

April 3, 2026

PAGA NOTICE FILED ELECTRONICALLY

Re: Second Amended Notice Letter on Behalf of JUAN CARLOS HEREDIA,
ROBERT LEIVA, and Aggrieved Employees Under California Labor
Code section 2699.3
LWDA No.: LWDA-CM-1035225-24

Via Certified Mail Return Receipt Requested:

MERLE STONE CHEVROLET, INC.
2100 E. Tulare Avenue
Tulare, CA 93274
(CMRR Tracking
#9414809898643080174858)

MERLE STONE CHEVROLET, INC.
c/o Michael J Noland, Registered Agent
219 N Douty Street
Hanford, CA 93230
(CMRR Tracking
#9414809898643579636584)

MERLE STONE PORTERVILLE, INC.
800 W. Henderson
Porterville, CA 93257
(CMRR Tracking
#9414809898643579636461)

MERLE STONE PORTERVILLE, INC.
c/o Michael J Noland, Registered Agent
219 N Douty Street
Hanford, CA 93230
(CMRR Tracking
#9414809898643579636560)

To Whom It May Concern:

This second amended letter shall constitute notice under Labor Code section 2699.3 (hereinafter “PAGA Notice”). The \$75 filing fee for the PAGA Notice was paid online by credit card at the time this PAGA Notice was submitted online to the Department of Industrial Relations.

This PAGA Notice concerns JUAN CARLOS HEREDIA and ROBERT LEIVA’S (“Employees”) employment with Employee’s former employers: MERLE STONE CHEVROLET, INC. and MERLE STONE PORTERVILLE, INC. (“Employer”).

Employee JUAN CARLOS HEREDIA (“Employee Heredia”) was a non-exempt hourly employee and worked for Employer as a driver at, without limitation, 800 W. Henderson Avenue, Porterville, California 93257. Employee Heredia worked for Employer from approximately November of 2023 through approximately March of 2024. Employee Heredia’s duties included, but were not limited to, driving and delivering vehicle parts.

Employee ROBERT LEIVA (“Employee Leiva”) was a non-exempt hourly employee and worked for Employer as a Parts Driver at, without limitation, 2100 E. Tulare Avenue, Tulare, California 93274. Employee Leiva worked for Employer from approximately September of 2021 through approximately February of 2026. Employee Leiva’s duties included, but were not limited to, delivering parts for the dealership, deriving customers around, retrieving parts from storage, and assisting as a cashier and in customer service.

