



August 21, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Enrique Munoz v. Safeguard America Security, Inc., et al.*

To Whom It May Concern:

Please be advised that this law firm represents Enrique Munoz in claims arising from his employment with Safeguard America Security, Inc.; and DOES 1 through 100 (collectively “SAS”). Mr. Munoz is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to SAS’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Sections 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

SAS is in the business of providing security services throughout California. Mr. Munoz worked for SAS from approximately August 2023 through April 18, 2024, as a Security Guard. Mr. Munoz’s job responsibilities included providing security services at hotels participating in the PATH and HOPE programs, which serve to shelter homeless people, performing work at the front desk in addition to his duties in patrolling the premises. Mr. Munoz estimates that he worked Monday through Sunday from approximately 7:00 p.m. to 7:00 a.m. for approximately 70% of the weeks he worked for SAS, and that he worked Monday through Friday from 7:00 p.m. to 7:00 a.m. the remaining 30% of the weeks he worked for SAS.

For purposes of this letter, the “aggrieved employees” whom Mr. Munoz seeks to represent are the other non-exempt employees of SAS in California at any time during the one year preceding the date of this letter through the present.

Throughout the duration of Mr. Munoz’s employment with SAS, Mr. Munoz and other aggrieved employees were not paid for all hours worked. Furthermore, Mr. Munoz and other aggrieved employees routinely worked overtime/doubletime hours but did not receive overtime/doubletime compensation equal to one and one-half times their regular rate of pay for all overtime hours worked. Specifically, SAS maintained a strict policy/practice of only compensating Mr. Munoz and other aggrieved employees at a straight time rate regardless of the amount of hours they worked in a blatant effort to deny earned overtime/double time wages due to them. Furthermore, beyond the issue of failing

to pay all overtime and doubletime hours, to which Mr. Munoz and other aggrieved employees were duly entitled to by virtue of their 12-hour daily shifts and 7 day per week schedule, SAS routinely failed to pay Mr. Munoz and other aggrieved employees hours worked whatsoever. Indeed, Mr. Munoz and other aggrieved employees would frequently notice hours worked missing from their paychecks entirely. Upon information and belief, SAS did not maintain any formal or accurate timekeeping system. Instead, SAS would instruct Mr. Munoz and other aggrieved employees to write their hours in on a piece of paper and subsequently shave time from their time sheets, paying them whatever they felt was "appropriate". Indeed, the wages that Mr. Munoz and other aggrieved employees received from SAS were in no way reflective of the hours that they actually worked or the monies they were actually entitled to, rather SAS just elected to pay Mr. Munoz and other aggrieved employees whatever they felt like paying them, which always served to drastically undercompensate them. As such, Mr. Munoz and other aggrieved employees were routinely and intentionally denied minimum wages, overtime wages, and double time wages as a consequence of its openly stated policies/practices of only paying employees straight time wages for hours worked, if at all. Consequently, due to SAS' unlawful timekeeping and payment policies and practices that failed to compensate for all hours worked, Mr. Munoz and other aggrieved employees have been deprived of all required minimum, overtime, and doubletime wages earned.

Mr. Munoz and other aggrieved employees were not authorized to take all legally required rest periods. Mr. Munoz does not recall ever receiving a rest period throughout his employment with SAS. Instead, he would be made to work generally throughout the entirety of his shifts without interruption outside of the rare shifts that he was afforded a meal period. SAS told Mr. Munoz that they would schedule other security guards to work to relieve Mr. Munoz for his breaks, but there were no security guards available to relieve him due to SAS' chronic and intentional understaffing of the facilities that Mr. Munoz and other aggrieved employees worked at. Indeed, Mr. Munoz was generally the only security guard working at his post during any given shift and was not relieved of his duties until his shift concluded, thus making any rest periods that SAS purport to have provided him inherently on-duty and legally non-compliant. Accordingly, Mr. Munoz and other aggrieved employees endured rest period violations, whether they were missed, short or on-duty on most, if not all, shifts that they worked for SAS. Despite SAS' failure to authorize and permit Mr. Munoz and other aggrieved employees to take all lawful paid rest periods, due to their uniform and unlawful practices, SAS never provided Mr. Munoz and other aggrieved employees with an hour of pay at their regular rate for each rest period violation as required by Labor Code § 226.7. Upon information and belief, during at least a portion of the time period in question, SAS maintained no payroll code or another mechanism for the payment of rest period premiums in the event Mr. Munoz and other aggrieved employees were not authorized to take lawful rest periods.

