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November 10, 2026

Via Online Submission
Department of Industrial Relations
Accounting Unit
Attn. PAGA Administrator
455 Golden Gate Ave, 10th Floor
San Francisco, CA 94102

Via Certified U.S. Mail – Return Receipt Requested
Applause App Quality, Inc.
Attn: Legal Department
100 PENNSYLVANIA AVE
FRAMINGHAM, MA 01701

Re: Notice Pursuant to California Labor Code § 2699.3
Employee: Jeffrey Chen
Employers: Applause App Quality, Inc.

To Whom It May Concern:

This office represents Jeffrey Chen ("Mr. Chen"), who was employed by Applause App Quality, Inc. and related entities (collectively, "Employers") as a Tester performing product testing work for Employers from approximately June 2026 to October 2026 in Fremont, California. Pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code § 2698, et seq., this letter sets forth the specific provisions of the Labor Code and Industrial Welfare Commission ("IWC") Wage Order No. 4-2001 that Mr. Chen personally experienced Employers violate, and the facts and theories supporting the alleged violations, as required by Labor Code § 2699.3, subdivisions (a)(1)(A) and (c)(1)(A). Please be advised that this letter constitutes written notice required by Labor Code § 2699.3, subdivisions (a)(1)(A) and (c)(1)(A), and may lead to immediate action against Employers in a court of law and/or administrative proceedings, as well as the imposition of substantial penalties and other remedies against Employers. My office, with submission of this notice, has also paid the $75.00 filing fee to the Department of Industrial Relations, pursuant to Labor Code § 2699.3, subdivisions (a)(1)(B) and (c)(1)(B).

Employers committed the following violations with respect to Mr. Chen and other aggrieved employees: willful misclassification of employees as independent contractors in violation of Labor Code § 226.8; failure to pay wages in lawful money in violation of Labor Code § 212; failure to pay employees minimum wages for all hours worked in violation of Labor Code §§ 1194, 1197 and 1197.1 and Wage Order No. 4-2001, § 4; failure to timely pay employees all wages earned in violation of Labor Code § 204; willful failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; failure to furnish accurate itemized wage statements to employees in violation of Labor Code § 226; failure to maintain required records pursuant to Labor Code §§ 226, 1174 and 1174.5 and Wage Order No. 4-2001, § 7; failure to

indemnify employees for necessary expenditures incurred in discharge of duties in violation of Labor Code § 2802(a); and failure to provide paid sick leave in violation of Labor Code §§ 245–249.

Willful Misclassification of Employees as Independent Contractors

Labor Code § 226.8(a)(1) makes it unlawful for an employer to willfully misclassify an individual as an independent contractor. A misclassification is "willful" within the meaning of Labor Code § 226.8(i)(4) when the employer voluntarily and knowingly avoids employee status for an individual by classifying that individual as an independent contractor.

Employers willfully misclassified Mr. Chen and other aggrieved employees as independent contractors rather than employees. Employers retained and exercised pervasive control over the manner and means by which Mr. Chen and other aggrieved employees performed their work. The work performed by Mr. Chen and other aggrieved employees, including product testing, was, and is, within Employers' usual course of business, as Employers market and operate their enterprise as a software and product testing company. Employers' classification of Mr. Chen and other aggrieved employees as independent contractors was not the result of a good-faith mistake, but reflected Employers' knowing and voluntary business decision to avoid the costs and obligations of employee status, including the wage, hour, and reimbursement obligations described below.

Specifically, Mr. Chen performed his work in person at a testing facility in Fremont, California, in sessions that Employers scheduled and controlled. Employers set the date, time, and length of each session and dictated the tasks Mr. Chen was required to perform, which included wearing smart glasses while performing weighted exercises and applying cosmetic products to the face and eye area and making facial expressions. Employers required Mr. Chen to arrive fifteen minutes before each scheduled session, to present government-issued photo identification, and to sign confidentiality agreements. Employers warned that arriving more than five minutes late could result in his being turned away without compensation, and that canceling or rescheduling on less than 48 hours' notice would make him ineligible to continue participating. Employers also unilaterally fixed the compensation for each session, including payments of $75.00 and $90.00, and paid it by Visa gift card. Mr. Chen did not operate an independently established business of the same nature as the work he performed for Employers.

Labor Code § 226.8(b) and (c) provide for a civil penalty of not less than five thousand dollars ($5,000) and not more than fifteen thousand dollars ($15,000) for each violation, and, where the employer is determined to have engaged in a pattern or practice of such violations, a civil penalty of not less than ten thousand dollars ($10,000) and not more than twenty-five thousand dollars ($25,000) for each violation. Although Labor Code § 226.8 does not itself provide for a direct private right of action, Mr. Chen may pursue these civil penalties on a representative basis under PAGA.

