
FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

July 9, 2026

NOTICE OF LABOR CODE VIOLATIONS CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.*

VIA CERTIFIED U.S. MAIL

- *Electronic Return Receipt* -

Neogen Care Corp
15260 Ventura Blvd., STE 670
Sherman Oaks, CA 91403

- *PAGA Notice & Filing Fee* -
Submitted electronically to the Labor and
Workforce Development Agency

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **DENZEL FRANCISCO** (“Plaintiff(s)”) and all other “covered employees” of the following “Defendant(s)”:

NEOGEN CARE CORP

Defendant(s) shall mean and include the foregoing in addition to any other related employer entities, individuals under Labor Code sections 558 and 558.1, and all others who may be later added upon further investigation and discovery as liable employers.

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations outlined in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiff requests that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good-faith effort to

correct any violations. Plaintiff attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in judgment or settlement approved by the Superior Court of California under Labor Code section 2699(s). Defendants are notified that any attempt to resolve this case should be conducted in coordination with Plaintiff's counsel to protect the interests of Plaintiff, the aggrieved employees, and the State of California via the LWDA. Plaintiff advises Defendants that this letter should also be considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Licensed Vocational Nurse from about February 2026 to April 2026. During their employment, Plaintiff and the other covered (i.e., aggrieved) employees were subject to the wage and hour and employment protections outlined in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The “aggrieved employees” include Plaintiff and the following individuals:

All current and former non-exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the “covered employees” and the “PAGA Period”). As defined, these covered current and former employees are “aggrieved employees” under PAGA.

Plaintiff reserves the right to expand or narrow the definition of the “covered employees” in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants’ violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

Unpaid Hours Worked/Non-Productive, Rest, and Recovery Periods **Violation of Labor Code §§ 226.2; IWC Wage Orders**

In addition to the foregoing unpaid wage violations, Defendants also violated Labor Code sections 226.2 and the “Hours and Days of Work,” “Minimum Wages,” and “Rest Periods” sections of the applicable IWC Wage Orders with respect to the covered employees.

Labor Code section 226.2(a)(1) also requires employers to compensate employees for “rest and recovery periods and other non-productive time spent separate from any piece rate compensation.” Under Labor Code section 226.2(a)(3), rest and recovery periods must be paid at an hourly rate that is no less than the higher of (i) an average hourly rate taken by dividing

an employee's total compensation for the workweek (exclusive of overtime and rest and recovery compensation) by the employee's total hours worked and (ii) the applicable minimum wage. Under Labor Code section 226.2(a)(4), other nonproductive time must be paid at an hourly rate that is no less than the applicable minimum wage.

Furthermore, the "Hours and Days of Work," "Minimum Wages," and "Rest Periods" sections of the applicable IWC Wage Orders—as addressed in *Vaquero v. Stoneledge Furniture, LLC* (2017) 9 Cal.App.5th 98—require employers to separately compensate all employees, not just piece-rate employees, for all hours worked, including rest periods and nonproductive time, to comply with California's minimum wage obligations.

Defendants failed to pay Plaintiff and the covered employees for all hours worked due to their failure to provide compensation for all non-productive time spent, separate from any piece-rate compensation as required by California law.

Defendants failed to pay Plaintiff and the covered employees for all work hours suffered or permitted. Specifically, Defendants failed to compensate Plaintiff and the covered employees for all time spent driving between patient homes. For example, Plaintiff regularly drove multiple hours per day to manage a daily patient load ranging from 5 to 9 visits, while being compensated at a flat rate of \$45 per patient visit. Under their piece-rate structure, Defendants completely failed to track, log, or pay Plaintiff an hourly wage for the substantial time she spent driving her personal vehicle between patient homes. Plaintiff recalls that she was systematically assigned to treat patients across San Diego County, which included frequent assignments to far-reaching locations that required a drive of over an hour each way from her home. An illustrative example of this violation is shown below:

