ABRAMSON
LABOR GROUP

1700 W Burbank Blvd.
Burbank, California 91506
t | 213.493.6300
Cheryl.K@abramsonlabor.com
www.AbramsonLaborGroup.com

August 20, 2024

**VIA ONLINE SUBMISSION**

Stewart Knox, Secretary
California Labor & Workforce
Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

**VIA CERTIFIED MAIL**

ISL Employees, Inc.
Attn: Legal Department
2333 State Street, Suite 300
Carlsbad, CA 92008

Oak Cottage Operator NT-HCI, LLC
Attn: Legal Department
4350 East West Highway, Suite 1050
Bethesda, MD 20814

ISL Employees, Inc.
Oak Cottage Operator NT-HCI, LLC
Attn: Human Resources
1820 De La Vina St.
Santa Barbara, CA 93101

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CALIFORNIA LABOR CODE SECTION 2698, *ET SEQ.***

To: The California Labor and Workforce Development Agency; ISL Employees, Inc.; Oak Cottage Operator NT-HCI, LLC

From: Ricardo Huaste, on behalf of himself and all other current and former hourly nonexempt employees for violations of the California Labor Code

To Whom It May Concern:

Abramson Labor Group has been retained by former employee Ricardo Huaste ("Mr. Huaste") to seek compensation and all other available relief, including civil penalties on his behalf and on the behalf of all those similarly aggrieved (collectively with Mr. Huaste, "Claimants") who have been injured by ISL Employees, Inc. doing business as Integral Senior Living ("Integral Senior Living") and Oak Cottage Operator NT-HCI, LLC doing business as Oak Cottage's ("Oak Cottage") violations of the California Labor Code. Integral Senior Living and Oak Cottage shall be collectively referred to as "ISL." Mr. Huaste, on behalf of himself and all other similarly aggrieved current and former hourly nonexempt employees of Oak Cottage, intends to seek civil penalties, attorneys' fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.* of the Labor Code Private Attorneys General Act of 2004 ("PAGA").

**Factual Statement:**

ISL operates several senior independent living, assisted living, and memory care communities throughout California, including Oak Cottage in Santa Barbara where Mr. Huaste worked.

Claimant Mr. Huaste worked for ISL as an hourly, nonexempt employee in the position of Medicine Technician, earning $23.99 per hour from approximately May 2019 through approximately June 8, 2024. Mr. Huaste, on behalf of himself and all other similarly aggrieved current and former employees in California in various positions, are or were engaged in providing a variety of services, care, and assistance to senior residents living in ISL's facility. As part of their employment with ISL, Claimant and other hourly, nonexempt employees, collectively, "hourly nonexempt employees," are or were assigned to and required to suffer and permitted to work without pay, while performing tasks collectively including, but not limited to, answering phone calls from family members, doctors, pharmacies, and other employees; contacting doctors on behalf of residents'; providing basic wound care; filing paperwork; overseeing care staff; transporting personal hygiene care shipments to storage in the facility; handling pharmacy deliveries to the facility; helping residents communicate with their families; and helping residents with their personal hygiene and care.

Claimant Mr. Huaste regularly worked four to five (4-5) days per week for 8 hours or more hours per day. During the entire course of his employment, ISL failed to provide Mr. Huaste and continues to fail to provide those similarly aggrieved with some overtime pay and compliant meal periods and rest breaks. ISL has also failed to pay minimum wages to Mr. Huaste and other hourly, nonexempt employees in violation of Labor Code sections 510, 1194, 1197, and 1182.12, and section 4 of IWC Wage Order No. 5-2001. As a consequence, ISL has failed to comply with Labor Code sections 226.7, 510, and 512, and sections 3, 11, and 12 of all applicable Industrial Welfare Commission ("IWC") Wage Orders, including but not limited to, IWC Wage Order No. 5-2001. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, ISL has failed to compensate Claimants at a rate of one and one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek.