Failure to Pay Minimum Wages

Pursuant to Labor Code §§ 1194 and 1197 and Wage Order No. 4-2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Mr. Chen and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 1194 and 1197 and Wage Order No. 4-2001, § 4. Employers failed to pay Mr. Chen and other aggrieved employees minimum wages for all hours worked by, among other things: requiring, suffering or permitting Mr. Chen and other similarly-situated individuals to work off-the-clock; maintaining a policy whereby employees were not compensated or not paid at the agreed upon rate for work that Employers unilaterally deemed unsatisfactory; illegally and inaccurately recording time worked by Mr. Chen and other aggrieved employees; failing to properly maintain Mr. Chen's and other aggrieved employees' records; failing to provide accurate itemized wage statements to Mr. Chen and other aggrieved employees for each pay period; and other methods to be discovered. Specifically, Employers required Mr. Chen to arrive fifteen minutes before each session to check in and verify his identity, paid him only a flat amount per session that did not account for all hours worked, and maintained a policy of turning participants away without any compensation if they arrived more than five minutes late.

Employers' conduct violates Labor Code §§ 1194 and 1197 and Wage Order No. 4-2001, § 4.

Failure to Pay Wages in Lawful Money

Labor Code § 212(a) prohibits an employer from issuing in payment of wages due any scrip, coupon, cards, or other thing redeemable in merchandise or purporting to be payable or redeemable otherwise than in money. Labor Code § 212(a)(1) further prohibits payment of wages by any order, check, draft, note, memorandum, or other acknowledgment of indebtedness unless it is negotiable and payable in cash, on demand, without discount.

Employers paid Mr. Chen for the work he performed by emailing him Visa gift cards through a third-party payout provider, rather than paying him in cash, by check, or by direct deposit. Those gift cards are cards purporting to be redeemable otherwise than in money, were not payable in cash on demand, and were issued subject to an expiration date. Employers' conduct violates Labor Code § 212 and, as to Mr. Chen and other aggrieved employees paid in the same manner, gives rise to penalties under Labor Code § 225.5.

Failure to Timely Pay All Wages Earned

Pursuant to Labor Code § 204, an employer must pay its employees at least twice a month for all wages earned during the preceding pay period. Labor Code § 204 provides that labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. An employer using an alternate payday schedule must pay wages within seven calendar days of the end of the payroll period in which the wages were earned.

Employers failed to pay Mr. Chen and other aggrieved employees on their regularly scheduled payday for all work performed during the preceding pay period. Specifically, Employers failed to pay all wages due on a schedule that complied with Labor Code § 204.

Failure to Pay All Wages Due Upon Separation

Pursuant to Labor Code § 201, 202 and 203, an employer is required to pay all earned and unpaid wages to an employee upon separation. Labor Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately. Pursuant to Labor Code § 202, an employer is required to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or her employment, unless the employee provided 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Labor Code § 203 provides that if an employer willfully fails to pay, in accordance with Labor Code §§ 201 and 202, any wages of an employee who is discharged or who quits, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to thirty (30) days.

Employers willfully failed to pay accrued wages and other compensation to Mr. Chen and other aggrieved employees in accordance with Labor Code §§ 201 and 202. Because Employers required Mr. Chen and other aggrieved employees to work off-the-clock without compensation, Employers failed and continue to fail to pay the full earned and unpaid wages due to Mr. Chen and other aggrieved employees upon separation.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226 requires every employer to furnish each of its employees an accurate itemized wage statement 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, (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.

Employers failed to provide Mr. Chen and other aggrieved employees with timely and accurate itemized wage statements in writing showing each employee's gross wages earned, total hours worked, the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, all deductions made, net wages earned, the inclusive dates of the period for which the employee is paid, the name and address of the legal entity or entities employing Mr. Chen and other aggrieved employees, and all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226 and Wage Order No. 4-2001, § 7. Employers furnished Mr. Chen no wage statement of any kind. Employers' only communication regarding payment was an emailed notice delivering a Visa gift card in a stated amount.

