

MOORADIAN LAW, APC
24007 Ventura Blvd., Suite 210
Calabasas, California 91302
Mooradianlaw.com
Telephone 818-487-1998/Facsimile 888-783-1030

ZORIK MOORADIAN

E-mail: zorik@mooradianlaw.com

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VIA USPS CERTIFIED MAIL

Contemporary Services Corporation

17101 Superior St.
Northridge, CA 91325

1505 Corporation – Agent For

CSC – LAWYERS
Incorporating Service
2710 Gateway Oaks Drive
Sacramento, CA 95833

VIA ONLINE SUBMISSION

State of California
Labor & Workforce Development
Agency
800 Capitol Mall, MIC-55
Sacramento, CA 95814

Re: PAGA Notice Letter For California Wage & Hour Violations

To Whom It May Concern:

This office represents Mr. Rodolfo E. Herrera (“Mr. Herrera”) for his claims under the Private Attorneys General Act (PAGA) for employment practices committed in violation of California law. This letter is a Notice as required by Labor Code § 2699.3, based on currently possessed information and belief. The information set forth in this Notice is based on the available and limited information, and it is subject to revision based on subsequently obtained information.

Identity of Employees:

Mr. Herrera intends to pursue PAGA claims on his own behalf and on behalf of other current and former employees of the entities/individuals referenced below who performed non-exempt work for said entities/individuals and were either: 1) classified as a non-exempt employee or 2) should have been classified as a non-exempt employee. Said employees are limited to employees performing work for said entities/individuals at any time during the following time period: One (1) year prior to the date of this PAGA Notice letter and continuing until the unlawful employment practices are stopped and/or a judgment is entered. The Employees are collectively hereinafter referred to as “Employees.” The names of Employees (other than Mr. Herrera) are contained within the personnel records of her Employer, as defined below.

Identity and Capacity of Employers/Joint Employers:

Mr. Herrera intends to pursue a PAGA action against his “Employer,” **Contemporary Services Corporation**, and its parent companies, subsidiaries, successors, owners, officers, directors, and

managing agents. Mr. Herrera will seek to hold all owners, directors, officers and managing agents of his Employer personally liable for said violations to the extent permitted under Labor Code § 558 and/or Labor Code § 558.1.

All business entities referenced here were the alter-egos of each and every other entity and there exists, and at all times herein mentioned has existed, a unity of interest and ownership between said entities and individuals such that any separateness between them ceased to exist in that said individuals and other entities have completely controlled, dominated, managed, and operated the business entities and have intermingled the assets of each to suit convenience. Further, each of the business entities are, and at all times mentioned herein were, mere shells, instrumentalities, and conduits through which the other above-referenced entities/individuals carried out their business while exercising complete control and dominance of the business such that individuality or separateness did not truly exist. Therefore, in the PAGA action, Mr. Herrera will seek to hold each said individual and/or entity jointly and severally liable for any and/or all violations committed by the other above-referenced individuals and/or entities.

It should further be noted that the Employer and its parent companies, subsidiaries, successors, owners, officers, directors, and/or managing agents have been engaged in a joint enterprise. Moreover, said persons/individuals are joint employers of Employees for the following reasons: 1) Said entities/individuals directly and/or indirectly exercised control over the wages, hours or working conditions of Employees; 2) Said entities/individuals had knowledge (either personally or through officers, directors and/or managing agents) of the work Employees were doing for them while supposedly being employed by another entity/individual and failed to prevent the work from occurring; and 3) Said entities retained or assumed a general right of control over hiring, direction, supervision, discipline, discharge, and relevant day-to-day aspects of the workplace behavior of Employees.

Violations/Supporting Facts and Theories:

At all times here, the Employer claims to be a “The Leader in Crowd Management,” or an event guest service and security company that provides customer assistance for various venues, from concerts to sporting events, in the State of California and have employed/jointly employed Employees (including Mr. Herrera) to perform work and services for their business and joint enterprise interests. From on or about 10/26/2023 through 01/25/2024, Mr. Herrera was hired by the Employer to work as a non-exempt hourly wage “event staff” employee in the State of California. He performed various job duties but primarily as an usher and guest support staff at various venues in Los Angeles, including, but not limited to, Sofi, Dodger, USC and UCLA stadiums. The Employer terminated the services of Mr. Herrera and paid his partial wages after his termination. Going back for at least four years and continuing at the present time, the Employer has engaged in the following employment practices in violation of California employment laws.