SAS also did not provide Mr. Munoz and other aggrieved employees with legally complaint meal periods. Specifically, Mr. Munoz and other aggrieved employees were rarely, if ever, entitled to exercise the use of a thirty-minute uninterrupted meal period despite almost always working at least 6.0 hours in a day. Rather, Mr. Munoz and other

aggrieved employees would generally work through their shifts without taking any time for a compliant meal period whatsoever, instead opting to eat while on-duty working, if at all. SAS was not only aware of, but actively encouraged this practice. Furthermore, to the extent that Mr. Munoz and other aggrieved employees ever received anything resembling a meal period, they were inherently non-compliant as SAS did not permit Mr. Munoz and other aggrieved employees to leave the premises of their job-sites at any point during their shifts. Additionally, upon information and belief, SAS did not employ any practices or procedures to track the meal periods of Mr. Munoz and other aggrieved employees even on those occasions where they had an opportunity to exercise one. SAS also failed to provide second meal periods when Mr. Munoz and other aggrieved employees worked shifts in excess of 10.00 hours. Mr. Munoz always worked in excess of 10 hours during his employment, but he cannot recall ever receiving a second meal period. Despite SAS' failure to provide Mr. Munoz and other aggrieved employees with all lawful meal periods due to their uniform and unlawful practices, SAS never provided Mr. Munoz and other aggrieved employees with an hour of pay at their regular rate for each meal period violation as required by Labor Code § 226.7.

SAS failed to adequately reimburse Mr. Munoz for all reasonable and necessary work expenditures, including but not limited to, requiring Mr. Munoz and other aggrieved employees to utilize their personal cellular phones in the performance of his job duties. Mr. Munoz and other aggrieved employees conducted all work-related communications on their personal cellular phones, such as discussions with supervisors regarding assignments, scheduling, and any other matter that arose during their shifts and often after the conclusion of their shifts, but did not ever receive any reimbursements for the necessary use of their personal cellular phones

SAS failed to meet its obligations to provide paid sick leave to Mr. Munoz and other aggrieved employees under Labor Code § 245.5(b) which requires that employers authorize and permit its employees who worked 30 or more days within a year to accrue paid sick leave, and to allow them to exercise paid sick leave on or after their 90th day of employment. Despite meeting all of the statutory requirements for being able to accrue and utilize paid sick leave, Mr. Munoz and other aggrieved employees were not provided paid sick leave on all of those occasions where they needed to take a "sick day" in violation of Labor Code § 245.5(b).

SAS also maintained inaccurate payroll records, and issued inaccurate and deficient wage statements, in part due to Defendant's failure to pay all minimum, overtime, and doubletime wages, and meal and rest period premium wages. Furthermore, SAS failed to conform with the requirements of Labor Code § 226(a) by wholly failing to provide Mr. Munoz and other aggrieved employees with itemized wage statements. Instead, SAS would pay Mr. Munoz and other aggrieved employees with personal checks. As a result of SAS' failure to pay all minimum/overtime/doubletime wages, and failure to provide all required meal periods and authorize all rest periods or pay premium pay in lieu thereof to Mr. Munoz and other aggrieved employees, SAS has maintained inaccurate payroll records, failed to timely pay all wages owed to employees, and issued inaccurate

wage statements.

Furthermore, SAS violated Labor Code § 204 by failing to pay Mr. Munoz and other aggrieved employees all wages earned at least twice during each calendar month.

Finally, SAS failed to conform to the requirements of Labor Code § 2810.5 by failing to provide Mr. Munoz and other aggrieved employees written notices, in the language normally used to communicate employment related information to the employees, containing information regarding their: i) rate(s) of pay and the basis thereof; ii) allowances claimed as part of the minimum wage; iii) regular payday designated by the employer; iv) the legal name of the employer; vi) the address of the legal entity that is the employer; vii) the telephone number of the employer; viii) identifying information for the employer's workers' compensation insurance carrier; and ix) information informing the employee of their right to accrue and use paid sick leave. Despite maintaining an obligation to provide these disclosures to Mr. Munoz and other aggrieved employees, SAS failed to do so in violation of Labor Code § 2810.5.

As described above, SAS committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 4 ("Wage Order 4"):

Minimum Wage Violations

SAS was required to pay Mr. Munoz and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. See Labor Code §§ 1182.12, 1194; 1194.2, 1197; Wage Order 4 § 4. As alleged above, SAS maintained and maintains timekeeping policies/practices that regularly, systematically, and impermissibly underreport the hours worked by Mr. Munoz and other aggrieved employee whether by rounding, time-shaving, or otherwise. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Munoz and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

SAS was required to pay Mr. Munoz and other aggrieved employees overtime wages for all overtime hours worked. See Labor Code §§ 1194(a) and 1198; Wage Order 4, § 3. Wage Order 4, § 3 requires an employer to pay overtime wages when an employee's hours worked cross certain thresholds or meet certain criteria set forth in the Wage Order. At all times relevant herein, SAS caused Mr. Munoz and other aggrieved employees to work overtime hours but did not compensate Mr. Munoz and other aggrieved employees at one and one-half times their regular rate of pay for such hours.

