FRONTIER
Law Center

Manny Starr | Managing Partner
manny@frontierlawcenter.com
(818) 924-4260
23901 Calabasas Road, Suite 1084
Calabasas, CA 91302
www.frontierlawcenter.com

November 11, 2024

Via Certified Mail
Welcome Group Management, LLC
703 Campus Square W. 5th Floor
El Segundo, CA 90245

Re: Maria Alvarez v. Welcome Group Management, LLC

To whom it may concern:

Enclosed herein is an official notice being sent to you and the Labor and Workforce Development Agency pursuant to Labor Code section 2699 (the "Private Attorneys General Act" or "PAGA"). This notice is being sent on behalf of our client, Maria Dolores Alvarez, the State of California, and all other similarly aggrieved employees employed by Welcome Group Management, LLC.

This letter is a required step before filing a lawsuit to impose civil penalties against Welcome Group Management, LLC for violations of the California Labor Code. We intend to file the lawsuit at the expiration of the statutory 65-day notice period, which expires on **January 15, 2025**.

Welcome Group Management, LLC is encouraged to contact our office and engage in good faith discussions regarding the claims in this letter. PAGA provides opportunities to significantly reduce potential civil penalties imposed on an employer if that employer takes "all reasonable steps" to address the alleged violations. Additionally, PAGA provides opportunities to further reduce or even completely eliminate penalties imposed on an employer if that employer "cures" certain Labor Code violations. Engaging in meet-and-confer discussions with our office is a crucial step in demonstrating efforts to reduce penalties consistent with these provisions. Conversely, failure to take reasonable steps or engage in these discussions could lead to substantially increased penalties pursuant to Labor Code section 2699(f)(2)(B).

If you would like to discuss the enclosed, please have your legal department or outside counsel contact us. Given the time-sensitive nature of these matters, we strongly recommend initiating contact within **14 days of receiving this notice**. This will ensure sufficient time to address the alleged violations, attempt any cures, or demonstrate compliance efforts within the statutory timeframes.

Sincerely,

/s/

Manny Starr

FRONTIER Law Center

Manny Starr | Managing Partner
manny@frontierlawcenter.com
(818) 924-4260
23901 Calabasas Road, Suite 1084
Calabasas, CA 91302
www.frontierlawcenter.com

November 11, 2024

Via Online Filing
http://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html

Via Certified Mail
Welcome Group Management, LLC
703 Campus Square W. 5th Floor
El Segundo, CA 90245

Subject: Maria Alvarez v. Welcome Group Management, LLC
Amended PAGA Letter
LWDA-CM-1037447-24

Dear Representative:

This office represents Maria Alvarez ("Plaintiff") in connection with Labor Code violation claims related to their employment with Welcome Group Management, LLC ("Employer").

Plaintiff was subjected to at least one of the Labor Code violations alleged in this letter while employed by Employer. Plaintiff intends to seek PAGA penalties on behalf of herself and all other non-exempt employees who were subjected to any or all of the Labor Code violations 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:

Minimum Wage Violations

Labor Code section 1197 and the applicable Wage Order require an employer to pay an employee no less than the minimum wage for all hours worked.

Employer failed to pay the Aggrieved Employees the minimum wage for all hours worked because the Aggrieved Employees were required to perform work while off the clock. Specifically, they were instructed to prepare and restock carts after clocking out, and to gather necessary supplies before officially starting their shifts to ensure availability due to limited resources.

Civil Penalties Applicable to Minimum Wage Violations

As a result of the above minimum wage violations, Employer is subject to the civil penalties listed in Labor Code sections 1197.1 and 2699.

Overtime Violations

Labor Code section 510 and the applicable Wage Order provide that an employee shall be paid one and one-half times their regular rate of pay for any work in excess of eight hours in one workday or 40 hours in any one workweek. Labor Code section 510 and the applicable Wage Order further provides that an employee shall be paid twice their regular rate of pay for any work in excess of 12 hours in one day.

Unpaid Overtime Due to Off the Clock Work

The Aggrieved Employees regularly worked in excess of eight hours in a day and 40 hours in a workweek. Since the Aggrieved Employees were required to perform work off the clock, it follows that this time was often overtime. Thus, the Aggrieved Employees were not paid all overtime wages owed.

Civil Penalties Applicable to Overtime Violations

As a result of the above overtime violations, Employer is subject to the civil penalties listed in Labor Code sections 558, 1197.1, and 2699.

Meal Break Violations

Labor Code section 512 and the applicable Wage Order provides that an employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, or more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes. Meal periods must be uninterrupted, and the employee must be relieved of all duty.

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 meal period was not provided.

The Aggrieved Employees' meal breaks were regularly missed, late, short, and or interrupted because they were often required to continue working during these periods. Additionally, the high workload and tight schedules made it impractical to take full, uninterrupted breaks.

An employer provides compliant meal breaks to its employees "if it relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted 30-minute break." (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040.)

Here, the Aggrieved Employees were required to remain on premises and on duty because there was often no designated time where they could take a sufficient meal break.

Civil Penalties Applicable to Meal Break Violations

As a result of the above meal break violations, Employer is subject to the civil penalties listed in Labor Code sections 558 and 2699.

Rest Break Violations

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.

Missed or Short Rest Breaks

The Aggrieved Employees' rest breaks were regularly missed and/or short because the demanding nature of their work and the high number of rooms they were required to service did not allow adequate time for breaks.

On Call / On Duty Rest Breaks

The Aggrieved Employees were required to remain on call and generally on duty during their rest breaks. Employers may not impose any limits on rest breaks. (*Augustus v. ABM Sec. Servs., Inc*. (2016) 2 Cal. 5th 257, 269 (an employer cannot "satisfy its obligation to relieve employees from duties and employer control during rest periods when the employer [] requires its employees to remain on call".) Thus, Employer violated the Labor Code by requiring the Aggrieved Employees to remain on call and on duty during their rest breaks.

An employer generally may not place restrictions on its employees during their rest breaks, such as requiring its employees to remain on the premises and subject to the employer's control. In fact, the Division of Labor Standards Enforcement has provided the following guidance on its website:

> Q. Can my employer require that I stay on the work premises during my rest period?
>
> A. No, your employer cannot impose any restraints not inherent in the rest period requirement itself. In *Augustus v. ABM Security Services, Inc*., (2016) 5 Cal.5th 257, 269, the California Supreme Court held that the rest period requirement "obligates employers to permit-and authorizes employees to take-off-duty rest periods. That is, during rest periods employers must relieve employees of all

duties and relinquish control over how employees spend their time." (citation omitted) As a practical matter, however, if an employee is provided a ten minute rest period, the employee can only travel five minutes from a work post before heading back to return in time.

Here, since the Aggrieved Employees were not allowed to leave the work premises during their rest breaks, they were subject to Employer's control during the rest breaks. Thus, the Aggrieved Employees were not provided with compliant rest breaks.

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.

<u>Unreimbursed Work Expenses</u>

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.

Here, the Aggrieved Employees incurred out of pocket expenses in connection with their employment, but these expenses were not reimbursed by Employer. Specifically, they were required to purchase their own cleaning supplies.

Civil Penalties Applicable to Work Expense Violations

As a result of Employer's failure to reimburse all work-related expenses, Employer is subject to the civil penalties listed in Labor Code section 2699.

<u>Wage Statement Violations</u>

Labor Code section 226 requires an employer to provide wage statements to its employees which include, among other things, gross and net wages earned, total hours worked, all applicable hourly rates in effect during the pay period, and the corresponding number of hours worked at each hourly rate. 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.

Sincerely,

/s/

Manny Starr