CO. FILE DEPT. CLOCK NUMBER 870 UWJ 010235 0022637264 1 NEOGEN CARE CORP 15209 VENTURA BLVD SUITE 070 SHERMAN OAKS, CA 91403 Filing Status: [REDACTED] Exemptions/Adjustments: [REDACTED] Federal: [REDACTED] Social Security Number: XXX-XX-XXXX		Earnings Statement  Period Beginning: 03/09/2026 Period Ending: 03/22/2026 Pay Date: 03/27/2026 DENZEL FRANCISCO [REDACTED]																																																																												
<table border="0"><tr><td>Earnings</td><td>rate</td><td>pieces/hours</td><td>this period</td><td>year to date</td></tr><tr><td>Per Diem</td><td></td><td></td><td>170.83</td><td>770.83</td></tr><tr><td>Regular Visit</td><td></td><td></td><td>1,755.00</td><td>1,755.00</td></tr><tr><td>Gross Pay</td><td></td><td></td><td>\$1,925.83</td><td>2,525.83</td></tr></table>	Earnings	rate	pieces/hours	this period	year to date	Per Diem			170.83	770.83	Regular Visit			1,755.00	1,755.00	Gross Pay			\$1,925.83	2,525.83	Your federal taxable wages this period are \$1,792.27 <table border="0"><tr><td>Deductions</td><td>Statutory</td><td>this period</td><td>total to date</td></tr><tr><td></td><td>Federal Income Tax</td><td></td><td></td></tr><tr><td></td><td>Social Security Tax</td><td></td><td></td></tr><tr><td></td><td>Medicare Tax</td><td></td><td></td></tr><tr><td></td><td>CA State Income Tax</td><td></td><td></td></tr><tr><td></td><td>CA SDI Tax</td><td></td><td></td></tr><tr><td></td><td>Other</td><td></td><td></td></tr><tr><td></td><td>Dental Pre-tax</td><td></td><td></td></tr><tr><td></td><td>Medical Pre Tax</td><td></td><td></td></tr><tr><td></td><td>Miscellaneous</td><td></td><td></td></tr><tr><td></td><td>Via Pre Tax</td><td></td><td></td></tr><tr><td></td><td>Misc Reimburse</td><td></td><td></td></tr><tr><td></td><td>Adjustment</td><td></td><td></td></tr><tr><td></td><td>Misc Reimburse</td><td></td><td>+718.00</td></tr></table>	Deductions	Statutory	this period	total to date		Federal Income Tax				Social Security Tax				Medicare Tax				CA State Income Tax				CA SDI Tax				Other				Dental Pre-tax				Medical Pre Tax				Miscellaneous				Via Pre Tax				Misc Reimburse				Adjustment				Misc Reimburse		+718.00	Other Benefits and Information Regular Visit 39.00 Deposits Account No. XXXXXXXXXXXXXXXX Transit/ABA XXXX XXXX Pending Important Notes COMPANY: PH#(619) 808-6834 BAISIS OF PAY: PIECEWORK YOUR BANK WAS NOTIFIED OF YOUR REQUEST FOR DIRECT DEPOSIT. IT WILL BEGIN AFTER ACCOUNT VERIFICATION.
Earnings	rate	pieces/hours	this period	year to date																																																																										
Per Diem			170.83	770.83																																																																										
Regular Visit			1,755.00	1,755.00																																																																										
Gross Pay			\$1,925.83	2,525.83																																																																										
Deductions	Statutory	this period	total to date																																																																											
	Federal Income Tax																																																																													
	Social Security Tax																																																																													
	Medicare Tax																																																																													
	CA State Income Tax																																																																													
	CA SDI Tax																																																																													
	Other																																																																													
	Dental Pre-tax																																																																													
	Medical Pre Tax																																																																													
	Miscellaneous																																																																													
	Via Pre Tax																																																																													
	Misc Reimburse																																																																													
	Adjustment																																																																													
	Misc Reimburse		+718.00																																																																											

Extract from Plaintiff's Pay Records for Pay Period 03/09/2026 - 03/22/2026

Here, Defendants compensated Plaintiff for work she performed using their piece-rate structure for individual visits but failed to compensate her for non-productive or travel time

separately. Defendants' pattern and practice of failing to provide complete compensation for extensive, mandatory travel time was common to all covered employees.

Additionally, Plaintiff and the covered employees were required to complete extensive mandatory administrative work after their patient visits. However, Defendants failed to provide any mechanism for logging and compensating these administrative hours, relying entirely on the flat \$45 per-visit fee to absorb the extensive clinical reporting duties that Plaintiff and the covered employees performed regularly. For example, Plaintiff recalls being required to complete detailed clinical documentation, patient timecards, and electronic charting to close out every patient visit, which resulted in her working at home for hours in the evenings and weekends. Because this administrative work was performed separately from any face-to-face visit, it constitutes non-productive time under Labor Code Section 226.2. Defendants' policy and practice of failing to compensate for administrative work at a lawful hourly rate was common to all covered employees.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Paid Sick Leave **Violation of Labor Code §§ 246 through 248.7**

Defendants violated Labor Code sections 246 through 248.7 with respect to the covered employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 40 hours of paid sick leave to employees or allowing employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as outlined in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

Employers must pay sick leave in accordance with one of the three permissible methods provided in Labor Code section 246(l): (1) "the same manner as the regular rate of pay for the workweek;" (2) "by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days;" or (3) "for exempt employee ... in the same manner as the employer calculates wages for other forms of paid leave time." Labor Code sections 248.6 and 248.7 similarly require paid sick leave to be paid at a regular rate-based calculation in excess of the base hourly rate and at the lawful accrual rate.