Misclassification Violations:

Misclassifying Non-Exempt Employees as Exempt Employees: (Labor Code § 515, 8 CCR 11040, IWOs, and/or Other Applicable IWOs): The Employer violated and continues to violate

Labor Code § 515, 8 CCR 11040, IWOs (or other applicable law, wage order and/or regulation) by misclassifying current and former non-exempt employees as exempt employees and, thereby, has unlawfully denied said individuals the employment benefits owed to Employees.

Said misclassifications are evidenced by a number of factors, including but not limited to: Employees who primarily performed non-exempt work were classified as performing in executive and/or administrative capacities when said employees did not, in fact, qualify for such classification. For example: 1) Said employees did not customarily and/or regularly exercise discretion and independent judgment in the performance of their duties; instead, they followed the instructions and procedures given to them by others; 2) Said employees were not paid a monthly salary that was equivalent to no less than two times the state minimum wage for full-time employment (i.e., 40 hours per week).

Overtime Violations:

The Employer has violated and continues to violate Labor Code §§ 500, 510, 1198, and Industrial Welfare Commission Wage Orders, including IWOs (or other applicable law, wage order and/or regulation) by failing to pay Employees overtime compensation as required under California law as follows:

- Employees working more than 8 hours in a workday have not been paid time and one-half. Instead, they either were not paid for the time they worked over 8 hours, or they were only paid regular wages rather than overtime wages.
- Employees working more than 40 hours in a workweek have not been paid time and one-half. Instead, they either were not paid for the time they worked over 40 hours in a week, or they were only paid regular wages rather than overtime wages.

The Employer's failure to pay Employees overtime wages in accordance with the Labor Code has been, in part, accomplished by wrongfully failing to include all of the times that Employees worked in calculating Employees' wages during each pay-period that Employees were employed. In part, this was accomplished via illegal rounding of work times which consistently worked to the advantage of the Employer.

Minimum Wage Violations:

The Employer has violated and continues to violate Labor Code §§ 1182.12, 1194, 1198, and Industrial Welfare Commission Wage Orders, including IWOs (or other applicable law, wage order, regulation and/or local law/ordinance regulating the minimum wage owed to employees who work in the County of Los Angeles and its incorporated cities) by failing to pay Employees at least the minimum wage required under the law.

Specifically, because not all of the time worked by Employees has been/is being reported on the Employees' time records and/or paychecks, Employees have not been paid at least the minimum wage for all the time they actually worked for the Employer. For example, Employees have not

been paid at least the minimum wage owed due to rounding of starting and stopping times which have consistently worked to the unfair advantage of the Employer.

Meal Period Violations:

If not on a daily basis, then on multiple times during each pay period, The Employer has engaged, and continues to engage, in the business-wide practice of not providing Employees with legally compliant meal periods as mandated under California law as follows:

- a) In violation of Labor Code § 512 and the above-referenced IWOs, The Employer has failed, and continues to fail, to provide Employees working 5.1 to 10 hours in their workday with at least one 30-minute unrestricted and uninterrupted meal period within the first 5 hours of their workday. Instead, Employees are provided their meal periods more than 5 hours after beginning their workday. Employees who were misclassified as exempt employees, were not provided meal periods or their meal periods were on-duty, were late and/or were interrupted. Additionally, in violation of Labor Code § 226.7, The Employer failed to pay said Employees one hour of pay (aka premium pay) for each day a legally compliant meal break was not provided.
- b) In violation of Labor Code § 512 and the above-referenced IWOs, The Employer has failed, and continues to fail, to provide Employees working 10.1 to 14 hours in their workday with a second 30-minute, unrestricted and uninterrupted meal period within the first ten hours of their workday. Instead, Employees are either not provided with a meal period or, when they are provided a meal period, the meal period is not timely, it is interrupted, and/or the Employees are required to remain on duty. Additionally, in violation of Labor Code § 226.7, The Employer failed to pay said Employees one hour of pay (aka premium pay) for each day the required second meal period was not provided.

