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**VIA LWDA ONLINE PORTAL AND CERTIFIED MAIL (RETURN RECEIPT REQUESTED)**

July 3, 2026

Labor and Workforce Development Agency
VIA Online Filing

**Service Copy To (Employer):**
JPMorgan Chase Bank, National Association
Attn: Legal Department / HR Compliance
1111 Polaris Parkway
Columbus, Ohio 43240

**(erin.x.murphy@jpmorgan.com)**

***Re:* Notice of Labor Code Violations Pursuant to California Labor Code § 2699.3**

**Aggrieved Employee:** Carina Romo Gutierrez
**Employer:** JPMorgan Chase Bank, National Association
**Employer CA BIN:** 185-2732-5
**Employment Dates:** February 2023 - January 2026
**Work Location:** Los Alamitos, California

Pursuant to California Labor Code § 2699.3, Carina Romo Gutierrez ("Aggrieved Employee"), by and through her attorney Marc Phelps, Esq., hereby provides written notice to the Labor and Workforce Development Agency ("LWDA") and to JPMorgan Chase Bank, National Association ("JPMorgan Chase" or "Employer") of the specific provisions of the California Labor Code that the Employer has violated and the facts and theories supporting each alleged violation. This notice is a mandatory prerequisite to filing a civil action under the Private Attorneys General Act of 2004 ("PAGA"), Labor Code § 2698 et seq.

The Aggrieved Employee was employed by JPMorgan Chase as a Relationship Banker from approximately February 2023 through January 2026, working at the Employer's branch in and around Los Alamitos, California. Her base rate of pay was $27.00 per hour and she was classified as Overtime Eligible on her wage statements. The Aggrieved Employee and other similarly situated current and former California employees were subjected to systematic wage and hour violations throughout the course of her employment, as set forth below. These violations are not isolated or incidental but are structural and repeated.

## II. Factual Background and Violations

### a) Untimely Payment of Branch Incentive Plan Compensation (Labor Code § 204)

Throughout her employment, the Aggrieved Employee participated in JPMorgan Chase's Branch Incentive Plan ("BIP"), a non-discretionary, production-based incentive compensation program paid in addition to her regular hourly wages. The BIP constituted a regular, recurring, and substantial component of the Aggrieved Employee's total compensation. The BIP is calculated on a calendar-month basis.

A review of pay statements reveals a consistent and systematic pattern of late payment of BIP wages. Rather than being paid on the regular payday for the period in which they were earned, BIP payments are consistently issued approximately 30 days after the close of the earning month, on a separate wage statement that does not correspond to any regular biweekly pay period.

Under California Labor Code § 204, all wages including non-discretionary earned incentive compensation must be paid no later than the regular payday for the period in which they are earned, unless a later payment date is specifically authorized by statute. The systematic payment of BIP compensation approximately 30 days after the close of the earning period, without any applicable statutory exception, constitutes untimely payment of earned wages as to the Aggrieved Employee and, upon information and belief, all similarly situated California employees participating in the Branch Incentive Plan.

### b) Failure to Include Non-Discretionary Incentive Pay in the Regular Rate of Pay for Overtime and Leave Calculations (Labor Code §§ 510, 246)

California law requires that all non-discretionary remuneration, including production-based incentive compensation, be factored into the "regular rate of pay" used to calculate overtime premiums and paid sick leave. JPMorgan Chase's own payroll records demonstrate that it was not doing this correctly and that it knew it was not doing this correctly, as evidenced by its own repeated retroactive recalculations.

**1. Overtime Underpayment.** The Aggrieved Employee's pay statements reflect a systematic pattern in which overtime premiums were initially calculated using only the base hourly rate, without inclusion of the BIP earned in the same period, and then corrected through retroactive adjustment payments in subsequent pay periods.

Each pay period in which overtime was initially calculated at the base rate alone (rather than the BIP-inclusive regular rate) constitutes an underpayment of overtime wages. Each such period also generated a wage statement that inaccurately reflected the overtime rate and amount paid, constituting a separate wage statement violation.

**2. Paid Sick Leave Underpayment.** California Labor Code § 246(l) requires that paid sick leave be compensated at the employee's regular rate of pay for the workweek in which the leave is taken. JPMorgan Chase systematically paid the Aggrieved Employee's sick leave at the base hourly rate and then issued retroactive "SK3 Sick Hourly Entitlement Retroactive" corrections in subsequent pay periods.

Each pay period in which sick leave was initially paid at the base rate rather than the BIP-inclusive regular rate constitutes an underpayment under Labor Code § 246(l), and an inaccurate wage statement results under Labor Code § 226(a) for that same period.