Under Labor Code section 246(i), employers must provide employees “with written notice of the amount of paid sick leave available ... for use on either the employee’s itemized wage statement ... or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

Defendants failed to comply with California’s paid sick leave laws as applied to the covered employees. Because Defendants failed to record and pay Plaintiff and the covered employees for all hours worked, Defendants failed to credit them with all paid sick leave hours that they accrued. Therefore, Plaintiff and the covered employees were not awarded the total accrued paid sick leave time they were entitled to.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages During Employment **Violation of Labor Code §§ 204, 204b, 210**

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the covered employees.

Labor Code section 204(a) requires payment of “all wages” for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid “not more than seven calendar days following the close of the payroll period.” Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides “every person who fails to pay the wages of an employee as provided in Section ... 204 ... shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices outlined in this notice. Specifically, Defendants engaged in a pattern and practice of failing to timely pay for all nonproductive time, all regular and overtime wages, accrued paid sick leave wages, and other earnings on time each payday.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages Upon Separation of Employment
Violation of Labor Code §§ 201, 202, 203, 256

Defendants violated Labor Code sections 201, 202, and 203 with respect to the covered employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours' notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours' notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days' additional compensation.

Defendants failed to pay all wages and premiums owed to covered employees during their employment as outlined in this notice and failed to pay those amounts to departing employees upon separation of employment. Specifically, Plaintiff did not receive her final wages immediately upon termination, as Defendants failed to issue her final wages until approximately two weeks later. This is evidence of a common practice amongst the covered employees. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements
Violation of Labor Code §§ 226, 226.3

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the covered employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the covered employees for each pay period as a result of the policies and practices set forth in this notice. Defendants

violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection and recording of “gross wages earned” on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

Plaintiff and the covered employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and the covered employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and conceal the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements/Piece-Rate
Violation of Labor Code §§ 226, 226.2, 226.3

In addition to the foregoing wage statement violations, Defendants also violated Labor Code sections 226.2 with respect to the covered employees by failing to furnish itemized wage statements each pay period that accurately list all information required by that statute.

Labor Code sections 226.2(a)(2)(A) and (B) state that wage statements for employees compensated on a piece-rate basis must, in addition to listing the items specified in section 226(a), also state the total hours of compensable rest and recovery periods and other non-productive time, the applicable rates of compensation, and the wages paid for those periods.

Defendants failed to provide accurately itemized wage statements to the covered employees for each pay period as a result of the policies and practices outlined in this notice. Specifically, Defendants violated Labor Code section 226(a)(2) by failing to list employees’ “total hours worked,” as Plaintiff and the covered employees worked off-the-clock while driving between patient visits and completing mandatory administrative tasks. For example, Defendants included forms of remuneration such as “Per Diem” and “Regular Visit,” but failed to include the corresponding hourly rate or number of units at which or for which those sums were earned, nor did Defendants list the actual number of hours worked or units earned at the particular rate. An illustrative example of this violation is shown below:

CO. FILE DEPT. CLOCK NUMBER 676
U&J 010235 2

NEOGEN CARE CORP
15260 VENTURA BLVD
SUITE 670
SHERMAN OAKS, CA 91403

Earnings Statement



Period Beginning: 03/23/2026
Period Ending: 04/05/2026
Pay Date: 04/10/2026

Filing Status: [REDACTED]
Exemptions/Allowances
Federal: [REDACTED]

DENZEL FRANCISCO
[REDACTED]

Social Security Number: XXX-XX-XXXX

Earnings	rate	pieces/hours	this period	year to date
Per Diem			170.83	770.83
Regular Visit			1,755.00	1,755.00
Gross Pay			\$1,925.83	2,525.83

Your federal taxable wages this period are
\$1,792.27

Deductions	Statutory	Other
Federal Income Tax		
Social Security Tax		
Medicare Tax		
CA State Income Tax		
CA SDI Tax		
Dental Pre-tax		
Medical Pre Tax		
Miscellaneous		
Vis Pre Tax		
Misc Reimburse		
Adjustment		
Misc Reimburse		+718.00
Net Pay		\$2,172.81