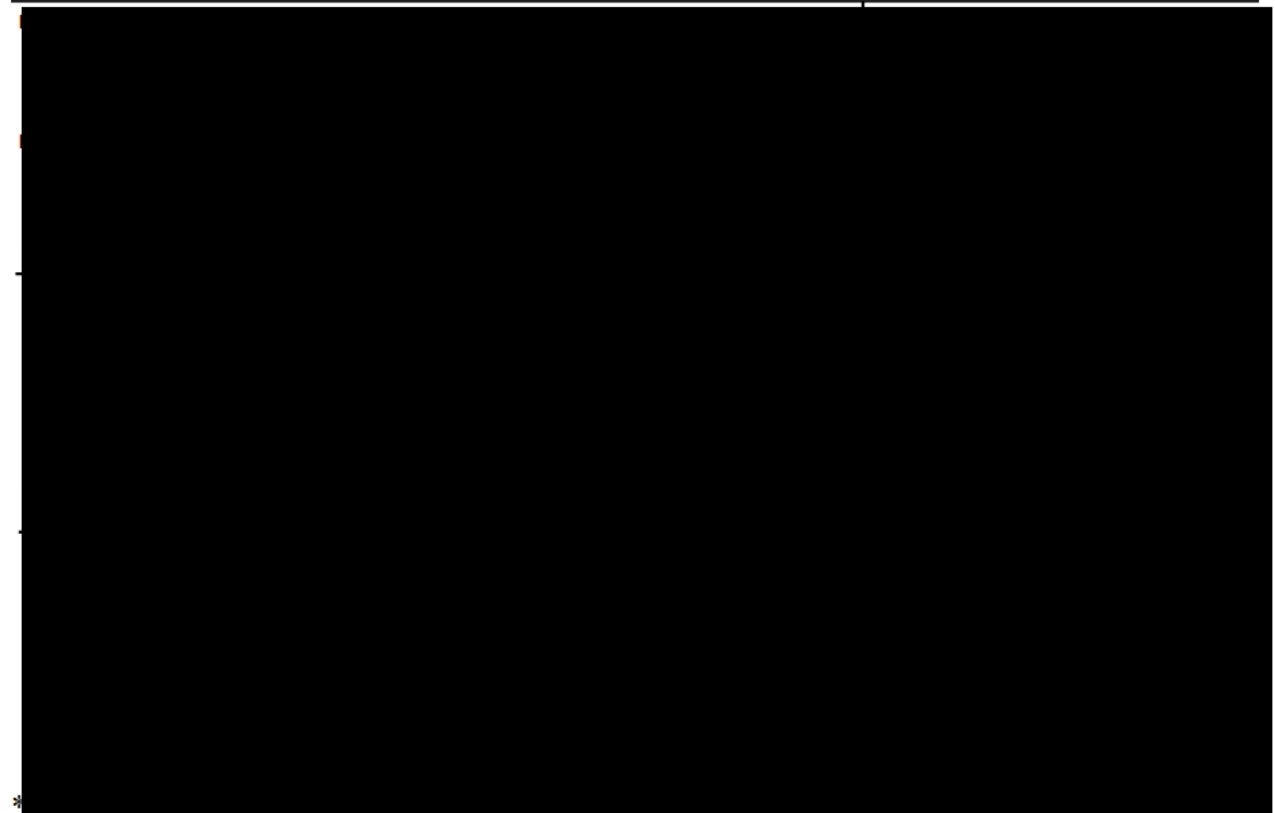
Employees seek to represent all “Aggrieved Employees” that worked for Employer during the PAGA Period. The “PAGA Period” covers the three years preceding the date this letter was submitted to the LWDA and continues past that date into perpetuity. Specifically, in connection with any alleged claims for violations of Labor Code sections 200, 201, 202, 203, 204, 210, 221, 226, 226.3, 227.3, 245, 246, 432.5, 432.7, 432.8, 1198, 1198.5, Employees seek to represent *all* employees that worked for Employer during the PAGA Period. On all other claims mentioned herein, Employees seek to represent only non-exempt employees that worked for Employer during the PAGA Period. Collectively, these employees are referred to herein as “Aggrieved Employees.”

Unpaid Minimum and Overtime Wages:

Employees are informed and believe, and based thereon allege, that Employer had and has a practice or policy of failing to compensate Employees and other Aggrieved Employees for all hours worked at the proper rates of pay. Employer knew, or should have known, that Employees and Aggrieved Employees were entitled to receive wages for all time worked, including regular, overtime, and double times wages, yet failed to pay Employees and Aggrieved Employees all wages owed for work that was required to be performed.

Employees are informed and believe, and based thereon allege, that Employer maintains a practice or policy of failing to track all minutes actually worked by Employees and Aggrieved Employees by engaging, suffering, or permitting Aggrieved Employees to work off the clock. Specifically, Employer engaged, suffered, or permitted Aggrieved Employees to work off the clock, including, without limitation, by requiring Employees and other Aggrieved Employees to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, and to make phone calls or drive off the clock.

In addition, upon information and belief, Employer detrimentally rounded, edited and/or manipulated time entries so the hours recorded were less than the hours actually worked. By way of example, Employer maintained a practice of regularly rounding Employee Leiva’s straight time and overtime to the nearest whole hour.



