September 26, 2024

VIA LWDA WEBSITE

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

Re: *Katsuhisa Yuguchi v. Aerocharter LLC, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Katsuhisa Yuguchi ("Mr. Yuguchi") in claims for Labor Code violations arising from his employment with Aerocharter LLC ("Aerocharter"); and DOES 1 through 100 (collectively "Employers"). Mr. Yuguchi is an "aggrieved employee" as defined by Labor Code Section 2698 *et seq*., due to Employers' 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.

For purposes of this letter, the "aggrieved employees" whom Mr. Yuguchi seeks to represent are the other non-exempt employees of Employers who performed work for Employers in California at any time during the one year preceding the date of this letter through the present.

Mr. Yuguchi worked for Employers between approximately September 6, 2022 and January 2024 as a non-exempt detailer. Employers are in the aviation industry and provide ground handling services at LAX to national and international airlines such as the loading and unloading of cargo that has or will travel through interstate commerce across state lines. Mr. Yuguchi's job responsibilities included maintaining equipment used for cargo handling such as tugs, cargo, fuel tankers and luggage pulleys. Mr. Yuguchi also spent significant time escorting technicians and other third parties who needed to access the premises for purposes such as repairing a machine and who did not have the required clearance that Mr. Yuguchi had. Mr. Yuguchi was generally scheduled to work 5 days per week from Monday to Friday from 8:00 a.m. to 4:30 p.m. or 5:00 p.m., but he often worked longer.

Throughout the duration of Mr. Yuguchi's employment with Employers, Mr. Yuguchi and other aggrieved employees were not paid for all hours worked as Employers did not accurately keep track of all hours worked. Upon information and belief, the time records maintained by Employers were not reflective of the actual number of hours that

Mr. Yuguchi and other aggrieved employees actually worked. Employers required Mr. Yuguchi and other aggrieved employees to clock in and out through the ADP app on their personal cellular phones. However, upon information and belief, Employers shaved time off of Mr. Yuguchi's time worked. Additionally, Employers required Mr. Yuguchi and other employees to perform work prior to clocking in and after clocking out. Mr. Yuguchi estimates that at least twice per week for approximately 25 minutes each time, he would perform work duties prior to clocking in such as purchasing supplies, picking up towels from the dry cleaning service or preparing for a day of escorting third parties around the premises. After clocking out, Mr. Yuguchi estimates that he spent another 25 minutes twice a week performing work such as refilling supplies or organizing towels. Overall, Mr. Yuguchi and other aggrieved employees were not compensated for at least approximately more than 2.5 hours of work each week either due to working off the clock or due to Employers shaving off their time worked.

Furthermore, Mr. Yuguchi and other aggrieved employees worked overtime hours, but did not receive all overtime compensation equal to one and one-half times their regular rates of pay for all overtime hours worked. Employers also maintained a policy/practice of not compensating Mr. Yuguchi and other aggrieved employees for all their hours worked in the pay period. As discussed above, upon information and belief, Employers maintained a policy/practice of shaving time worked off of the timecards of Mr. Yuguchi and other aggrieved employees. Additionally, upon information and belief, Employers systematically failed to pay overtime compensation due to Mr. Yuguchi and other aggrieved employees for the hours that they worked off of the clock. As described above, Mr. Yuguchi and other aggrieved employees were not compensated for at least approximately more than 2.5 hours of overtime work each week. As a result, Employers failed to ensure that Mr. Yuguchi and other aggrieved employees were being paid at least the minimum wage for all hours worked, and failed to ensure that Mr. Yuguchi and other aggrieved employees received proper overtime wages for all overtime hours worked.

