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September 26, 2024

Via Certified Mail

Oak Harbor Freight Lines, Inc
1339 West Valley Highway North
Auburn, WA 98001

Oak Harbor Freight Lines, Inc
PO Box 1469
Auburn, WA 98071

Re: Sammy Burrola v. Oak Harbor Freight Lines, Inc

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, Sammy Burrola, the State of California, and all other similarly aggrieved employees employed by Oak Harbor Freight Lines, Inc.

This letter is a required step before filing a lawsuit to impose civil penalties against Oak Harbor Freight Lines, Inc 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 **December 2, 2024**.

Oak Harbor Freight Lines, Inc 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/

Daniel Ginzburg



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Oak Harbor Freight Lines, Inc
1339 West Valley Highway North
Auburn, WA 98001

Oak Harbor Freight Lines, Inc
PO Box 1469
Auburn, WA 98071

Subject: *Sammy Burrola v. Oak Harbor Freight Lines, Inc*

Dear Representative:

This office represents Sammy Burrola (“Plaintiff”) in connection with Labor Code violation claims related to their employment with Oak Harbor Freight Lines, Inc (“Employer”). Employer can be contacted at:

Oak Harbor Freight Lines, Inc
1339 West Valley Highway North
Auburn, WA 98001

Oak Harbor Freight Lines, Inc
PO Box 1469
Auburn, WA 98071

Plaintiff has personally suffered each of the Labor Code violations alleged in this letter while employed by Employer within the applicable one-year statute of limitations period. 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 (together with Plaintiff, “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.

In response to Labor Code violations alleged below, PAGA provides Employer with specific options to mitigate potential penalties:

Taking All Reasonable Steps to Be in Compliance:

Employer can reduce potential penalties to 15% of the maximum by demonstrating it has already taken all reasonable steps to be in compliance with all Labor Code provisions identified in this notice prior to receiving it. If Employer believes it has already taken all reasonable steps to be in compliance with all Labor

Code provisions identified in this notice, Employer is encouraged to contact our office to set forth all reasonable steps taken.

If all reasonable steps are taken to be in compliance with all Labor Code provisions identified in this notice within 60 days after receiving it, penalties may be reduced to 30% of the maximum. If Employer intends to take all reasonable steps to be in compliance with all Labor Code provisions identified in this notice, Employer is encouraged to engage in good faith meet-and-confer discussions with our office regarding the alleged violations. Failure to do so may support a finding that all reasonable steps were not taken to comply with the Labor Code provisions identified herein.

Curing Violations:

For certain violations, Employer has the opportunity to fully cure the alleged violations to further reduce penalties or even avoid penalties altogether. Once again, we strongly encourage Employer to promptly initiate meet-and-confer discussions with our office as part of any compliance or cure efforts. Failure to do so may result in a cure that is insufficient.

Employer must notify both our office and the Labor and Workforce Development Agency (LWDA) of any steps taken towards compliance or any attempts to cure. Not only does this approach demonstrate a good faith attempt to come into compliance, but failure to do so could potentially support a finding that Employer's conduct was malicious, fraudulent, or oppressive, thereby leading to increased penalties pursuant to Labor Code section 2699(f)(2)(B).

All communications regarding this matter should be directed to:

Frontier Law Center
23901 Calabasas Road, Suite 1084
Calabasas, CA 91302

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 requires 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, Aggrieved Employees were required to perform work related tasks before clocking-in and out.

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 provides 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.

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.

Overtime must be paid based off an employee's regular rate of pay. Here, Employer failed to incorporate all remunerations, non-discretionary bonus, into the calculation of the regular rate of pay for purposes of calculating the Aggrieved Employees overtime rates.

Specifically, the Aggrieved Employees received non-discretionary bonus, however, these non-discretionary bonuses were not included in the Aggrieved Employees regular rate of pay for purposes of calculating their overtime rate of pay. This resulted in the underpayment of overtime to the Aggrieved Employees.

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 late or short because Aggrieved Employees' break would be interrupted by demands of customers.

Premium pay for missed meal breaks must be paid at the employees' regular rate of pay. (*Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858 (2021)). The regular rate of pay includes all remunerations, including shift differentials, incentive pay, and other non-discretionary bonuses. Here, the Aggrieved Employees received non-discretionary bonuses, however, this pay was not included in the calculation of premium pay paid for missed meal 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*, 53 Cal.4th 1004, 1040 (2012)).

Here, the Aggrieved Employees were required to remain on premises by Employer to assist customers.

Not only must an employer affirmatively relieve its employees of all duty during their meal breaks, it also must not “impede or discourage” its employees from taking compliant meal breaks. (*Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1040 (2012)).

Here, Employer impeded or discouraged its employees from taking compliant meal breaks because Employer required Aggrieved Employees to remain on premises at all times and to assist customers despite being on 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

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 short because Aggrieved Employees’ break would be interrupted by demands of customers. Aggrieved Employees were required to remain on premises during breaks.

Premium pay for missed rest breaks must be paid at the employees’ regular rate of pay. (*Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858 (2021)). The regular rate of pay includes all remunerations, including shift differentials, incentive pay, and other non-discretionary bonuses. Here, the Aggrieved Employees received non-discretionary bonuses, however, this pay was not included in the calculation of premium pay paid for missed rest breaks.

The Aggrieved Employees were required to remain on call and generally on duty during their rest breaks. Courts have repeatedly held that employers may not impose any limits on rest breaks. (*Augustus v. ABM Sec. Servs., Inc.*, 2 Cal. 5th 257, 269 (2016) (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 California Division of Labor Standards and 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.

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, total hours worked, and 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.

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). Employer failed to pay all wages owed at the conclusion of the Aggrieved Employees' employment.

Civil Penalties Applicable to Waiting Time Penalties

Because of Employer's failure to pay all wages at the conclusion of employment and to pay the resulting waiting time penalties, Employer is subject to the civil penalties listed in Labor Code section 2699.

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