Given Employees personally suffered these violations of the minimum wage and overtime laws, Employees also seek to represent Aggrieved Employees in connection with other violations of the minimum wage and overtime laws, if any of these should be found. As such, Employees are informed and believe, and based thereon allege, that Employer violated, without limitation, Labor Code sections 223, 246, 510, 1197, 1198, 1182.12, and applicable Wage Orders based on its continued failure to pay minimum and overtime wages for all hours worked. Thus, Employees and other Aggrieved Employees are entitled to actual and liquidated damages under, without limitation, Labor Code sections 1194, 1194.2, and 1198. Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, or oppressive. Thus, Employer is liable for civil penalties pursuant to Labor Code sections 210, 558, 1197.1, 1199 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Non-Compliant Meal Periods:

Employees are informed and believe, and based thereon allege, that Employer had and has a policy or practice of compelling Employees and other Aggrieved Employees during the PAGA Period to work excess of five (5) and ten (10) hours per day, without being afforded uninterrupted,

timely, and complete 30-minute meal periods or compensation in lieu thereof. By way of example, Employer regularly denied Employees and Aggrieved Employees lawful meal periods by, without limitation, interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods, including without, limitation meal periods that were recorded for less than thirty minutes, and meal periods that may appear on the record to be thirty minutes or longer but in practice were shorter than thirty minutes due to time required to walk to and from a suitable break area, time spent having to wait in line to clock back in, and /or having to retrieve and store personal belongings during the meal period; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. By way of example, Employer would become upset with Employee Leiva for requesting to take his lunch break before the fifth hour and would burden Employee Leiva with tasks to complete before the fifth hour, knowing Employee Leiva would be unable to take a timely lunch. Additionally, when Employee Leiva's was required to forgo his meal period, his supervisors instructed him to enter a synthetic meal period, or "write them in," to show a compliant 30-minute meal period, although one was not taken. Moreover, Employer would tell Employee Leiva to come back to work before his 30-minute meal period had concluded. Lastly, on January 3, 2025, Employee Leiva was written up for not taking a timely meal period but was not provided with a meal period premium during that pay period.

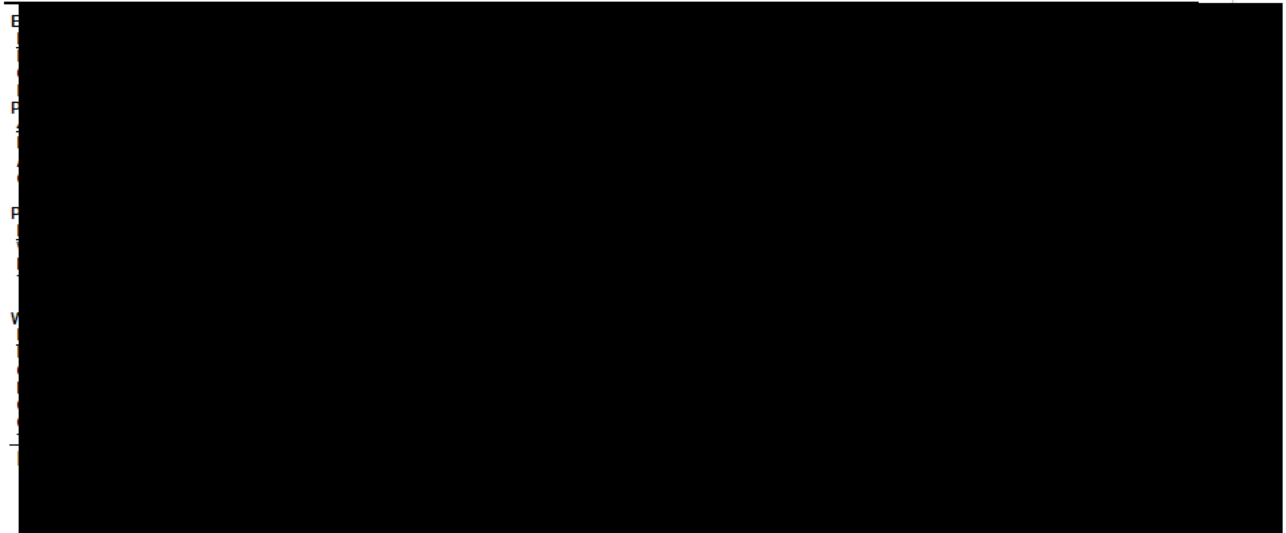
NOTICE OF MEAL PERIOD VIOLATION

Stone Chevrolet Buick GMC (the "Dealership") has notified Robert Leiva of the following meal period violations. You were provided with a copy of the Dealership's meal period policy (see attached). Since that time, the following instances of meal period violations have occurred.

