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

Sent via Certified Mail

Costa Mesa Cadillac LLC
Robert W. Thompson (Registered Agent)
2601 Main Street, Suite 800
Irvine, CA 92614

Re: Written Notice Pursuant to Labor Code, sections 2698, et seq. – RONALD SILVA and JONATHAN ALONZO v. COSTA MESA CADILLAC LLC, doing business as "COSTA MESA CADILLAC"

Labor and Workforce Development Agency:

Pursuant to California Labor Code, section 2698, et seq., Claimants Ronald Silva and Jonathan Alonzo submits this written notice of California Labor Code and Industrial Welfare Commission (IWC) Wage Order violations by COSTA MESA CADILLAC LLC, doing business as "Costa Mesa Cadillac."

Claimant Ronald Silva was an Automotive Technician at Costa Mesa Cadillac (hereinafter referred to as "Defendant" or "Costa Mesa Cadillac") from approximately January 2024 to September 2024. Claimant Jonathan Alonzo was an Automotive Technician and Part Counterman at Costa Mesa Cadillac from approximately December 2023 to November 2024.

Costa Mesa Cadillac is an automotive dealership in Costa Mesa, California. Pursuant to Labor Code, section 2698, et seq., Claimants seek to represent themselves and other aggrieved employees for PAGA penalties against Costa Mesa Cadillac. For purposes of this PAGA Notice, Claimants allege "aggrieved employees" include themselves and all other non-exempt employees, who worked for Costa Mesa Cadillac.

Authority for Written Notice of Claims

Labor Code, section 2699.3, subdivision (a) requires employees seeking to file a claim under PAGA to provide written notice to the California Labor and Workforce Development Agency and the employer of the alleged labor violations.

- (a) A civil action by an aggrieved employee pursuant to subdivision (a) or (f) of section 2699 alleging a violation of any provision listed in section 2699.5 shall commence only after the aggrieved employee or representative has given written notice by certified mail to the labor and workforce development agency and the employer of the specific provisions of this code alleged to have been violated, including the facts and theories to support the alleged violation.

Legal Claims Applicable to Labor Code, § 2699.3 - Written Notice Requirement

Claimants allege Costa Mesa Cadillac violated the following California Labor Codes:

- Labor Code §§ 201-203 — Failure to Pay Minimum Wage for All Hours Worked
- Labor Code § 1194 — Failure to Pay Overtime Wages
- Labor Code § 226.7 — Failure to Provide Paid Rest Breaks
- Labor Code § 512 — Failure to Provide Meal Periods
- Labor Code § 2802 — Failure to Reimburse Reasonable Business Expenses
- Labor Code § 226(a) — Failure to Provide Itemized Wage Statements
- Labor Code § 1174 — Failure to Keep Accurate Records
- Labor Code § 203 — Failure to Pay All Wages Owed at Termination
- Labor Code § 558 — Statutory Penalties for PAGA Violations

Legal and Factual Basis to Support Claims

A. Labor Code §§ 201-203 — Failure to Pay Minimum Wage for All Hours Worked

Claimants allege Costa Mesa Cadillac failed to pay its employees minimum wage for all hours worked. Defendant's failure begins with their systematic failure to record the actual hours that employees worked. Subsequently, Claimants and other aggrieved employees were not paid for all hours worked and their paychecks did not properly itemize all wages owed.

We are informed and believe that large numbers of Costa Mesa Cadillac auto technicians were not paid for all hours suffered or permitted to work. The California Court of Appeal ruled that automotive dealership employees must be paid at least minimum wage for all hours worked. *Gonzalez v. Downtown LA Motors* (2013) 215 Cal.App.4th 36. Additionally, some Costa Mesa Cadillac employees were required to purchase and maintain their own hand tools. Per Wage Order 4-2001, these employees' minimum wage was double because they provided their own hand tools.

B. Labor Code § 1194 Violations — Failure to Pay Overtime Wages

Claimants allege Defendants would adjust their timecards to ensure that they did not report any overtime hours to the Costa Mesa Cadillac's Service Department, regardless of the amount of overtime hours actually worked. Claimants allege they and other employees sometimes worked over eight (8) hours per day and or forty (40) hours per week, but were not paid proper overtime rates. Labor Code sections 510 and 1194 require employers to pay employees minimum wage and overtime wages for hours worked over eight (8) per day and/or over 40 per week.

Labor Code § 1194 provides in pertinent part: "any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit."

Claimants allege Defendant also failed to provide overtime wages earned for all hours worked by aggrieved employees in excess of eight hours per day and/or forty hours per week. Where overtime compensation was received at all, it was for fewer than all overtime hours worked and was paid at less than the amount required by California law.

C. Labor Code § 226.7 — Failure to Provide Paid Rest Breaks

Claimants and other aggrieved employees were not properly provided an opportunity to take paid rest breaks and/or were not separately compensated for rest breaks. Costa Mesa Cadillac was aware that many aggrieved employees' heavy workloads frequently prevented them from being able to take a paid 10-minute rest break for every four hours worked.