Mr. Yuguchi and other aggrieved employees were not authorized to take all legally required rest periods. This practice was pervasive throughout Mr. Yuguchi's employment. Mr. Yuguchi and other aggrieved employees almost never received a full, uninterrupted first or second rest period because Employers maintained a policy of requiring Mr. Yuguchi and other aggrieved employees to work through their rest periods. Employers did not communicate to Mr. Yuguchi and other aggrieved employees that they were entitled to a 10-minute rest period. Each time that Mr. Yuguchi requested a break or relief from escorting a third party on the premises, Employers denied his request. On the dates that Mr. Yuguchi worked more than 10 hours in one day, Mr. Yuguchi almost never received a full, uninterrupted third rest period. Despite Employers' failure to authorize and permit Mr. Yuguchi and other aggrieved employees to take all lawful paid rest periods, due to their uniform and unlawful practices, Employers almost never provided Mr. Yuguchi 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 class period, Employers maintained no payroll code or another mechanism for the payment of rest period premiums in the event Mr. Yuguchi and other aggrieved employees were not authorized to take lawful rest periods.

At least three times per week, Employers also did not provide Mr. Yuguchi and other aggrieved employees with a legally compliant first meal period when they worked shifts in excess of 5.0 hours. Employers almost never provided Mr. Yuguchi and other aggrieved employees with a legally compliant second meal period when they worked shifts longer than 10.0 hours. Instead of providing Mr. Yuguchi and other aggrieved employees with compliant meal periods, Employers required Mr. Yuguchi and other aggrieved employees to work through their meal periods. Upon information and belief, Employers regularly adjusted the timecards of Mr. Yuguchi and other aggrieved employees to reflect meal periods exactly 30 minutes in length even though Mr. Yuguchi and other aggrieved employees did not receive such meal periods. Despite Employers' failure to provide Mr. Yuguchi and other aggrieved employees with all lawful meal periods due to their uniform and unlawful practices, Employers almost never provided Mr. Yuguchi 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. Upon information and belief, during at least a portion of the class period, Employers maintained no payroll code or another mechanism for the payment of meal period premiums in the event that Mr. Yuguchi and other aggrieved employees were not authorized to take meal periods.

Furthermore, Employers failed to adequately reimburse Mr. Yuguchi and other aggrieved employees for all reasonable and necessary work expenditures, including, but not limited to, requiring Mr. Yuguchi and other aggrieved employees to utilize their personal cell phones for necessary business purposes such as clocking in and out.

Employers have maintained inaccurate payroll records, failed to timely pay all wages owed to employees, and failed to timely pay separating employees at the time of their separation, and issued inaccurate wage statements. This is in part a result of Employers' failure to accurately compensate Mr. Yuguchi and other aggrieved employees for all minimum and overtime wages, and failure to pay premium pay for failing to provide all required meal periods and authorize all rest periods.

Employers failed to issue to Mr. Yuguchi and other aggrieved employees accurate itemized statements in writing showing (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Finally, Employers failed to conform to the requirements of Labor Code § 2810.5

by failing to provide Mr. Yuguchi 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; v) the address of the legal entity that is the employer; vi) the telephone number of the employer; vii) identifying information for the employer's workers' compensation insurance carrier; and viii) information informing the employee of their right to accrue and use paid sick leave. Despite maintaining an obligation to provide these disclosures to Mr. Yuguchi and other aggrieved employees, Employers failed to do so, in violation of Labor Code § 2810.5.

As described above, Employers committed the following violations of the Labor Code, and the Industrial Welfare Commission Wage Order 9:

Minimum Wage Violations

Employers were required to pay Mr. Yuguchi 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; and the Industrial Welfare Commission Wage Order 9, § 4. As alleged above, Employers maintained and maintain timekeeping policies/practices that regularly, systematically, and impermissibly underreport the hours worked by Mr. Yuguchi and other aggrieved employees. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Yuguchi and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Employers were required to pay Mr. Yuguchi and other aggrieved employees overtime wages for all overtime hours worked. *See* Labor Code §§ 1194(a) and 1198; and the Industrial Welfare Commission Wage Order 9, § 3. The Industrial Welfare Commission Wage Order 9, § 3 require an employer to pay overtime wages when an employee's hours worked cross certain thresholds or meet certain criteria set forth in the Industrial Welfare Commission Wage Order 9. At all times relevant herein, Employers caused Mr. Yuguchi and other aggrieved employees to work overtime hours but did not compensate Mr. Yuguchi and other aggrieved employees at one and one-half times their regular rate of pay for such hours.