Employers had knowledge they were requiring employees to work off-the-clock and were not properly compensating their employees for all hours worked, yet Employers knowingly failed to include this time worked in the wage statements. As a result, Mr. Chen and other aggrieved employees lost wages. Employers also did not properly calculate the regular rate of pay of Mr. Chen and other aggrieved employees. As a result, Mr. Chen's and other aggrieved employees'

wage statements did not include all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

Failure to Maintain Required Records

Employers failed to maintain records as required under Labor Code §§ 226 and 1174 and Wage Order No. 4-2001, § 7, including but not limited to the following records: total daily hours worked by each employee; applicable rates of pay; all deductions; time records showing when each employee begins and ends each work period; and accurate itemized statements. Employers had knowledge they were requiring employees to work off-the-clock and were not properly compensating their employees for all hours worked, yet Employers knowingly failed to include this time worked in the regular rate of pay of aggrieved employees.

Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties

Labor Code § 2802(a) requires an employer to indemnify an 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. Employers failed to indemnify Mr. Chen and other aggrieved employees for all business expenses and/or losses incurred in direct consequence of the discharge of their duties while working under the direction of Employers, including but not limited to expenses for personal cell phones and data plans used to receive scheduling, screening, and payment communications, travel to Employers' testing facility, and other employment-related expenses, in violation of Labor Code § 2802.

Failure to Provide Paid Sick Leave

California Labor Code §§ 245 through 249 require employers to provide eligible employees with paid sick leave, accruing at a rate of not less than one (1) hour for every thirty (30) hours worked, up to a minimum of five (5) days or forty (40) hours of accrual or use per year of employment (twenty-four (24) hours or three (3) days per year prior to January 1, 2024), which employees are entitled to use for the diagnosis, care, or treatment of an existing health condition, or preventive care, for themselves or a family member, among other permitted uses, pursuant to California Labor Code §§ 246 and 246.5. Employers failed to provide Mr. Chen and other aggrieved employees with any paid sick leave whatsoever, and failed to permit Mr. Chen and other aggrieved employees to accrue or use paid sick leave to which they were entitled as non-exempt employees, in violation of California Labor Code §§ 246 and 246.5.

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This notice is hereby given to Employers and any and all related and/or alter ego companies, corporations, partnerships, and/or business entities, as well as against any and all officers, owners, directors, managers, managing agents, or entities who are or may be liable under California law for any of the violations alleged herein as to any locations or employees who worked at any time in the State of California.

This notice is made on behalf of all persons who are, were, or will be non-exempt employees of Employers, or any related or alter-ego company, corporation, partnership, and/or business entity at any time on or after a date four years prior to the date of this letter in the State of California.

This notice shall be construed as extending without limitation to any past, present, future, or continuing violation of the Labor Code, the applicable IWC Wage Order, or any applicable regulation which might be discovered as a result of a reasonable and diligent investigation made pursuant to this notice.

This notice shall further represent Mr. Chen's reasonable attempt to settle his dispute with Employers prior to litigation of the PAGA claim. This notice serves to apprise Employers of Mr. Chen's aforementioned grievances and the proposed remedies as detailed below.

Demand is hereby made that Employer shall agree, in writing received at this office no later than 30 calendar days from the postmark date of this notice, as follows:

1. Employers shall pay Mr. Chen and all other similarly-situated persons employed by Employers at any time during the past 48 months back pay and compensation for the above-referenced violations.

2. Employers shall comply with all California labor laws and ensure that their non-exempt employees are paid all wages in lawful money and on a timely basis.

3. Employers shall cease classifying Mr. Chen and other current and former aggrieved employees as independent contractors and shall prospectively classify all such individuals consistent with Labor Code § 226.8 and applicable law.

4. Employers shall conduct a survey or interview all current and former non-exempt employees in California during the past 48 months to obtain information from them regarding the manner in which they were paid and the number of employees who were required to pay for cell phones, data plans, travel, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.

5. Employers shall reimburse those employees who were forced to pay for any business expenses incurred for Employers' benefit.

6. Employers shall pay waiting time penalties, equal to thirty days of pay, to each former employee who was not paid all wages due as described herein.

7. Employers shall pay accrued interest to all employees at the rate of ten percent per annum for said unpaid wages, as well as any liquidated damages required by statute, and reasonable attorneys' fees and costs.

8. Employers shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code § 2698 *et seq*., including but not limited to penalties under Labor Code §§ 206.5, 210, 225.5, 226.3, 226.8, 558, 1174.5, 1182.12, 1197.1, 1198, 1199 and 2699 and Wage Order No. 4-2001, § 20.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please notify this office of that decision via email to tyler@dosajfirm.com. Additionally, please advise if the Agency or Employers require additional information regarding Mr. Chen's complaints.

Thank you for your prompt attention to this matter.

Sincerely,

THE DOSAJ FIRM, APC

Tyler Dosaj

Tyler J. Dosaj