**c) Meal and Rest Period Premium Underpayments (Labor Code § 226.7)**

California Labor Code § 226.7 requires that meal and rest period premiums be paid at the employee's "regular rate of compensation" which, as noted above, must include all non-discretionary pay including the BIP. JPMorgan Chase's own payroll records confirm both that meal and rest period violations occurred and that the premiums paid for those violations were initially calculated at an incorrect (base-rate-only) rate and subsequently corrected.

Each pay period in which a meal or rest period premium was initially paid at an incorrect rate constitutes both a meal/rest period violation under Labor Code § 226.7 and an inaccurate wage statement results under Labor Code § 226(a).

**d) Non-Compliant Wage Statements (Labor Code § 226(a))**

JPMorgan Chase issued wage statements to the Aggrieved Employee that fail to comply with the requirements of California Labor Code § 226(a) in the following additional respects:

**1. Split and Duplicate Wage Statements for the Same Pay Period.** For the pay period of May 25 through June 7, 2025, JPMorgan Chase issued two separate wage statements on two different dates covering the same pay period:

- A pay statement dated June 13, 2025 for pay period 05/25/2025–06/07/2025, reflecting gross pay of $2,203.17 and YTD gross pay of $32,053.28.
- A separate pay statement dated June 11, 2025 for the identical pay period 05/25/2025–06/07/2025, reflecting gross pay of $102.32 and YTD gross pay of $32,155.60.

The two statements for the same pay period reflect divergent YTD gross pay figures ($32,053.28 vs. $32,155.60), divergent YTD sick pay retroactive figures ($777.23 vs. $879.55), and inconsistent leave balance information. No ordinary employee can determine their accurate total compensation from two contradictory wage statements for the same period. This practice violates Labor Code § 226(a)'s requirements that wage statements be accurate and that employees be able to promptly and easily determine the information required by the statute. This pattern appears systemic and is not limited to one pay period.

**2. Separate BIP Incentive Statements Omitting Hours, Rates, and Multipliers.** The June 27, 2025 BIP incentive pay statement lists the Branch Incentive Plan payment of $629.44 with no hours worked, no hourly rate, and no multiplier, making it impossible for the employee to verify the calculation of that compensation from the face of the pay statement, in violation of Labor Code § 226(a)(1), (2), and (9). This deficiency is present on every separate BIP incentive statement issued throughout the relevant period.

**3. Internally Inconsistent YTD Figures Across Split Statements.** As a direct consequence of the split-statement practice and the rolling retroactive adjustments described above, the YTD figures reflected across the Aggrieved Employee's wage statements are internally contradictory and irreconcilable, preventing any accurate determination of year-to-date earnings, taxes, deductions, or leave usage from the wage statements alone.

**4. Retroactive Corrections Confirming Original Statements Were Inaccurate.** The recurring retroactive adjustments documented throughout the Aggrieved Employee's pay statements constitute JPMorgan Chase's own acknowledgment that the wage statements originally issued for those prior pay periods were inaccurate at the time of issuance. Each such retroactive correction corresponds to a prior inaccurate wage statement, constituting a separate violation of Labor Code § 226(a) for that earlier pay period. The YTD columns of the June 13, 2025 pay statement alone reflect five distinct categories of retroactive corrections with YTD totals, confirming these are systemic and recurring across the entire employment period.

**e) Potential Unlawful Deduction from Vacation Bank During Disability Leave (Labor Code §§ 221, 227.3)**

JPMorgan Chase's own leave of absence documentation confirms that during the one-week waiting period for Short-Term Disability benefits, available paid time off (including vacation) was applied to compensate the employee, and that the State Disability Insurance benefit was run concurrently with the Employer's disability benefit, with the Employer paying the difference. The concurrent deduction of vacation and sick balances during a period in which the Aggrieved Employee was simultaneously receiving both Employer disability pay and a State Disability Insurance offset raises concerns about whether the vacation bank was lawfully drawn down or improperly reduced, in potential violation of Labor Code §§ 221 and 227.3. The Aggrieved Employee's sick bank was fully exhausted as a direct result of these deductions, and that exhaustion was subsequently cited by the Employer as a basis for characterizing the Aggrieved Employee's post-leave absences as "unscheduled occurrences."