☒ **First Meal Period(s) began after the start of the fifth hour**

1/3/25

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**Image has been modified from its original format for demonstrative purposes.*

Given Employees personally suffered these violations of the meal period laws, Employees also seek to represent Aggrieved Employees in connection with other violations of the meal period laws, including potential violations if any should be found.

Employees are informed and believe, and based thereon allege, that Employer violated Labor Code sections 512, 1198 and applicable Wage Order(s) each day for each Aggrieved Employee during the PAGA Period, and therefore each Aggrieved Employee was owed one hour of premium pay at their regular rate of pay for each day worked during the PAGA Period under Labor Code section 226.7. However, Employees are informed and believe that those premium payments under Labor Code section 226.7 were not made for these non-compliant meal periods, either at all or at the proper regular rate of pay. Employer is thus liable for civil penalties pursuant to Labor Code sections 210, 558, 1199 and 2699 for both failing to authorize the taking of compliant meal periods and for failing to provide premium pay under Labor Code section 226.7, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Non-Compliant Rest Periods:

Employees are informed and believe, and based thereon allege, that Employer maintains policies or practices of compelling Employees and other Aggrieved to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employees and other Aggrieved Employees to take uninterrupted, timely, and complete ten-minute rest periods in which the Aggrieved Employees are completely relieved of all of their duties, including, without limitation, by interrupting rest periods; not allowing employees to leave the premises during breaks; by failing to provide rest periods all together; failing to provide rest periods that were at least ten minutes in

length, including rest periods that were shorter than ten minutes, or rest periods that may have encompassed a total of ten minutes but were in practice less than ten uninterrupted minutes due to, without limitation, due to time required to walk to and from a suitable break area, having to retrieve and store personal belongings during the rest period, requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods; not providing rest periods in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. By way of example, Employer did not provide Employee Leiva rest breaks for the first three years of his employment and was only temporarily provided breaks, before they were withdrawn. Given Employees personally suffered these violations of the rest period laws, Employees also seeks to represent Aggrieved Employees in connection with other violations of the rest period laws, including potential violations for rest periods where Aggrieved Employees are required to clock-out, if any of these should be found. Employees are informed and believe, and based thereon allege, that Employer violated the applicable Wage Order(s) each day for each Aggrieved Employee during the PAGA Period, and that, thus each Aggrieved Employee was owed one hour of premium pay at their regular rate of pay for each day worked during the PAGA Period under Labor Code section 226.7. Employees are informed and believe that those premium payments under Labor Code section 226.7 were not made for these non-compliant rest periods, either at all or at the proper regular rate of pay, in violation of Labor Code sections 226.7 and 1198. Employer would thus be liable for civil penalties pursuant to Labor Code sections 210, 558, 1199 and 2699 for both failing to authorize the taking of compliant rest periods and for failing to provide premium pay under Labor Code section 226.7, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Inaccurate and Inadequate Recordkeeping Practices:

In addition to the above, Employees are informed and believe, and based thereon allege, that Employer failed and continues to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, time records under Labor Code section 1174, making it difficult for Employees and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide all documents requested by Employee Heredia on May 29, 2024, and Employee Leiva on February 11, 2026, in violation of these Labor Code sections, including but not limited to *all* personnel documents under Labor Code sections 432 and 1198.5, and time records in violation of Labor Code section 1174. Employees and the Aggrieved Employees personally suffered these violations, which in turn entitles Employees and other Aggrieved Employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5, 1199, and 2699. Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Inaccurate Itemized Wage Statements:

Both independently and as a result of, among other things, Employer's herein-described policies or practices, Employer also intentionally failed and continues to fail to furnish Employees and Aggrieved Employees with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the employer. Consequently, Employees are informed and believe, and based thereon allege, that Employer violated Labor Code sections 226 and 1198 each day for each Aggrieved Employee during the PAGA Period. Employees and each Aggrieved Employee personally suffered these violations and was owed penalties under Labor Code section 226 for each pay period worked during the PAGA Period. However, Employees are informed and believe that those penalties under Labor Code section 226 were not paid for these violations of Labor Code sections 226. Employer would thus be liable for civil penalties pursuant to Labor Code sections 226.3, 558, 1199, and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Failure to Timely Pay Employees at Time of Separation:

Employees are informed and believe, and based thereon allege, that Employer, both independently and for the reasons stated above, also willfully and/or intentionally failed and refused, and continues to fail and refuse, to timely pay all compensation owed to Employees and other terminated or resigned Aggrieved Employees, including but not limited to, all overtime wages owed, all minimum wages owed, vacation pay and paid time off (in violation of Labor Code section 227.3); and all premium pay owed. Consequently, Employees are informed and believe, and based thereon allege, that Employer violated Labor Code sections 201, 202, 203, 227.3 and 1198 each pay period for each Aggrieved Employee during the PAGA Period. Employees and each Aggrieved Employee personally suffered these violations and was owed penalties under Labor Code section 203 for each pay period worked during the PAGA Period. Employees are further informed and believe, and based thereon allege, that Employer's conduct above gave rise to such violations and was malicious, fraudulent, or oppressive. As such, Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1199 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(j). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Unlawful Deductions:

Employees are informed and believe, and based thereon allege, that Employer has or had a policy or practice of unlawfully deducting wages from Employees and other Aggrieved

Employees, by issuing in payment of wages due, or to become due, or as an advance on wages to be earned: (1) an order, check, draft, note, memorandum, gift card, or other acknowledgement of indebtedness, (unless it was negotiable and payable in cash, on demand, without discount, at some established place of business in the state), the name and address of which must but did not appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be but was not at least 30 days, the maker or drawer did not have sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment; and/or (2) any scrip, coupon cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money. Employees are further informed and believe, and based thereon allege, that such wages were not compensated at the “regular rate” of compensation as provided under Labor Code sections 226.7 and 510, subsection (a), thus violating those Labor Code sections, as well as Labor Code section 1198. In addition, Employees are informed and believe that Employee, by these deductions and/or otherwise, have caused wages earned by Employees and Aggrieved Employees to be charged back or kicked back to Employer. By way of example, Employer’s “Personal Appearance & Behavior” Policy requires employees to pay out of pocket for one-half the cost of their uniforms and cleaning services. Additionally, Employee Leiva’s wage statements show a “LAUNDRY-PART” post-tax deduction.

PERSONAL APPEARANCE & BEHAVIOR

The Dealership will pay one-half of the cost for each employee who would like Dealership uniforms, and a uniform cleaning service. Employees with uniform service should keep uniforms in a neat and clean condition, and will be responsible for any lost or damaged uniforms.

POST-TAX DEDUCTIONS		
Description	Current (\$)	YTD (\$)
WAGE GARNISH	-92.30	-2215.20
ACCTS REC		-3.50
LAUNDRY-PART	-5.69	-133.33
Total	97.99	2352.03

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Consequently, Employees are informed and believe, and based thereon allege, that Employees and other Aggrieved Employees have personally suffered violations under these sections and are entitled to relief under, without limitation, Labor Code sections 212, 221, 222 (as it pertains to employees governed by a CBA), 223, 226.7, 246, 510 subsection (a), 1194, and 1197. Employees are further informed and believe, and based thereon allege, that Employer’s conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

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Failure to Provide Wage Theft Notices:

Employees are informed and believe, and based thereon allege, that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employees and other Aggrieved Employees with the rates of pay and overtime rates of pay applicable to their employment; any allowances claimed as part of the minimum wage; the regular payday designated by Employer; the name of the employer, including any “doing business as” names used by the employer; the physical address of the employer’s main office and the telephone number of the employer; the name, address and telephone number of the workers’ compensation insurance carrier; information regarding paid sick leave; and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employees are informed and believe that Employer’s failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employees are informed and believe that Employer violated Labor Code sections 1198 and 2810.5. Among other relief, Aggrieved Employees may collect from Employer in connection with these violations’ civil penalties pursuant to Labor Code sections 558, 1199 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer’s conduct was malicious, fraudulent, and/or oppressive making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Failure to Reimburse Employees:

