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Via Certified Mail

Crown Energy Services, Inc.
600 Harrison Street, Suite 600
San Francisco, CA 94107

Crown Energy Services, Inc.
14141 Southwest Fwy, Suite 477
Sugar Land, TX 77478

Subject: *Tyrone Johnson v. Crown Energy Services, Inc.*

Dear Representative:

This office represents Tyrone James Johnson ("Plaintiff") in connection with Labor Code violation claims related to their employment with Crown Energy Services, Inc. ("Employer"). Employer can be contacted at:

Crown Energy Services, Inc.
600 Harrison Street, Suite 600
San Francisco, CA 94107

Crown Energy Services, Inc.
14141 Southwest Fwy, Suite 477
Sugar Land, TX 77478

Plaintiff was subjected to at least one of the Labor Code violations alleged in this letter while employed by Employer. As such, Plaintiff intends to seek PAGA penalties on behalf of himself and all other non-exempt employees of Employer employed in California and who were subjected to any or all of the Labor Code violations referenced herein during the PAGA Period ("Aggrieved Employees"). The PAGA Period begins one year prior to the date of this letter and, because the violations alleged herein are ongoing, the PAGA Period extends beyond the date of this letter.

This letter is sent pursuant to the requirements of Labor Code section 2699.3. The Labor Code violations being alleged are as follows:

Rest Break Violations

Labor Code section 226.7 and the applicable Wage Order requires employers to authorize and permit its employees to take rest periods based on the total hours worked daily at the rate of

10 minutes net per four hours or major fraction thereof. Employees must be relieved of all duties during their rest breaks.

Labor Code section 226.7 further provides that an employee is entitled to one hour of pay at their regular rate of pay for each day that a compliant rest break was not provided.

The Aggrieved Employees' rest breaks were regularly missed because Aggrieved Employees were denied their rest breaks entirely by their supervisor even when they inquired about them.

Civil Penalties Applicable to Rest Break Violations

As a result of the above rest break violations, Employer is subject to the civil penalties listed in Labor Code section 2699.

Derivative Wage Statement Penalties

Labor Code section 226 requires an employer to provide wage statements to its employees which include, among other things, gross and net wages earned. As a result of Employers failure to pay all premium pay for missed rest breaks as set forth above, Employer failed to provide the Aggrieved Employees with wage statements which accurately listed all wages earned. Employer is therefore subject to the civil penalties listed in Labor Code sections 226.3 and 2699.

Derivative Waiting Time Penalties

Labor Code sections 201 and 202 require that an employer provide an employee with all wages due and payable either: (a) immediately upon termination, or (b) within 3 days of the employee's resignation. When an employer fails to comply with the above, the employee is entitled to the equivalent of a day's wage at their regular rate of pay for each day the employer is late, for up to 30 days. (Labor Code section 203).

Because Employer did not pay the Aggrieved Employees all premium pay owed during their employment, it follows that the Aggrieved Employees were also never paid these wages after the conclusion of their employment. Thus, Employer had an obligation to pay waiting time penalties, but intentionally failed to do so, and is therefore subject to the civil penalties listed in Labor Code section 2699.

Wage Statement Violations

Labor Code section 226 requires an employer to provide wage statements to its employees which include, among other things, gross and net wages earned and total hours worked. Employer failed to provide wage statements which accurately reflected this information.

Civil Penalties Applicable to Wage Statement Violations

As a result of the wage statement violations detailed above, Employer is subject to the civil penalties listed in Labor Code sections 226.3 and 2699.

Weekly Pay Violation

Pursuant to Labor Code section 201.3, a temporary services employer is required to pay its employees on a weekly basis. A temporary services employer is defined in Labor Code section 201.3 as:

“an employing unit that contracts with clients or customers to supply workers to perform services for the clients or customers and that performs all of the following functions: [¶] (A) Negotiates with clients and customers for matters such as the time and place where the services are to be provided, the type of work, the working conditions, and the quality and price of the services [;] [¶] (B) Determines assignments or reassignments of workers, [...] [;] [¶] (C) Retains the authority to assign or reassign a worker to another client or customer when the worker is determined unacceptable by a specific client or customer [;] [¶] (D) Assigns or reassigns workers to perform services for clients or customers [;] [¶] (E) Sets the rate of pay of workers, whether or not through negotiation [;] [¶] (F) Pays workers from its own account or accounts [;] [and] [¶] (G) Retains the right to hire and terminate workers.”

Because Employer fits the requirements listed above, it is a temporary services employer and was required to pay the Aggrieved Employees on a weekly basis. However, Employer did not pay the Aggrieved Employees on a weekly basis in violation of Labor Code section 201.3.

Civil Penalties Applicable to Weekly Pay Violations

As a result of the weekly pay violation detailed above, Employer is subject to the civil penalties listed in Labor Code section 210.

Reservation of Rights

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional facts or theories of liability, they expressly reserve the right to revise these facts and/or add any new claims by amending and/or supplementing this letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

Sincerely,

/s/ Daniel Ginzburg

Daniel Ginzburg