**III. <u>Labor Code Violations</u>**

The Aggrieved Employee alleges, on behalf of herself and all similarly situated current and former California employees of JPMorgan Chase Bank, N.A., violations of the following California Labor Code provisions:

1. **Labor Code § 204** Failure to pay all wages, including Branch Incentive Plan compensation, on the applicable regular payday for the period in which such wages are earned, by consistently paying BIP compensation approximately 30 days after the close of the earning month, for every month in which BIP was earned during the applicable limitations period.
2. **Labor Code § 510** Failure to pay overtime at the correct regular rate of pay by systematically excluding non-discretionary Branch Incentive Plan compensation from the regular rate used to calculate overtime premiums, for every pay period in which overtime was worked and BIP was earned during the applicable limitations period.
3. **Labor Code § 246(l)** Failure to pay paid sick leave at the employee's regular rate of pay, by systematically calculating and paying sick leave at the base hourly rate only, excluding non-discretionary Branch Incentive Plan compensation from the regular

rate, for every pay period in which paid sick leave was taken during the applicable limitations period.

4. **Labor Code § 226.7** Failure to pay meal and rest period premiums at the employee's regular rate of compensation, by calculating and paying such premiums at the base hourly rate only, excluding non-discretionary Branch Incentive Plan compensation, for every pay period in which meal or rest period premiums were paid during the applicable limitations period.
5. **Labor Code § 226(a)(1)** Failure to provide wage statements accurately reflecting total gross wages earned for each pay period, due to split and duplicate statements, omission of BIP from regular biweekly statements, and retroactive corrections confirming prior statements were inaccurate as issued.
6. **Labor Code § 226(a)(2)** Failure to provide wage statements accurately reflecting total hours worked and hours paid at each applicable rate, by omitting hours, rates, and multipliers from BIP incentive statements and by issuing retroactively corrected statements that demonstrate prior statements were inaccurate.
7. **Labor Code § 226(a)(9)** Failure to provide wage statements from which an employee can promptly and easily determine the applicable hourly rates and corresponding hours for each pay period, due to the confusing, overlapping, and internally contradictory structure of the wage statements, multiple retroactive line items at varying rates, and duplicate statements with inconsistent YTD figures for the same pay period.
8. **Labor Code §§ 221 and 227.3** Potential unlawful deduction of accrued vacation and sick time during a disability leave period while simultaneously offsetting State Disability Insurance benefits, resulting in a possible failure to properly credit earned and accrued vacation wages, with the resulting exhausted sick bank subsequently used as a pretext for adverse employment action.
9. **Labor Code § 2699 (PAGA)** Civil penalties for each of the foregoing violations, on behalf of the Aggrieved Employee and all similarly situated aggrieved employees, for each pay period in which the violations occurred during the applicable limitations period.

## IV. Aggrieved Employees

The violations described in this notice apply to the Aggrieved Employee and, upon information and belief, to all current and former California non-exempt employees of JPMorgan Chase Bank, National Association who: (a) participated in the Branch Incentive Plan and were subject to the same payment schedule and the same regular-rate calculation methodology; (b) received wage statements generated by the Company during the relevant period; (c) received retroactive sick pay, overtime, and/or meal/rest premium adjustments computed using the same flawed methodology; (d) worked overtime in pay periods in which BIP was also earned; (e) used paid sick leave in pay periods in which BIP was also earned; and/or (f) were subject to vacation bank deductions during concurrent disability leave periods. These practices are uniform, systemic, and implemented through JPMorgan Chase's centralized payroll platform, and upon information and belief affect a substantial number of California employees across JPMorgan Chase's California branch network.

### V. <u>Limitations Period</u>

The applicable limitations period for PAGA claims is one year prior to the date of this notice, subject to any applicable tolling. The Aggrieved Employee's employment began in February 2023 and continued through January 2026. The violations described herein occurred continuously and recurrently throughout that period. This notice is timely as to all violations occurring within one year of the date hereof, and the Aggrieved Employee reserves the right to seek penalties for the full scope of violations established through discovery.

### VI. <u>Request for Agency Action</u>

The Aggrieved Employee respectfully requests that the LWDA investigate the practices described herein. Pursuant to Labor Code § 2699.3(a)(2), if the LWDA does not provide written notice that it intends to investigate within 65 calendar days of the postmark of this notice, the Aggrieved Employee will be entitled to commence a civil action under PAGA against JPMorgan Chase Bank, National Association without further notice.

**VII. Reservation of Rights**

This notice is based on information currently available to the Aggrieved Employee and her counsel. Additional pay statements are in the process of being obtained and are expected to disclose additional violations consistent with the systemic patterns identified herein. The Aggrieved Employee expressly reserves the right to amend this notice to allege additional Labor Code violations, additional aggrieved employees, and additional penalties as further facts are developed through investigation and discovery.

Respectfully submitted,

**Marc Phelps, Esq.**
CA Bar #237036

*Attorney for Aggrieved Employee Carina Romo Gutierrez*

cc: Roger R. Carter, Esq.
The Carter Law Firm

M H Phelps

Marc H. Phelps