ISL has also failed and continues to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, ISL has failed and continues to fail to provide timely, accurate wage statements to Mr. Huaste and other aggrieved persons in violation of Labor Code section 226(a). With regard to those no longer employed by ISL, including Mr. Huaste, ISL has violated Labor Code section 203 by failing to pay all wages due upon separation. Mr. Huaste is informed and believes that such violations are ongoing, systematic, and continuous. Mr. Huaste intends to bring an action against ISL under the Private Attorneys General Act ("PAGA") to recover wages and penalties as provided by California law.[1]

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[1] Without limitation, Mr. Huaste, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes each provision as set forth in Labor Code section 2699.5 as follows:

> The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230A, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198,

**Theories of Labor Code Violations and Remedies:**

Claimant Mr. Huaste was employed by ISL from approximately May 2019 through approximately June 8, 2024 as a Medicine Technician. For a period of at least four (4) years prior to August 2024, but for our purposes here, one (1) year prior, ISL has violated and continues to violate the California Labor Code sections as detailed below.

Claimants also were at all times entitled to payment of **minimum wages**. ISL has failed and continues to fail to pay Claimants minimum wages for all hours worked as required by Labor Code sections 510, 1194, and 1194.2 and section 4 of IWC Wage Order No. 5-2001. First, Defendant Claimants worked a substantial amount of time while off-the-clock—meaning they were not punched in for work—and therefore, those working hours were not recorded and then compensated. This off-the-clock time primarily occurred because Claimants (1) moved package deliveries that needed to be moved immediately because the packages were blocking ingress and egress and (2) assisted residents who needed immediate attention while Claimants happened to be clocked out. Claimants' off-the-clock time was never subsequently added and, therefore, uncompensated. Accordingly, Claimants were not paid for that time spent working off the clock. Second, Defendant enforces practices that effectively require Claimants to perform work during their meal periods and rest breaks, the effects of which Defendant could have mitigated by increasing staff to at least provide coverage for other employees. However, Defendant instead chose to instruct Claimants to remain on call during their meal periods and rest breaks and to work through their rest breaks when staff were in demand. In effect, these policies and practices cause Claimants to remain on-duty during meal periods and rest breaks, and therefore, constitute a failure on ISL's part to provide compliant meal periods and rest breaks. With that, ISL's corresponding failure to provide premium pay at the correct regular rate, if any premiums were paid at all, in lieu of compliant meal periods and rest breaks constitutes ISL's failure to pay minimum wages and all hours worked every pay period and upon separation in violation of Labor Code sections 201, 202, 203, 204, 226(a), 510, 1182.12, 1194, and 1197. ISL's failure to pay Claimants their meal period and rest break premiums for noncompliant meal periods and rest breaks, as explained in further detail below, also constitutes a failure to pay minimum wages to Claimants. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 1197.1 and section 20 of IWC Wage Order No. 5-2001.

Claimants were at all times entitled to unpaid off-duty, uninterrupted **meal periods**. As explained in the preceding paragraph, ISL failed to authorize and permit full-length meal periods for Mr. Huaste and all other similarly aggrieved employees as required by Labor Code sections 226.7 and 512 and section 11 of IWC Wage Order No. 5-2001. Mr. Huaste and all similarly aggrieved persons were required to perform work during their meal periods in the form of monitoring their communication devices (radios) in case they needed to return to work early from their meal periods. In several instances, Claimants indeed were summoned to return to work to handle tasks that required their attention. Claimants were instructed to clock back in only after their 30-minute meal period had elapsed even though they were required to return to work prematurely. This was to avoid the system triggering the payment due for a meal period premium. As a result, ISL did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant meal periods for each workday on which they occurred. Accordingly, since ISL required Mr. Huaste and others similarly situated to work during their meal periods in violation of Labor Code sections 226.7(a) and

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subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651., and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

512, Claimants seek all available penalties as set forth in Labor Code sections 558, section 20 of IWC Wage Order No. 5-2001, and 2699(f).

