stubs reflect that she was classified as 'Salary - Exempt' throughout her employment. However, her Insperity New Employee Information Sheet indicates that she was hired on a salary basis with a starting semimonthly rate of $3,033.33, which when annualized ($72,800.00/year) and divided by a standard 2,080-hour year yields an effective hourly rate of approximately $35.00/hour. Her actual hours worked routinely exceeded eight (8) hours per day and forty (40) hours per week.

Ms. Smith's pay stubs confirm specific pay periods in which she was paid on a prorated or reduced basis reflecting fewer compensable hours — e.g., pay periods covering weeks in which she was on intermittent leave — while other periods show her working in excess of 10 hours per day, 5 to 6 days per week. Notably, her intake information confirms she regularly worked 50 to 60 hours per week. Despite this, Employer has never paid Ms. Smith overtime compensation at the rates required under Labor Code § 510 (one and one-half times the regular rate for hours over eight in a workday or forty in a workweek; double time for hours over twelve in a workday or for the seventh consecutive day of work in a workweek).

The Wage Theft Prevention Act notice issued to Ms. Smith at the time of hire left the overtime rate and double-time rate fields blank, indicating that Employer never intended to pay overtime and never disclosed overtime rates as required by Labor Code § 2810.5. This violation, combined with the pattern of hours worked and the salaried classification, constitutes an ongoing and systemic failure to pay all wages for hours worked in violation of Labor Code §§ 204, 510, 1194, and 1197.

On information and belief, other similarly situated Community Managers and property management employees employed by Cirrus and/or Insperity across all Cirrus properties have been subjected to the same exempt misclassification and the same failure to pay overtime wages.

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B. Failure to Pay Earned Bonuses and Incentive Compensation (Labor Code §§ 200, 201, 202, 204, 223)

Ms. Smith was promised performance-based bonus compensation as part of her compensation structure. Her pay stubs confirm that Employer did pay her a 'Commission $ - Reg' payment of $1,445.00 for the period September 1–30, 2025, and a 'Special Pay 1 - Reg' payment of $3,950.00 recorded in prior periods (reflected in YTD figures visible through August 2025 pay stubs), demonstrating that the bonus and incentive program was active and that payments were made in connection with achieving performance milestones.

However, Ms. Smith's pay stubs for the Fourth Quarter of 2025 (October 1 through December 31, 2025) and the First Quarter of 2026 reflect no bonus, commission, or special pay of any kind. According to Ms. Smith, she met her budget goals and achieved top customer service performance metrics during Q4 2025 — the precise criteria upon which her bonuses were to be calculated and paid. Despite meeting these performance criteria, Employer has withheld her Q4 2025 bonus.

When wages including earned bonus compensation are earned, they become "wages" under Labor Code § 200 and must be paid on the regularly scheduled payday under Labor Code § 204. The withholding of earned, non-discretionary bonus wages constitutes a violation of Labor Code §§ 200, 201, 202, 204, and 223.

Ms. Smith is informed and believes that Employer has withheld or improperly structured bonus payments to other similarly situated employees across its portfolio properties.

C. Knowing and Intentional Failure to Provide Accurate Itemized Wage Statements (Labor Code § 226)

Labor Code § 226(a) requires that employers furnish each employee with an accurate, itemized wage statement that includes, among other things: (1) gross wages earned; (2) total hours worked by the employee (except for salaried exempt employees, to the extent permissible); (3) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each rate; (4) all deductions; (5) net wages earned; (6) the inclusive dates of the pay period; (7) the name of the employee and the last four digits of the employee's social security number or employee identification number; (8) the name and address of the legal entity that is the employer; and (9) all applicable piece-rate or overtime rates.

Ms. Smith's wage statements, prepared and issued by Insperity on behalf of Cirrus, reflect the header "Cirrus Asset Management, Inc." through the first pay stub (July 2024) and "Cirrus Property Management Services LLC" (client code 6417400) beginning with subsequent pay stubs — reflecting an apparent change in the employing legal entity that was not separately communicated by written notice under Labor Code § 2810.5. The wage statements consistently list no overtime hours, no overtime rate, and no double-time rate, despite Ms. Smith routinely working in excess of the thresholds triggering such compensation. The statements also fail to accurately capture all hours worked in periods where Ms. Smith

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worked beyond the hours that would be consistent with her salary and the number of compensable hours reflected on Insperity's prorated calculations.

Because Employer knows that Ms. Smith works in excess of eight hours per day and forty hours per week, and because Employer has never calculated or paid overtime, the failure to include overtime hours and rates on each wage statement is knowing and intentional within the meaning of Labor Code § 226(e). Each noncompliant wage statement gives rise to a penalty of $50 for the first violation and $100 for each subsequent violation, up to $4,000 per employee.