Based on the information known to date, it is believed that every Employee was denied at least one legally compliant meal period every pay period that they worked for the Employer. The total number of pay periods that each Employee was denied one or more meal periods can be determined via the time records of the Employees during the statutory time period. Mr. Herrera was denied legally compliant meal period.

Rest Break Violations:

If not on a daily basis, then on multiple times during each pay period, The Employer has engaged, and continues to engage, in the business-wide practice of not authorizing and/or permitting Employees to take the paid rest breaks they are entitled to under California law as follows:

- a) In violation of Labor Code § 512 and the above-referenced IWOs, The Employer has failed, and continues to fail, to authorize and/or permit Employees working 3.5 to 6 hours in a workday to take at least one paid unrestricted and uninterrupted 10-minute net rest break in the middle of their daily work periods even though it was practical for Employees to take such rest breaks. Instead, rest breaks were not paid and/or were not

provided in the middle of the work period. Additionally, in violation of Labor Code § 226.7, The Employer failed to pay said Employees one hour of pay (aka premium wages) for each day that required rest breaks were not authorized and/or permitted.

- b) In violation of Labor Code § 512 and IWOs, The Employer has failed, and continues to fail, to authorize and/or permit Employees working 6.1 to 10 hours in a workday to take at least two paid unrestricted and uninterrupted 10-minute rest breaks in the middle of each of their daily work periods even though it was practical for Employees to take such rest breaks. Instead, Employees were either not given such rest breaks; or, when they were given rest breaks, the breaks were not in the middle of the work period, the breaks were interrupted and/or Employees were required to remain on-duty during their rest breaks. Additionally, in violation of Labor Code § 226.7, The Employer failed to pay said Employees one hour of pay (aka premium pay) for each day the required rest breaks were not authorized and/or permitted.

Based on the information known to date, it is believed that every Employee was denied one legally compliant rest break every pay period that they worked for the Employer. The total number of pay period violations that each Employees suffered from one or more rest break violations can be determined via the time records of the Employees during the statutory time period. Mr. Herrera was denied a legally compliant rest break multiple times every pay period.

Seating Accommodation Violations:

The Employer has adopted and continues to adopt a custom and practice of failing to provide its current and former Employees (including Mr. Herrera) with: 1) Suitable seating when the nature of the Employees' work reasonably permits use of seats and 2) Suitable seating in reasonable proximity to Employee's work areas for use by Employees when a) they are not engaged in active duty, b) their work requires standing and c) such seats would not interfere with the performance of their duties. No such seating was provided.

Timely Wage Payment Violations:

The Employer has violated and continues to violate Labor Code §§ 204-204b and the applicable wage order by failing to pay Employees the wages they were due within the timeframes set forth in Labor Code §§ 204-204b. Such failures occurred in at least the following ways:

- a) The Employer unfairly "rounds" the punch-in/out times of its Employees such that Employees are not paid for all the time they actually work. Moreover, the rounding has worked as an unfair monetary advantage to the Employer and to the detriment of the Employees.
- b) The Employer has not paid Employees overtime pay because the Employer has not included all the time Employees have actually worked in the Employees' time records which are used to calculate Employees' regular and overtime wages.
- c) Employees who are owed additional wages due to the Employer's failure to comply with minimum wages laws have not been paid said wages.
- d) Employees have not been paid for their vested/accrued vacation benefits.

- e) Employees have not been paid for their accrued sick leave benefits.
- f) Employees have not been paid the premium pay wages owed by the Employer for missed, untimely, restricted, interrupted and/or short rest breaks.
- g) Employees have not been paid the premium pay wages owed by the Employer for missed, untimely, restricted, interrupted and/or short meal periods.
- h) Employees have not been paid minimum, regular and/or overtime wages for time worked but not included in the calculations of Employees' wages included in the Employees' paychecks and/or wage statements.
- i) Employees have not been paid minimum, regular and/or overtime wages owed for on-duty meal periods.
- j) Employees have not been paid minimum, regular and/or overtime wages owed due to rounding of clock-in times which have consistently worked to the unfair advantage of the Employer.
- k) Employees who have worked more than 8 hours to 12 hours in a workday have not been paid time and one-half.
- l) Employees who have worked more than 40 hours in a workweek have not been paid time and one-half.

