

September 4, 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

Emerald Textile Services, Northern California, LLC
Attn: Human Resources
1428 West Linwood Ave.
Turlock, CA 95380

Emerald Textile Services, Northern California, LLC
Emerald Textiles Services, San Diego, LLC
Attn: Legal Department
1725 Dornoch Court
San Diego, CA 92154

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

To: The California Labor and Workforce Development Agency; Emerald Textile Services,
Northern California, LLC; Emerald Textiles Services, San Diego, LLC

From: Matthew Nichols, 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 Matthew Nichols (“Mr. Nichols”) 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. Nichols, “Claimants”) who have been injured by Emerald Textile Services, Northern California, LLC and Emerald Textiles Services, San Diego, LLC’s (collectively, “Emerald Textiles”) violations of the California Labor Code. Mr. Nichols, on behalf of himself and all other similarly aggrieved current and former hourly nonexempt employees of Emerald Textiles, 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:

Emerald Textiles is operating throughout California as a linen and laundry service provider, including delivery and linen rentals for the healthcare industry.

Claimant Mr. Nichols works for Emerald Textiles as an hourly, nonexempt employee in the position of Class A Driver, earning \$31.50 per hour from approximately November 2023 through the present. Mr. Nichols, on behalf of himself and all other similarly aggrieved current and former employees in California in various positions, are or were engaged in the linen laundering and delivery service for Emerald Textiles. As part of their employment with Emerald Textiles, Claimant and other hourly, nonexempt employees, collectively, “hourly nonexempt employees,” are or were assigned to and required to suffer and permitted to work, some with and some without pay, while performing tasks collectively including, but not limited to, pre- and post-trip inspections, including taking photographs, of the trucks used for linen deliveries; loading the truck with clean linens to be delivered to customers loading the truck with soiled linens picked up from customers to be laundered at Emerald Textiles’ facilities; logging trip-related and load-related information; driving the truck from Emerald Textiles’ facility to customers and back to Emerald Textiles’ facility; and fueling the truck.

Claimant Mr. Nichols regularly worked five (5) days per week for 9-10 hours or more hours per day. During the entire course of his employment, Emerald Textiles has failed to provide Mr. Nichols and continues to fail to provide those similarly aggrieved with some overtime pay and compliant meal periods and rest breaks. Emerald Textiles has also failed to pay minimum wages to Mr. Nichols and other hourly, nonexempt employees in violation of Labor Code sections 510, 1194, 1197, and 1182.12, and section 4 of IWC Wage Order Nos. 6-2001 and 9-2001. As a consequence, Emerald Textiles 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 Nos. 6-2001 and 9-2001. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, Emerald Textiles 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.

Emerald Textiles has also failed and continues to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, Emerald Textiles has failed and continues to fail to provide timely, accurate wage statements to Mr. Nichols and other aggrieved persons in violation of Labor Code section 226(a). Emerald Textiles has failed and continues to fail to fully reimburse Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs incurred for cell phone expenses and for the purchase of work gloves, which were required to carry out their duties, in violation of Labor Code section 2802. Mr. Nichols is informed and believes that such violations are ongoing, systematic, and continuous. Mr. Nichols intends to bring an action against Emerald Textiles under the Private Attorneys General Act (“PAGA”) to recover wages and penalties as provided by California law.¹

¹ Without limitation, Mr. Nichols, 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:

Theories of Labor Code Violations and Remedies:

Claimant Mr. Nichols was employed by Emerald Textiles from approximately November 2023 through the present as a Class A Driver. For a period of at least four (4) years prior to September 2024, but for our purposes here, one (1) year prior, Emerald Textiles 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**. Emerald Textiles 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 Nos. 6-2001 and 9-2001. First, 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 frequently started or ended their workdays by relocating a truck and trailer, or combination thereof, to the loading dock area, all prior to clocking in or after clocking 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 permitting overtime when necessary and/or by increasing staff to complete jobs more quickly to allow Claimants to take rest breaks. However, Defendant instead chose to preserve its no-to-limited overtime policy and smaller-than-optimum staffing levels, which forced meal periods and rest breaks into noncompliance. With that, Emerald Textiles' 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 Emerald Textiles' 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. Emerald Textiles' 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 Nos. 6-2001 and 9-2001.