Meal Period Violations

As alleged above, Employers failed to provide Mr. Yuguchi and other aggrieved employees with all required and compliant meal periods due to Employers' meal period policies/practices that often fail to provide full, 30 minute off-duty first meal periods before the end of the fifth hour of work or a second meal period for shifts worked in excess of ten (10) hours. *See* Labor Code §§ 226.7 and 512; the Industrial Welfare Commission Wage Order 9, § 11. As a result, Mr. Yuguchi 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, Employers also failed to authorize and permit Mr. Yuguchi and other aggrieved employees to take all required paid rest periods. *See* Labor Code §§ 226.7 and 516; the Industrial Welfare Commission Wage Order 9, § 12. As a result, Mr. Yuguchi 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 Necessary Business Expense

Employers were 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." Employers were subject to Labor Code § 2804, which states that "any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State." As alleged herein, due to Employers' unlawful reimbursement practices, Employers failed to indemnify Mr. Yuguchi and other aggrieved employees for all necessary business expenses incurred, in the performance of their work duties, including but not limited to the utilization of their personal cell phones for necessary business purposes such as clocking in and out. Mr. Yuguchi and other aggrieved employees were not ever provided any reimbursement for this necessary use.

Wage Statement Violations

As described above, Employers were required to furnish Mr. Yuguchi 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); the Industrial Welfare Commission Wage Order 9, § 7. As a result of Employers' failure to pay all overtime wages, minimum wages, and failure to pay all required meal and rest period premium wages, Employers maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Yuguchi and other aggrieved employees in violation of Labor Code § 226.

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. Employers failed to timely pay Mr. Yuguchi 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, Employers' failure to pay all final wages due to Mr. Yuguchi and other aggrieved employees was willful and, consequently, entitles Mr. Yuguchi and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Employers failed to pay their final wages after their separation from employment, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Yuguchi 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 the investigations of Mr. Yuguchi and on information and belief, Employers committed and continue to commit the following Labor Code violations:

a. Employers violated Labor Code §§ 551-552, 558, 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Yuguchi and other aggrieved employees the statutory minimum wage for all hours worked;

b. Employers violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Yuguchi and other aggrieved employees all overtime compensation earned;

c. Employers 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. Yuguchi and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Employers violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Yuguchi and other aggrieved employees to take all required paid rest periods, and/or failing to pay all rest period premiums to Mr. Yuguchi and other aggrieved employees at their respective regular rates of compensation;

e. Employers violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Yuguchi and other aggrieved employees for all work-related expenses incurred;

f. Employers violated Labor Code § 226 by failing to furnish Mr. Yuguchi and other aggrieved employees with accurate and compliant itemized wage statements;

g. Employers violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due upon separation of employment to Mr. Yuguchi and other aggrieved employees;

h. Employers violated Labor Code § 204 by failing to pay Mr. Yuguchi and other aggrieved employees all wages earned at least twice during each calendar month;

i. Employers violated Labor Code §§ 245.5, 246, & 248.5 et seq by failing to permit and authorize Mr. Yuguchi and other aggrieved employees to exercise the use of their accrued paid sick leave days or pay sick leave pay at the proper regular rate of pay;

j. Employers violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Yuguchi and other aggrieved employees;

k. Employers violated Labor Code § 2810.5 by failing to provide legally mandated disclosures and/or written notices regarding the terms of employment of Mr. Yuguchi and other aggrieved employees; and

l. Employers violated Labor Code §§ 204 and 221-223 by failing to pay Mr. Yuguchi and other aggrieved employees all agreed-upon wages including bonus wages accrued.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Employers 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

Jess Flores

Jessica Flores, Esq.

cc: Aerocharter LLC