Because Employees were not compensated for the above-referenced wages, Employees were not paid such wages within the timeframes set forth in Labor Code §§ 204-204b and Employees have not been paid the penalties set forth in § 210.

Wage Statement Violations:

The Employer has adopted, and continues to adopt, a custom and practice of providing wage statements to Employees that fail to comply with Labor Code § 226 in the following ways:

- The Employer's wage statements do not accurately record the total hours worked or the gross/net wages earned by Employees for:
 - Premium pay wages for missed, untimely, restricted, interrupted and/or short rest breaks as referenced above.
 - Premium pay wages for missed, untimely, restricted, interrupted and/or short meal periods as referenced above.
 - Regular and/or overtime wages for time worked but not reported on the Employer's time records.
 - Regular and/or overtime wages for on-duty meal periods.
 - Regular and/or overtime wages for rounding to the benefit of the Employer.
 - Vacation time pay.
 - Sick leave time pay.
 - Covid benefits.
 - Earned overtime wages.
 - Owed wages due to the Employer's failure to comply with minimum wages laws.
- The Employer's wage statements have not always accurately recorded all the deductions deducted from Employees' wages.
- The Employer's wage statements do not set forth the accurate name and/or address of

the legal entity of the entity that employed Employees.

- The Employer's wage statements do not accurately set forth all the hourly rates in effect to the pay period and/or the accurate corresponding number of hours worked at each hourly rate by Employees.

Waiting Time Violations at Time of Separation:

The Employer has violated and continues to violate Labor Code §§ 201-202 by failing to pay Employees who have become separated from the Employer the complete and correct amount of all wages owed to such Employees at the time of their separation within the timeframes mandated by Labor Code §§ 201-202 in the following ways:

- For Employees who have been terminated, The Employer has failed, and continues to fail, to pay said employees all wages due and payable immediately at the time of their termination.
- For Employees who have given at least 72-hours-notice of resigning or otherwise separating from the Employer, the Employer has failed (and continues to fail) to pay said Employees all wages due and payable on their last day of work.
- For Employees who have resigned or otherwise separated from the Employer and have not given at least 72 hours' notice, the Employer has failed (and continues to fail) to pay said Employees all wages due and payable within 72-hours.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid the premium pay wages owed at the time of separation for missed, untimely, restricted, interrupted and/or short rest breaks.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid the premium pay wages owed at the time of separation for missed, untimely, restricted, interrupted and/or short meal periods.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid regular and/or overtime wages owed at the time of separation for time worked but not reported on the Employer's time sheets and/or wage statements.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid regular and/or overtime wages owed at the time of separation for on-duty meal periods.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid regular and/or overtime wages owed at the time of separation for time unpaid due to rounding practices that unfairly worked to the benefit of the Employer.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid the overtime wages.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid wages owed due to the Employer failure to pay at least the minimum wage mandated by law.
- Employees who have become separated from the Employer (whether by termination, resignation or otherwise) have not been paid the wages owed for unpaid rest breaks.

Since none of the separated employees have been paid the entirety of the wages they were owed at the time of their separation, each such Employee is entitled to continuing wages for the 30-day maximum set forth in Labor Code § 203 (see below). The number of pay period violations of Labor Code §§ 201-202 can be determined from information contained in the Employer's employment records including records which show when Employees became separated from employment with the Employer, when said Employees were paid their final wages from The Employer and what wages were paid as well as records regarding the total number of Employees who have become separated from employment during the statutory period (the number will continue to grow until the illegal practice is stopped).

Vacation Pay Violations:

The Employer has violated and continues to violate Labor Code § 227.3 by failing to pay employees vested vacation time at their time of separation from employment with Employer.

Payment/Use of Sick Time Violations:

The aggrieved employees, including Mr. Herrera, were deprived of their sick leave and Covid benefits and corresponding pay under California law as follows. The Employer has violated and continues to violate Labor Code § 245.5 (definition of employee) and § 246 (mandated amounts of accrual of sick time) by failing to allow its past and present employees to accrue sick time in the amount required by law. As well, the Employer has violated and continues to violate Labor Code § 246.5 by failing to permit its past and present employees from using their accrued sick time for the purposes set forth under California law. Furthermore, a covered employee, who is considered full-time or who worked or was scheduled to work an average of at least 40 hours per week in the two weeks before the leave is taken, is entitled to up to 80 hours of medical leave, comprised of 40 hours of COVID-19 Supplemental Paid Sick Leave and an additional 40 hours if the covered employee or the qualifying family member tests positive for COVID-19. The aggrieved employees were deprived of said benefits as well.