Claimants were at all times entitled to unpaid off-duty, uninterrupted **meal periods**. As explained in the preceding paragraph, Emerald Textiles failed to authorize and permit timely, full-length meal periods for Mr. Nichols and all other similarly aggrieved employees as required by Labor Code sections 226.7 and 512 and section 11 of IWC Wage Order Nos. 6-2001 and 9-2001. Mr. Nichols and Claimants regularly missed their meal periods because of the company's policy of requiring Claimants to complete all deliveries, pick-ups, and other tasks by or before Claimants' total number of hours for a shift exceeds the daily overtime hours of eight hours per shift. Nonetheless, Emerald Textiles did not compensate Claimants

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, 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.

with an extra hour of pay at the regular rate for noncompliant meal periods for each workday on which they occurred. Accordingly, since Emerald Textiles required Mr. Nichols and others similarly situated to work during their meal periods in violation of Labor Code sections 226.7(a) and 512, Claimants seek all available penalties as set forth in Labor Code sections 558, section 20 of IWC Wage Order Nos. 6-2001 and 9-2001, 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, Emerald Textiles likewise failed to authorize and permit Mr. Nichols 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 Nos. 6-2001 and 9-2001. Claimants were not able to take their requisite number of 10-minutes rest breaks based on their shift duration; in fact, Claimants regularly worked through their rest breaks because of the company's policy of completing all deliveries, pick-ups, and other tasks by or before Claimants' total number of hours for a shift exceeds the daily overtime hours of eight hours per shift. In other words, taking these rest breaks would push Claimants into overtime hours, so they forgo their rest breaks. Nonetheless, Emerald Textiles 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 Nos. 6-2001 and 9-2001. Furthermore, since Emerald Textiles 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, Emerald Textiles 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. Nichols and Claimants regularly worked overtime hours. Emerald Textiles 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, Emerald Textiles failed to provide Mr. Nichols 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 Nos. 6-2001 and 9-2001, section 3.

Claimants were at all times entitled to be provided timely and accurate **wage statements** from Emerald Textiles pursuant to Labor Code section 226. First, Mr. Nichols' wage statements do not reflect the correct legal name of Defendant— Emerald Textile Services, Northern California, LLC—his paystubs do not spell out California and are missing the name of the entity's structure LLC. Second, Because Emerald Textiles 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 overtime and minimum wages, and all hours worked every pay period. 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.

Finally, Claimants were entitled to be reimbursed by Emerald Textiles for all necessary, **business-related expenses** they incurred in executing their duties for Emerald Textiles. California Labor Code section 2802 provides that "An employer shall indemnify his or his employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or his duties, or of his or his obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." Emerald Textiles, however, has failed to fully reimburse Mr. Nichols and Claimants for all necessary, business-related expenses and losses they incurred,

including, but not limited to, all costs incurred for the expenses for the use of their personal cell phones required to stay in contact with Emerald Textiles as well as the purchase of work gloves needed for fueling the truck. Accordingly, Claimants are entitled to recover their unreimbursed expenditures and losses pursuant to Labor Code section 2802.

Emerald Textiles' uniform failure to pay minimum and overtime wages, failure to keep accurate time records, failure to furnish timely and accurate wage statements, and failure to reimburse all necessary, business-related expenses violate Labor Code sections 204, 226(a), 226.7, 510, 512, 1182.12, 1194, 1197, and 2802, 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 and other penalties as permitted by Labor Code sections 210 and 2699.

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. Nichols, 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 Emerald Textiles for violations of California Labor Code sections 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, and 2802.

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

Sincerely,

ABRAMSON LABOR GROUP

A handwritten signature in black ink that reads "Cheryl Kenner". The signature is written in a cursive, flowing style.

Cheryl A. Kenner