Employees are informed and believe, and based thereon allege, that Employer also failed and refused, and continues to fail and refuse, to reimburse Employees and other Aggrieved Employees, for their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for the purchase and maintenance of cellular phones and cellular phone plans, or for compelling or coercing Employees and Aggrieved Employees, including applicants, to patronize in the purchase of a value or things, including, without limitation, the Employer’s product(s) and/or service(s), in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code sections 2800 and 2802, and other statutory and common law offenses. By way of example, Employer’s “Personal Appearance & Behavior” Policy (exhibited above) requires employees to pay out of pocket for one-half the cost of their uniforms and cleaning services. As a result, Employees and other Aggrieved Employees have personally suffered these violations and Employer is liable to reimburse Employees and other Aggrieved Employees for the costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558, 1199 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer’s conduct was malicious, fraudulent, and/or oppressive making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Employees are further informed and believe, and based thereon allege, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits, together with all interest owed at the separation of employment in violation of Labor Code sections 404 and 1198. Employees and other Aggrieved Employees personally suffered these violations, and Employees and other Aggrieved Employees are entitled to damages in the amount of the deposit and accrued interest. Thus, Employer would also be liable for civil penalties under Labor Code sections 558, 1199 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Failure to Comply with Sick Pay Laws:

Employees are informed and believe, and based thereon allege, that Employer has or had a policy or practice of failing to provide Employees and other Aggrieved Employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Employees are further informed and believe that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Employees are further informed and believe that Employer also did not permit its use upon request by Employees and other Aggrieved Employees as contemplated under California and local laws, including, without limitation, under Labor Code section 233, that permits its use to attend to an illness of a child, parent, spouse, or domestic partner without retaliation. Employees are additionally informed and believe that the notice requirement of Labor Code section 221, 223, 233, 234, 245 and 246 involves a mandatory payroll or workplace injury reporting. Employees are thus informed and believe that Employer violated these Labor Code sections, as well as Labor Code section 1198. Employees and other Aggrieved Employees have personally suffered violations under these sections and Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code sections 1198 and 2699. Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Failure to Timely Pay All Wages Owed:

Employees are informed and believe, and based thereon allege, that Employer had and has a policy or practice of failing to pay Employee and Aggrieved Employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employees are informed and believe, and based thereon allege, that Employer did not and does not pay Employee and other Aggrieved Employees every day and every workweek in accordance with Labor Code sections 204 and 1198 due to, among other things, the

violations set forth above, the derivative nature of which is an implicit consequence of the rationale in *Camp v. Home Depot USA, Inc.* (2022) 84 Cal.App.5th 638. As such, Employees are informed and believe, and based thereon allege, that Employer violated Labor Code section 204. Employees and other Aggrieved Employees have personally suffered these violations. Thus, Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558, 1199 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Unlawful Terms and Conditions:

Employees are informed and believe, and based thereon allege, that Employer, including its agents, managers, superintendents, and/or officers, required Employees and/or Aggrieved Employees to agree, in writing, to terms and conditions known by Employer (and its agents, managers, superintendents and/or officers) to be prohibited by law, including, without limitation, terms known to be illegal in purported arbitration agreements, purported confidentiality agreements, and other written documents presented for signature and/or assent to Employees and/or Aggrieved Employees by Employer. Employer also required Employees and Aggrieved Employees to inform prospective employers of Employer's restrictions of Employee's and Aggrieved Employees' freedom to work. As a result, Employees are informed and believe that Employer violated Labor Code sections 432.5 and 1198. Thus, Employer would be liable for civil penalties pursuant to Labor Code sections 432.5, 1199, and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employees are further informed and believe, and based thereon allege, that Employer's conduct was malicious, fraudulent, and/or oppressive, making Employer subject to heightened civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Unlawful Background Checks:

Employees are informed and believe, and based thereon allege, that Employer had and has a practice or policy of conducting unlawful background checks on prospective and current employees, including without limitation Employees, prior to making a conditional offer. Employees are informed and believe, and based thereon allege, that Employer violated applicable laws by, without limitation: requiring job applicants and employees to disclose their conviction history before Employer made a conditional offer of employment; inquiring into or considering the conviction history of applicants before Employer made any conditional offers of employment; considering, distributing, or disseminating information about arrests not followed by conviction, referrals to or participation in a pretrial or posttrial diversion program, convictions that have been sealed, dismissed, expunged, or statutorily eradicated pursuant to law, or any conviction for which the convicted person has received a full pardon or has been issued a certificate of rehabilitation, while conducting conviction history background checks in connection with any applications for employment; intending to deny an applicant a position of employment solely or in part because of the applicant's conviction history; and asking applicants for employment to disclose, through any written form or verbally, information concerning or related to an arrest, detention, processing,

diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of the juvenile court, to the detriment of Employees and other aggrieved employees. For example, Employer's "Applicant Statement and Agreement" pictured below states that if employees are offered a position, they must agree to a background investigation, which includes inquiries into "...criminal background information..."

APPLICANT STATEMENT AND AGREEMENT

In the event of my employment to a position in this Company, I will comply with all rules and regulations of this Company. I understand that the Company reserves the right to require me to submit to a test for the presence of drugs in my system prior to employment and at any time during my employment, to the extent permitted by law. I also understand that any offer of employment may be contingent upon the passing of a physical examination. Further, I understand that at any time after I am hired, the Company may require me to submit to an alcohol test, to the extent permitted by law. I consent to the disclosure of the results of any physical examination and tests results to the Company. I also understand that I may be required to take other tests such as personality and honesty tests prior to employment and during my employment. I understand that should I decline to sign this consent or decline to take any of the above tests, my application for employment may be rejected or my employment may be terminated. I understand that bonding may be a condition of hire. If it is, I will be so advised either before or after hiring and a bond application will have to be completed. I hereby authorize the Company with which I have applied for employment to share my Application for Employment with other affiliated companies/employers, and hereby agree that all terms, conditions and/or agreements contained in this Applicant's Statement and Agreement, or any other documents pertaining to my application for employment, shall be enforceable by me and by such other companies/employers (including their managers, employees and agents), even though I have not signed a separate Applicant's Statement and Agreement for those other companies/employers.

By signing below, I acknowledge that the Company may contact my previous employers and I authorize those employers to disclose to the Company all records and information pertinent to my employment with them. In addition to authorizing the release of any information regarding my employment, I hereby fully waive any rights or claims I have or may have against my former employers, their agents, employees and representatives, as well as other individuals who release information to the Company, and release them from any and all liability, claims, or damages that may directly or indirectly result from the use, disclosure, or release of any such information by any person or party, whether such information is favorable or unfavorable to me. I authorize the persons named herein as personal references to provide the Company with any pertinent information they may have regarding myself. I further understand that as a condition of employment, I may be required to complete additional documentation which would permit the Company and its designated investigative Consumer Reporting Agency to conduct an investigation of my background, which may include inquiry into my past employment, education, and activities, including, but not limited to, credit, criminal background information and driving record.

☐ I do not wish to receive a copy of the Investigative Consumer (background) Report at no cost, if the Company collects, assembles, evaluates, compiles, reports, transmits, transfers, or communicates information on my character, general reputation, personnel characteristics, or mode of living, for employment purposes, which are matters of public record, and does not use the services of an investigative consumer reporting agency.

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Furthermore, Employee Leiva was required to sign a "Pre-Employment Inquiry Authorization Release" for Employer to request information including criminal record history, as shown below.

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PDA PIPKIN DETECTIVE AGENCY

Pre-Employment Inquiry Authorization Release for (Company Name)

I. I understand that an investigative report may be generated on me that may include information as to my character, general reputation, personal characteristics, or mode of living; work habits, performance or experience, along with reasons for termination of past employment/professional license or credentials; financial/credit history; or criminal/civil/driving record history. I understand that Merle Stone Chevrolet or its authorized agents may be requesting information from public and private sources about any of the information noted earlier in this paragraph in connection with Merle Stone Chevrolet's consideration of me for employment, promotion or position re-assignment or contract now, or at any time during my tenure with Merle Stone Chevrolet, and give my full consent for this information to be obtained.

II. I acknowledge that a telephonic facsimile (FAX) or photographic copy of this release shall be as valid as the original. This release is valid for most federal, state and county agencies.