D. Failure to Provide Notice of Wage Rates and Employment Conditions at Time of Hire (Labor Code § 2810.5)

Labor Code § 2810.5 requires employers to provide each non-exempt employee with a written notice at the time of hire that includes, among other items: the rate(s) of pay and the basis thereof; the applicable overtime and double-time rates of pay; the regular paydays; and the legal name of the employer and any DBA names. The California Employee Notice and Acknowledgment issued to Ms. Smith at hire contains blank fields for both the overtime rate and the double-time rate of pay. Furthermore, the notice lists the employer as "Cirrus Asset Management, Inc.," while Ms. Smith's pay stubs beginning shortly after her hire date reflect the co-employer as "Cirrus Property Management Services LLC" (client code 6417400), a separate legal entity. Employer failed to provide an updated § 2810.5 notice within seven calendar days of this change as required by law.

E. Failure to Reimburse Necessary Business Expenses (Labor Code § 2802)

Labor Code § 2802 requires employers to indemnify employees for all necessary expenditures or losses incurred in the discharge of their duties. Ms. Smith's intake confirms that she has incurred out-of-pocket expenses in the course of her employment that have not been fully reimbursed by Employer. Specifically, Ms. Smith reports using personal funds for work-related expenses including, on information and belief, cell phone usage, vehicle use related to property management duties, and other incidental operational costs. Employer has not established a lawful expense reimbursement policy or procedure sufficient to ensure compliance with § 2802.

On information and belief, Employer has also failed to reimburse other similarly situated property managers for necessary out-of-pocket business expenditures.

F. Failure to Pay All Wages Upon Separation (Labor Code §§ 201-203)

To the extent any aggrieved employees covered by this notice have been discharged or have voluntarily resigned, Employer's failure to pay all earned wages — including withheld bonus compensation and unpaid overtime — upon separation or within the statutory period constitutes a violation of Labor Code §§ 201 and 202, entitling those employees to waiting time penalties under Labor Code § 203 of up to thirty (30) days' wages per employee.

G. Retaliation for Exercise of Protected Rights (Labor Code §§ 98.6, 132a, 1102.5)

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Ms. Smith filed a workers' compensation claim stemming from an incident in which she was physically attacked by a resident at the Heritage Park at Hilltop property. Following the filing of this claim, Ms. Smith's Q4 2025 bonus — which she had earned based on meeting budget and customer service performance goals — was withheld. The temporal proximity between the filing of the workers' compensation claim and the withholding of earned bonus compensation supports a reasonable inference of retaliatory motive.

Labor Code § 132a prohibits employers from discriminating against employees for exercising rights under the workers' compensation law. Labor Code § 98.6 prohibits retaliation for the exercise of any right protected by the Labor Code. Labor Code § 1102.5 prohibits retaliation against employees who have disclosed information the employee reasonably believes constitutes a violation of a state statute. To the extent the denial of bonus compensation constitutes an adverse employment action in retaliation for Ms. Smith's exercise of protected workers' compensation rights, such conduct violates Labor Code §§ 98.6, 132a, and 1102.5.

On information and belief, Employer has engaged in similar retaliatory conduct against other employees who have filed workers' compensation claims or sought to enforce their wage rights.

III. AGGRIEVED EMPLOYEES

The aggrieved employees on whose behalf this PAGA notice is brought include all persons who are currently employed, or who were employed within the applicable statute of limitations period (one year prior to the filing of this notice), by Cirrus Asset Management, Inc., Cirrus Property Management Services, LLC, and/or Insperity PEO Services, L.P. at any of Employer's California locations in the capacity of Community Manager, Property Manager, or any other non-exempt (or potentially misclassified as exempt) position performing property management, leasing, or related duties, and who have been subjected to any of the policies and practices described in this notice.

IV. PENALTIES SOUGHT

Ms. Smith intends to seek all civil penalties available under PAGA for each of the violations described herein, including but not limited to:

- Labor Code § 2698 et seq.: $100 per aggrieved employee per pay period for initial violations; $200 per aggrieved employee per pay period for subsequent violations, for violations of Labor Code §§ 204, 223, 226, 510, 1194, 1197, and 2802.

- Labor Code § 226.3: $250 per employee per violation for initial failures to provide accurate itemized wage statements; $1,000 per employee per violation for subsequent failures.

- Labor Code § 2810.5: Civil penalties for failure to provide lawful wage notices at time of hire and upon changes.

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- Labor Code § 203: Waiting time penalties for any separated employees not paid all final wages timely.

Ms. Smith further intends to seek all attorneys' fees, costs, and interest as permitted by law.

V. RESERVATION OF RIGHTS

This notice is based upon information presently known to Ms. Smith and her counsel. Ms. Smith reserves the right to amend this notice and to add additional violations, legal theories, or aggrieved employees as further investigation and discovery reveal additional information. Nothing in this notice constitutes a waiver of any claim, right, or remedy available to Ms. Smith or any other aggrieved employee.

Please contact our office if you have any questions regarding this notice.

Respectfully submitted,

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JOHN R. HABASHY, ESQ.
LEXICON LAW, PC

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