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May 27, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

Freeway Insurance Services America, LLC
Attn: Legal Department
7711 Central, Ave., Ste. 200,
Huntington Beach, CA 92647

Agent: CSC Lawyers Incorporating
Services
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Agent: Illinois Corporation Service
Company
801 Adlai Stevenson Drive
Springfield, IL, 62703-4261

NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE
SECTION 2699.3

To: The California Labor and Workforce Development Agency and Freeway
Insurance Services America, LLC
From: Alejandra Cabrera, on behalf of herself and current and/or former employees for
violations of the California Labor Code.
To Whom It May Concern:

We have been retained by Alejandra Cabrera to seek redress for herself and others
similarly situated, who have been subject to violations of the Labor Code sections
referenced herein.

Factual Statement:

Alejandra Cabrera ("Claimant"), on behalf of herself and similar current and
former employees of Freeway Insurance Services America, LLC ("Freeway Insurance"),
asserts Claimant worked for Freeway Insurance as a sales representative through October
2023. Freeway Insurance systematically engaged in a pattern of Labor Code and IWC
Wage Order violations against Claimant and other similarly situated employees in
California, including the failure by Freeway Insurance to fully compensate for all time
worked. Claimant and all others similarly situated were paid on a commission basis,
where their income is derived from insurance sales. Claimant failed to separately
compensate Claimant and all others similarly situated for non-sales work, including

meetings, processing, training, administrative work, and/or customer service. Under Defendant's common commission pay plan, Defendant failed to pay Freeway Insurance Services America, LLC minimum wage, overtime wages and for meal and rest breaks. In addition, Freeway Insurance failed to properly reimburse Claimants and other aggrieved employees for business expenses, including but not limited to expenses for internet, and/or cell phones.

California Labor Code § 2802 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, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful." Freeway Insurance's failure to reimburse necessary expenses violates this statute.

As a consequence of its conduct, Freeway Insurance has failed to comply with Labor Code Sections 226.7, 510, 512, 1194, and 2802, and Industrial Welfare Commission Wage Orders 4-2001. Freeway Insurance failed to provide accurate, timely and itemized pay stub accounting records to Claimant in violation of Labor Code Section 226(a). Freeway Insurance also failed to pay all wages owed every pay period in violation of Labor Code Section 204. With regard to those no longer employed, Freeway Insurance violated Labor Code Section 203 by failing to pay all wages due upon separation. Claimant is informed and believes that such violations are ongoing, systematic and continuous. Claimant intends to bring an action against Freeway Insurance under the Private Attorney General Act ("PAGA") to recover penalties and compensation as provided by California law¹.

¹ Without limitation, Claimants, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes, each of the following, as is set forth in Labor Code Section 2699.5, which states:

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, 230.4, 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.

Theories of Labor Code Violations and Remedies:

Claimant and other employees of Freeway Insurance who worked as sales representatives were not compensated for any overtime, and were not provided meal or rest breaks. Freeway Insurance's conduct violated Labor Code Sections 226.7, 510, 512, 1194, 1194.2, 1197, and IWC Wage Orders 9-2001(3)(A), (11), and (12), and denied Claimant and the other class of employee's overtime, and meal and rest breaks. In addition, Defendant did not separately compensate for rest breaks. Claimant and the proposed class are entitled to recover wages and/or penalties as provided by Labor Code, including but not limited to, section 558 and IWC Wage Orders 4-2001(20). Claimant seeks wages of one hour of pay for meal and rest break violations, as permitted by Labor Code Section 226.7(c), as well as all available penalties as set forth in Labor Code Section 2699(a) or (f). Freeway Insurance's conduct also violated Labor Code Section 204 and 204(b), such that penalties are recoverable as set forth in Labor Code Section 210.

Claimant and all who worked as sales representatives of Freeway Insurance in the State of California were at all times entitled to reimbursement of business expenses incurred. These expenses include, but are not limited to, expenses for internet, and/or cell phones. Freeway Insurance has failed to provide reimbursement for necessary expenses incurred by its California employees. Therefore, Claimant and the other employees who are part of the PAGA representative action are entitled to recover pursuant to California Labor Code§ 2802 and PAGA laws.

Claimant and the other employees seek to represent were at all times entitled to their rights under the California Labor Code and IWC Wage Orders. Claimant and all other similarly situated employees are entitled to recover penalties, and are entitled to an award of attorneys' fees and other penalties, as permitted under Labor Code.

Very Truly Yours,

HAFFNER LAW PC



Joshua H. Haffner
Alfredo Torrijos
Vahan Mikayelyan