Heat Recovery Periods Violations:

California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order require employers to provide recovery periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each workday that a meal or rest or recovery period is not provided. California Labor Code section 226.7(a) defines "recovery period" to mean a cooldown period afforded an employee to prevent heat illness. California Labor Code section 226.7 provides that no employer shall require an employee to work during any recovery period mandated by an applicable order of the California IWC, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health. The applicable General Industry Safety Order provides that "[w]hen the outdoor temperature in the work area exceeds 80 degrees Fahrenheit, the employer shall have and maintain one or more areas with shade at all times while employees are present that are either open to the air or provided with ventilation or cooling." Cal. Code of Reg., Title 8, § 3395(d)(1). Employer violated California Labor Code

section 226.7 and California Code of Regulations, Title 8, section 3395(d), because it failed to provide Mr. Herrera and other aggrieved employees with recovery periods.

Failure to Maintain Accurate Payroll Records and Produce:

Employer has failed and continues to fail record keeping practices in compliance with Labor Code Sections 1174 (c) and (d), which in pertinent part provide: “(c) Keep a record showing the names and addresses of all employees employed and the ages of all minors. (d) Keep at a central location in the state or at the plants or establishments at which employees are employed, 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. These records shall be kept in accordance with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.”

The record keeping practices were lawfully deficient for computation of wages, premium and overtime wages, regular rate of pay adjustments, PTO benefits, and reporting requirements for the wage statements. Employer’s wage statements do not accurately set forth all the hourly rates in effect to the pay period and/or the accurate corresponding number of hours worked at each hourly rate by Employees. The aggrieved employees were affected by said violations and none were provided the opportunity to examine their respective records at all times relevant here.

Employer is also in violation of having only produced partial records in response to Mr. Herrera’s Labor Code Section 226 request for production.

Release of Claims for Wages Due Violations:

California Labor Code section 206.5 prohibits employers from requiring employees to execute releases of a claim or right “on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee.” The Employer required Mr. Herrera and other aggrieved employees to release their claims for unpaid wages as a condition to receiving their paychecks. “Execution of a release” includes requiring Mr. Herrera and other aggrieved employees, as a condition to be paid, to execute a statement of the hours they worked during the pay period which the Employer knew to be false. That practice is in violation of California Labor Code section 206.5. As such, Mr. Herrera and other aggrieved employees are entitled to civil penalties, attorney’s fees, costs, and interest, pursuant to Labor Code sections 2699(a), (f)-(g).

Reporting Time Violations:

No employer may employ an employee prohibited by the applicable IWC wage orders. California Labor Code section 1198 further requires that “. . . the standard conditions of labor

fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11160(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.” The Employer violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11160(5), because it failed to pay Mr. Herrera and other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the regular schedule. Mr. Herrera and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g). As applicable here, Mr. Herrera and other aggrieved employees who were separated had to report to work/Employer to collect their last paycheck and said employees have not been compensated for the commensurate wages under the law.

Unreimbursed Business Expense Violations:

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or his job. Mr. Herrera and other aggrieved employees incurred job related costs used for the benefit of the Employer and have not yet been reimbursed for. As a result, the aggrieved employees (as well as Mr. Herrera) are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code section 2699(a), (f)-(g).

Conclusion:

If the State of California intends to investigate the matters set forth herein, please inform our offices as soon as possible as prompt administrative action will permit the identified unlawful practices to be rectified in prompt fashion. 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 § 2698 *et. seq.* (PAGA), Mr. Herrera reserves the right to file a PAGA cause of action seeking all available damages, penalties, and remedies as well as attorneys’ fees, interest, and costs against the Employer, as permitted under the PAGA. Should the State of California require any additional information, please do not hesitate to contact the undersigned.

MOORADIAN LAW, APC

 **Zorik Mooradian**

ZORIK MOORADIAN

Attorneys for Rodolfo E. Herrera