Other Benefits and Information	this period	total to date
Regular Visit	39.00	

Important Notes

COMPANY PH# (510) 808-6634

BASIS OF PAY: PIECEWORK

Additional Tax Withholding Information

Taxable Marital Status: [REDACTED]

CA Exemptions/Allowances: [REDACTED]

Extract from Plaintiff's Pay Records for Pay Period 03/23/2026 - 04/05/2026

Here, Defendants completely failed to explicitly state on Plaintiff's itemized wage statements the total hours of compensable rest and recovery periods, the total hours of separate non-productive time, the precise hourly rates governing those individual intervals, and the actual wages paid out for those specific blocks of labor. Defendants' wage statements completely omitted any reference to Plaintiff's non-productive hours spent driving between assignments and performing mandatory clinical charting at home. As a direct consequence of Defendants' practices, Plaintiff was confused by the face of her own pay stubs and was unable to decipher how her bi-weekly compensation was calculated without referencing the extensive hours she worked outside of patient visits. Defendants' systemic practice of failing to document total hours of compensable rest and recovery periods, and other non-productive time, was common among the covered employees.

Plaintiff and the covered employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and the covered employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and conceal the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unreimbursed Employee Expenses
Violation of Labor Code §§ 2802, 2804

Defendants violated Labor Code section 2802 with respect to the covered employees by failing to reimburse the covered employees for all necessary expenditures or losses incurred as part of their job duties.

Labor Code section 2802 requires an employer to “indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

Labor Code section 2804 affirms that “[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State.”

Defendants required Plaintiff and the covered employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the covered employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. Specifically, Defendants required Plaintiff and the covered employees to use their personal vehicles, cell phones, and home internet for work-related purposes without providing full compensation for all necessary expenses.

First, Plaintiff and the covered employees were required to use their personal vehicles as an absolute condition of their employment to travel to and from patient visits across a vast geographic territory. For example, Plaintiff routinely drove long distances, including trips to remote areas of San Diego County that fell extremely far outside of her assigned territory. Plaintiff recalls being forced to pay for fuel out of her own pocket, in addition to costs associated with the substantial physical wear-and-tear inflicted on her vehicle. Instead of reimbursing Plaintiff for the actual costs of operating her own vehicle, Defendants have maintained a corporate policy and practice of paying restrictive, arbitrary flat rates per visit inside and outside her assigned geographic territory. Because their flat reimbursement failed to reimburse Plaintiff and the covered employees for actual mileage, gas, or vehicle maintenance, Defendants directly violated Labor Code Section 2802.

Additionally, Defendants required Plaintiff and the covered employees to use their personal cell phones and home internet connections to perform essential duties without any form of compensation. For example, Plaintiff was forced to use her personal cell phone to contact, coordinate, and manage schedules with her daily patient load. While Defendants provided a company tablet that was strictly restricted to electronic documentation, they failed to provide

any meaningful alternative to place patient phone calls. Furthermore, Plaintiff and the covered employees were required to perform extensive administrative work between and after patient visits, which forced them to incur mandatory, uncompensated use of their personal home internet service. Plaintiff recalls being systematically required to log into Defendants' electronic charting networks and complete patient notes and timecards at home every evening. However, Plaintiff never received any form of reimbursement for the mandatory usage of her home internet, which was necessary for her to perform her basic job duties. By shifting the operational costs of cell phone communications and administrative infrastructure onto Plaintiff and the covered employees without reimbursement, Defendants violated the strict statutory mandates of Labor Code sections 2802 and 2804.

Thus, as a direct consequence of their job duties, Plaintiff and the covered employees unavoidably and necessarily incurred these losses, expenditures, and costs as a matter of policy and practice. To the extent Defendants reimbursed Plaintiff and the covered employees for any business expenses, those amounts were underpaid. At all times, Defendants were required to comply with the reimbursement mandate of Labor Code sections 2800 and 2802.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Maintain Accurate Records **Violation of Labor Code § 1174; IWC Wage Orders**

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and the covered employees.

Labor Code section 1174 requires that employers maintain accurate “payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments.” Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Attorneys' Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other covered employees and the State of California. Plaintiff continues to incur attorneys' fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the covered employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the covered employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronic data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence, resulting in adverse inferences or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the covered employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations outlined in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

A handwritten signature in blue ink that reads "Ninel Kocharyan". The signature is fluid and cursive, with the first name "Ninel" and last name "Kocharyan" clearly distinguishable.

Ninel Kocharyan

CY

Cc Plaintiff Denzel Francisco
HR Representative, Eric W. Johnson - ericj@neogencare.com