Meal Period Violations

As alleged above, SAS failed to provide Mr. Munoz and other aggrieved employees with all required and compliant meal periods due to SAS's meal period policies/practices that often fail to provide 30 minute off-duty first meal periods before the end of the fifth hour of work. See Labor Code §§ 226.7 and 512; Wage Order 4, § 11. As a result, Mr. Munoz and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As alleged above, SAS also failed to authorize and permit Mr. Munoz and other aggrieved employees to take all required paid rest periods. See Labor Code §§ 226.7 and 516; Wage Order 4, § 12. As a result, Mr. Munoz and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required paid rest periods. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse for Necessary Business Expense

At all relevant times herein, SAS was subject to Labor Code § 2802, which states that "an employer shall indemnify his or her employees 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...". Due to SAS' unlawful policy and practice of requiring employees to use their personal cellular phones in the performance of their job duties, SAS has violated Labor Code §§ 2802 and 2804.

Wage Statement Violations

SAS was required to furnish Mr. Munoz and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. See Labor Code §§ 226(a) and 1174(d); Wage Order 4, § 7. As a result of SAS's failure to pay all overtime/doubletime wages, minimum wages, and failure to pay all required meal and rest period premium wages, SAS maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Munoz and other aggrieved employees in violation of Labor Code § 226. Furthermore, SAS violated Labor

Code § 226(a) entirely by failing to provide wage statements to Mr. Munoz and other aggrieved employees in any fashion, in favor of paying them with personal checks.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. SAS failed to timely pay Mr. Munoz and other aggrieved employees all of their final wages at the time of separation, which included all overtime and minimum wages, and all meal and rest period premium wages at the time of aggrieved employees' separation of employment. Pursuant to Labor Code § 203, SAS' failure to pay all final wages due to Mr. Munoz and other aggrieved employees was willful and, consequently, entitles Mr. Munoz and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day SAS failed to pay their final wages after their separation from employment, up to a maximum of thirty days.

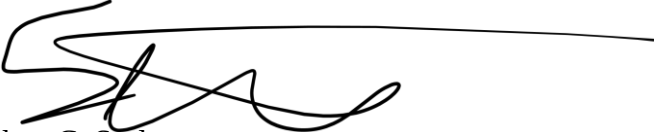
As an "aggrieved employee," Mr. Munoz will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Munoz's own investigation, and on information and belief, SAS committed and continues to commit the following Labor Code violations:

- a. SAS violated Labor Code §§ 551-552, 558, 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Munoz and other aggrieved employees the statutory minimum wage for all hours worked;
- b. SAS violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Munoz and other aggrieved employees all overtime compensation earned;
- c. SAS violated Labor Code §§ 226.7, 512, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Munoz and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. SAS violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Munoz and other aggrieved employees from taking all required paid rest periods, and/or failing to pay all rest period premiums to Mr. Munoz and other aggrieved employees at their respective regular rates of compensation;
- e. SAS violated Labor Code § 226 by failing to furnish Mr. Munoz and other aggrieved employees with accurate and compliant itemized wage statements;
- f. SAS violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due upon separation of employment to Mr. Munoz and other aggrieved employees;

- g. SAS violated Labor Code § 204 by failing to pay Mr. Munoz and other aggrieved employees all wages earned at least twice during each calendar month;
- h. SAS violated Labor Code § 245.5 by failing to permit and authorize Mr. Munoz and other aggrieved employees to exercise the use of their accrued paid sick leave days;
- i. SAS violated Labor Code § 2802 by failing to reimburse Mr. Munoz and other aggrieved employees for all necessary business expenditures; and
- j. SAS violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Munoz and other aggrieved employees; and
- k. SAS violated Labor Code § 2810.5 by failing to provide legally mandated disclosures and/or written notices regarding the terms of employment of Mr. Munoz and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and SAS if the LWDA intends to investigate the alleged violations of the Labor Code stated herein. Please contact me should you require additional information.

Very truly yours,
STANSBURY BROWN LAW, PC



Ethan C. Surls

cc: Safeguard America Security, Inc. (via certified mail)