Claimants were at all times entitled to take paid, off duty 10-minute **rest breaks**. However, for the same reasons cited in the preceding paragraph regarding meal periods, ISL likewise failed to authorize and permit Mr. Huaste and all other similarly aggrieved employees to take full-length, off-duty rest breaks as required by Labor Code sections 226.7 and section 12 of IWC Wage Order No. 5-2001. Claimants were not able to take their requisite number of 10-minutes rest breaks based on their shift duration; in these instances, Claimants regularly worked through their rest breaks. And for rest breaks actually taken, Claimants were not off duty because they were required to remain on call by monitoring their radios in case they were summoned to return to work to handle a task that required their attention. Many times these interruptions actually did require Claimants to return to work early. ISL did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant rest breaks for each workday on which they occurred. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 558 and section 20 of IWC Wage Order No. 5-2001. Furthermore, since ISL required their hourly nonexempt employees to perform work during rest periods in violation of Labor Code section 226.7(b), Claimants seek all available penalties set forth in Labor Code sections 558 and 2699.

At all times relevant herein, Claimants were entitled to the payment of **overtime**. That is, pursuant to Labor Code sections 510, 1194, 1197, and 1182.12, ISL was required to compensate Claimants at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek. Mr. Huaste and Claimants regularly worked overtime hours. ISL has failed to and continues to fail to pay Claimants overtime wages owed for off-the-clock time worked that should have been compensated as overtime, yet regularly required them to work these overtime hours without premium pay under Labor Code section 1194. In short, during the entire course of their employment, ISL failed to provide Mr. Huaste and continues to fail to provide all others similarly situated with all overtime pay in violation of 226.7, 510, and 512 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 5-2001, section 3.

Pursuant to Labor Code sections 201–203, Claimants who have since separated from ISL, including Mr. Huaste, were entitled to be paid all **wages owed upon separation** within the statutorily allotted time—immediately (resignation with notice and termination) or within seventy-two (72) hours (resignation without notice). Claimants, including Mr. Huaste, did not receive all wages owed upon separation based on (1) underpayment of accrued vacation time/paid time off because the wrong payrate was used instead of Mr. Huaste's current payrate and (2) ISL's prior failings to pay all wages owed every pay period, including but not limited to minimum wage, overtime, and meal and rest premiums owed and for all hours worked, as explained above.

Claimants were at all times entitled to be provided timely and accurate **wage statements** from ISL pursuant to Labor Code section 226. Because ISL failed to pay Claimants all of their meal period and rest break premiums for noncompliant meal periods and rest breaks and failed to pay Claimants minimum wages for all hours worked before, during, and after their shifts and for all overtime wages due, Claimants' wage statements were inaccurate in reflecting meal period and rest break premiums owed, overtime and minimum wages, and all hours worked every pay period. Their wage statements were also inaccurate in showing the correct payrate for accrued vacation time/paid time off on Claimants' final paychecks. As a consequence, Claimants' wage statements also do not reflect the accurate amount of net and gross wages owed. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

ISL's uniform failure to pay minimum and overtime wages, failure to authorize and permit full-length, off-duty meal periods and rest breaks or pay Claimants adequate premium compensation in lieu thereof, failure to keep accurate time records, failure to furnish timely and accurate wage statements, failure to pay all wages owed upon separation all violate Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1182.12, 1194, and 1197, and as such, penalties are recoverable as set forth in Labor Code sections 210, 1194, *et seq.*, and 2699.

Claimants are entitled to recover unpaid wages, with interest, and are entitled to an award of attorneys' fees as permitted by Labor Code section 1194, other penalties as permitted by Labor Code sections 210 and 2699, and waiting time penalties for former employees pursuant to Labor Code section 203.

Accordingly, Claimants seek the remedies set forth in the above-referenced Labor Code sections for themselves, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, Mr. Huaste, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against ISL for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, and 1197.1.

Should you require any additional information, please feel free to contact me.

Sincerely,

**ABRAMSON LABOR GROUP**

Cheryl Kenner

Cheryl A. Kenner