III. I hereby authorize, without reservation, any financial institution, law enforcement agency, information service bureau, school, employer or insurance company contacted by Merle Stone Chevrolet or our authorized agents, to furnish the information described in Section I.

IV. I understand that if I am a resident of California I may obtain a free copy of the report, and now indicate my desire to do so:
☐ I request to receive a free copy of this report by checking this box. Mail / email (circle one) it to me at:
Mail or Email Address to send report copy to: _____

NOTICE TO CALIFORNIA CANDIDATES: Under section 1786.22 of the California Civil Code, you may view the file maintained on you by the Pipkin Detective Agency, Inc. during normal business hours. You may also obtain a copy of this file upon submitting proper identification and paying the costs of duplication services, by appearing at the Pipkin Detective Agency, Inc. in person or by mail. You may also receive a summary of the file by telephone. The agency is required to have personnel available to explain your file to you and the agency must explain to you any coded information appearing in your file. If you appear in person, a person of your choice may accompany you, provided that this person furnishes proper identification.

APPLICANT - PLEASE COMPLETE THE FOLLOWING:

Signature: Robert Joseph Leiva Today's Date: 8-02-21

Print Name: (First) Robert (Middle) Joseph (Last) Leiva (Maiden) _____

**Image has been modified from its original format for demonstrative purposes.*

As such, Employees are informed and believe, and based thereon allege, that Employees and other Aggrieved Employees personally suffered these violations, as well as violation of Labor Code section 1198, and that Employer violated, without limitation, Labor Code sections 432.7 and 1198, as well as Government Code section 12952, entitling Employees and other Aggrieved Employees to damages. Employees are further informed and believe, and based thereon allege, that Employer's conduct above gave rise to such violations was malicious, fraudulent, or oppressive. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.7, 432.8, 1198, and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k). Employer would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

To the extent Employer previously used the notice and cure provision of Labor Code section 2699.3 within the last twelve months, under section 2699.3(d), Employer is not eligible to cure the violations discussed herein under section 2699.3 or otherwise use the early evaluation conference process pursuant to section 2699.3(f).

In the event that Employer is determined to have satisfied sections 2699(g), 2699(h), or otherwise 2699(d)(1), Employer is also, in the alternative, liable for civil penalties pursuant to Labor Code sections 2699(j), 2699(e)(2), and 2699(f)(2).

In the event that Employer is determined to have, prior to this notice or a request for records pursuant to Labor Code section 226, 432, or 1198.5, from Employee or his/her counsel, adequately taken all reasonable steps to be in compliance with all provisions identified in this notice, Employer is still liable for civil penalties pursuant to section 2699(g)(1)-(3).

In the event that Employer is deemed to have adequately taken all reasonable steps to be in compliance with all provisions identified in this notice within 60 days of receiving this notice, Employer is still liable for civil penalties pursuant to Labor Code section 2699(h)(1)-(3).

If the LWDA or a court issued a finding or determination to the Employer within five (5) years of any of violations described above, that Employer's policy or practice giving rise to such violations was unlawful, Employer would be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(i), 2699(g)(3) and 2699(h)(3), and is **not** eligible for reduced penalties under either Labor Code sections 2699(g) or 2699(h) for remedying violations either prior to or after the serving of this notice. Regardless, as set forth above, Employees allege Employer's conduct giving rise to the violations as detailed herein was and is malicious, fraudulent, and/or oppressive. Thus, Employer is additionally subject to increased penalties under Labor Code section 2699(f)(2)(B)(ii) and, per Labor Code sections 2699(g)(3) and 2699(h)(3), is **not** eligible for reduced penalties for remedying violations either prior to or after the Employer's receipt of this notice.

Pursuant to Labor Code section 2699.3, subdivisions (a)(2)(A), (c)(1)(D)-(E), and/or (c)(2)(A)-(B), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Employees may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties or for injunctive relief under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Very truly yours,

BIBIYAN LAW GROUP, P.C.

/s/ Henry Glitz

Henry Glitz

cc: Haynes and Boone, LLP
c/o Attorneys for Defendants MERLE STONE CHEVROLET, INC.
and MEREL STONE PORTERVILLE, INC.,
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