Costa Mesa Cadillac also failed to accurately record employee rest breaks. Costa Mesa Cadillac apparently did not have any policy of practice to follow through if there was a rest break period violation. Claimants did not receive one hour of pay for each day in which they were denied a rest break. Claimants and aggrieved employees have suffered injury by being required to work through their rest breaks without being appropriately compensated.

Claimants allege Costa Mesa Cadillac instituted policies and practices that did not comply with Labor Code section 226.7 and IWC Wage Orders regarding rest breaks. Labor Code section 226.7 requires employers to provide paid rest breaks consistent with the IWC Wage Orders. California's Wage Orders requires employers to authorize and permit employees to take a rest breaks of 10 minutes per every four hours worked. For each day in which an employer fails to authorize or permit a rest break, the employer owes the employee one hour of pay.

D. Labor Code § 512 — Failure to Provide Meal Periods

Claimants and other aggrieved employees were not provided an opportunity to take unpaid meal periods. Claimants allege that Costa Mesa Cadillac was aware that employees' heavy workloads frequently prevented them from being able to take an unpaid 30-minute meal period within the first five hours of any shift greater than six hours.

Claimants allege Costa Mesa Cadillac instituted policies and practices that did not comply with Labor Code section 512, 226.7, and California's Industrial Welfare Commission (IWC) Wage Orders. Labor Code section 512 and IWC Wage Orders requires employers to provide employees with 30-minute meal periods in which the employee is free of all work duties. If an employer implements procedures and practices that prevent the employee from a meaningful choice for a meal period, then the employer must pay one hour of pay to the employee for each day in which the meal period is not provided. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040 ("On the other hand, an employer may not undermine a formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omits breaks."); see also, *Jamiez v. Daiohs USA, Inc.* (2010) 181 Cal.App.4th 1286, 1304-1305 (violations can be proved by showing a scheduling policy that made taking breaks difficult.)

Claimants allege Costa Mesa Cadillac failed to accurately record when they were not able to take a meal period. Claimants did not know that they would be entitled to an hour's pay if their workload prevented them from taking a meal period. Costa Mesa Cadillac apparently did not have any policy of practice to follow through if there was a meal period violation. Claimants were never paid one hour of pay for each day in which they were denied a meal period. Claimants have suffered injury by being required to work through their meal periods without being appropriately compensated.

E. Labor Code § 2802—Failure to Reimburse Reasonable Business Expenses

Claimants and other aggrieved employees incurred necessary expenditures in direct consequence of their duties for Defendants. Labor Code section 2802(a) provides: "An employer shall indemnify his or her employee 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."

Costa Mesa Cadillac auto technicians were required to purchase and maintain their own hand tools. The hand tools were necessary for the performance of their duties as auto technicians, and they were not reimbursed for these business expenses under Labor Code 2802.

F. Labor Code § 226(a) — Failure to Provide Itemized Wage Statements

Liability on the itemized wage statement claim derives from Costa Mesa Cadillac's failure to provide properly itemized wage statements. Specifically, under Labor Code section 226(a), an employer must provide nine items: 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.

Costa Mesa Cadillac failed to record actual hours worked. Due to these systemic violations of Claimant's legal rights to accurate and itemized wage statements, Defendant is liable under Labor Code sections 1199, 226, and 226.3. There is reason to believe the same violations occurred with respect to other Costa Mesa Cadillac aggrieved employees.

Likewise, other similarly aggrieved employees did not receive compliant wage statements and Defendant failed to maintain complete and accurate payroll records.

G. Labor Code § 1174 — Failure to Keep Accurate Records

Claimants allege Costa Mesa Cadillac failed to keep track of the hours its employees worked. Labor Code section 1174 requires employers to keep "payroll records showing the hours worked daily by and the wages paid to" employees. An employer may be liable under section 1174 where it fails to record when the employees reported to work, the times they actually begin and end work, their total hours of work, or meal and rest periods. See *Carrillo v. Schneider Logistics, Inc.*, (2011) 823 F. Supp.2d 1040, 1044.

H. Labor Code § 203 — Failure to Pay All Wages Owed at Termination

Labor Code sections 201-203 require employers to pay all outstanding wages owed to employees at termination. If the employee resigns, the employer has approximately 72 hours to make a final payment; if the employee is terminated, payment is due immediately. Aggrieved employees have not been paid all their wage owed at termination due the various Labor Code described herein.

Conclusion

Pursuant to Labor Code section 2699, subdivision (a), if the Labor and Workforce Development Agency does not respond to this Notice, Claimants will file for PAGA claims in Court on behalf of themselves, aggrieved employees, and the State of California.

Respectfully submitted,

NUNES WORKERS RIGHTS LAW, APC



Anthony J. Nunes, Esq. on behalf of
PAGA Representatives RONALD SILVA and
JONATHAN ALONZO