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December 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

Solaris Paper, Inc.
Attn: Legal Department
770 The City Drive South, Suite 3000
Orange, CA 92868

Solaris Paper, Inc.
Attn: Legal Department
28020 Eucalyptus Ave.
Moreno Valley, CA 92555

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

To: The California Labor and Workforce Development Agency; Solaris Paper, Inc.

From: Adali Valdez, 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 Adali Valdez ("Mr. Valdez") 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. Valdez, "Claimants") who have been injured by Solaris Paper, Inc. ("Solaris Paper") violations of the California Labor Code. Mr. Valdez, on behalf of himself and all other similarly aggrieved current and former hourly nonexempt employees of Solaris Paper, 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:

Solaris Paper is operating throughout California, including in Orange and Moreno Valley, as a company that manufactures premium paper towel and tissue products for the Away-From-Home market.

Claimant Mr. Valdez worked for Solaris Paper as an hourly, nonexempt employee in the position in Machine Operator IV, earning an hourly wage of $19.75 from approximately February, 2023 through March 1, 2024. Mr. Valdez, on behalf of himself and all other similarly aggrieved current and former employees in California in various positions, are or were engaged in the manufacturing and packaging paper products for Solaris Paper. As part of their employment with Solaris Paper, 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, attending team meetings; cleaning machines; communicating with other personnel to ensure they are ready for the machines to run; operating paper manufacturing machines, including starting and stopping them; ensuring the paper manufacturing machine is working properly and that the end product is clean and has the required dimensions once cut; manually feeding/refilling the machines with paper; and observing and complying with production quotas and expectations regarding pallets completed.

Claimant Mr. Valdez regularly worked five (5) days per week for eight (8) to 10 hours or more hours per day. During the entire course of his employment, Solaris Paper failed to provide Mr. Valdez and continues to fail to provide those similarly aggrieved with some overtime pay and compliant meal periods and rest breaks. Solaris Paper has also failed to pay minimum wages to Mr. Valdez 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. 1-2001. As a consequence, Solaris Paper 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. 1-2001. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, Solaris Paper 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.

Solaris Paper has also failed and continues to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, Solaris Paper has failed and continues to fail to provide timely, accurate wage statements to Mr. Valdez and other aggrieved persons in violation of Labor Code section 226(a). With regard to those no longer employed by Solaris Paper, including Mr. Valdez, Solaris Paper has violated Labor Code section 203 by failing to timely pay all wages due upon separation. Solaris Paper 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 the use of their personal cell phones, which were required to carry out their duties, in violation of Labor Code section 2802. Mr. Valdez is informed and believes that such violations are ongoing, systematic, and continuous. Mr. Valdez intends to bring an action against Solaris Paper under the Private Attorneys General Act ("PAGA") to recover wages and penalties as provided by California law.[1]

Theories of Labor Code Violations and Remedies:

Claimant Mr. Valdez was employed by Solaris Paper from approximately February 2023 through March 1, 2024 in the position of Machine Operator IV. For a period of at least four (4) years prior to December 2024, but for our purposes here, one (1) year prior, Solaris Paper 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**. Solaris Paper 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. 1-2001. 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 (1) collected their safety and related work equipment (safety goggles, face masks, tape measurers, box cutters) before clocking in at the start of their shifts; (2) returned to their work stations to communicate with coworkers after clocking out regarding machine-related issues they experienced during their shifts; and (3) returned to work during their meal periods to address machine-related issues while Claimants' 30-minute meal periods were in progress. 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. Solaris Paper enforces these practices that effectively require Claimants to perform work before and after their shifts and during meal periods, the effects of which Solaris Paper could have mitigated by increasing staff to complete jobs more quickly to meet its production targets. However, Solaris Paper instead chose to preserve smaller-than-optimum staffing levels, which also forced meal periods and rest breaks into noncompliance. With that, Solaris Paper'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 Solaris Paper'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. Solaris Paper's failure to pay Claimants their meal period and rest break premiums for

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[1] Without limitation, Mr. Valdez, 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, 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.

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. 1-2001.

Claimants were at all times entitled to unpaid off-duty, uninterrupted **meal periods**. As mentioned in the preceding paragraph, Solaris Paper failed to authorize and permit timely, full-length meal periods for Mr. Valdez and all other similarly aggrieved employees as required by Labor Code sections 226.7 and 512 and section 11 of IWC Wage Order No. 1-2001. Mr. Valdez and Claimants regularly took their meal periods late—after the end of the fifth hour—because jobs in progress could not be stopped but needed to be monitored. To comply with Solaris Paper's production targets of a certain number of pallets produced each shift, Mr. Valdez and Claimants were discouraged from timely taking their meal periods so they could continue jobs in progress, especially on shifts where the machines were malfunctioning and hampering production and when inexperienced Case Packers were assigned to Machine Operators, preventing Machine Operators from stepping away from their running machines. Nonetheless, Solaris Paper 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 Solaris Paper required Mr. Valdez 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 No. 1-2001, 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, Solaris Paper likewise failed to authorize and permit Mr. Valdez 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. 1-2001. 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 or their rest breaks were interrupted requiring immediate return to work, as explained above. Nonetheless, Solaris Paper 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. 1-2001. Furthermore, since Solaris Paper 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, Solaris Paper 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. Valdez and Claimants regularly worked overtime hours. Solaris Paper 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, Solaris Paper failed to provide Mr. Valdez 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 No. 1-2001, section 3.

Pursuant to Labor Code sections 201–203, Claimants who have since separated from Solaris Paper, including Mr. Valdez, 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. Valdez, did not receive his final pay of all wages immediately upon being terminated nor did he receive all wages Solaris Paper owed him based on Solaris Paper'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. Solaris Paper did not pay Mr. Valdez the same day that it terminated—the payment was after then.

Claimants were at all times entitled to be provided timely and accurate **wage statements** from Solaris Paper pursuant to Labor Code section 226. First, Solaris Paper failed to list all applicable rates of pay. For instance, in paying Mr. Valdez's vacation time upon his separation, his wage statement simply lists the total hours paid and total amount paid but does not list the applicable wage rate at which those vacation hours were paid. Second, because Solaris Paper failed to track all hours actually worked and, therefore, 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 the 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 Solaris Paper for all necessary, **business-related expenses** they incurred in executing their duties for Solaris Paper. 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." Solaris Paper, however, has failed to fully reimburse Mr. Valdez and Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs incurred for the use of their personal cell phones, which were used regularly to communicate via text or phone call with supervisors both while on the clock and while clocked out on meal periods. For instance, if Case Packers needed equipment from Machine Operators, Case Packers were to text or call their supervisors, and then those supervisors would contact the Machine Operators. Additionally, while Claimants were clocked out taking their meal periods, supervisors would text Claimants about ongoing production concerns such as why a machine was not in operation while Claimants were away from their stations. Accordingly, Claimants are entitled to recover their unreimbursed expenditures and losses pursuant to Labor Code section 2802.

Solaris Paper's 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 201, 202, 203, 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, 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. Valdez, 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 Solaris Paper for violations of California Labor Code sections 201, 202, 203, 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

Cheryl Kenner

Cheryl A. Kenner