Case No. S258966

IN THE SUPREME COURT OF CALIFORNIA

GUSTAVO NARANJO

Plaintiff and Respondent, v.

SPECTRUM SECURITY SERVICES, INC.

Defendant and Appellant.

After Decision by the 2nd District Court of Appeals, Case No. B256232

APPLICATION TO FILE AMICUS BRIEF; DIVISION OF LABOR STANDARDS ENFORCEMENT AMICUS BRIEF

DIVISION OF LABOR STANDARDS ENFORCEMENT State of California, Department of Industrial Relations

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APPLICATION FOR LEAVE TO FILE AMICUS CURIAE BRIEF OF THE CALIFORNIA LABOR COMMISSIONER

The Labor Commissioner is the Chief of the Division of Labor Standards Enforcement. Labor Code §§ 79, 82. By statute, she is authorized to enforce the state's minimum labor standards, including various laws governing the payment of wages and Industrial Welfare Commission (IWC) wage orders. *Id.* §§ 90.5, 95(a), 1193.5, 1193.6. She does so both through prosecuting actions for the collections of wages and penalties owed to employees and by holding adjudicatory hearings on employee claims for unpaid wages. *Id.* §§ 98, *et seq.*

In both her adjudicatory and prosecutorial roles in enforcing California's wage and hour laws, the Labor Commissioner has an interest in the development of case law that correctly and coherently applies the Labor Code and IWC wage orders and that fulfills the important public policies that underlie the state's labor laws.

Accordingly, the Labor Commissioner has a significant interest in the proper definition of "wages" under the Labor Code and in ensuring the fundamental public policy underlying the Labor Code that workers receive full and prompt payment of all wages due, including meal and rest period premium wages.

DATED: August 10, 2020

/s/ Casey Raymond

CASEY RAYMOND (#303644) DIVISION OF LABOR STANDARDS ENFORCEMENT, Department of Industrial Relations, State of California

AMICUS CURIAE BRIEF

INTRODUCTION

For nearly a century, California has mandated that employers provide workers meal and rest breaks as part of the State's remedial worker protection framework. Yet decades after these rights were established, violations remained widespread, as mandates do not guarantee effective enforcement. To address this problem, in 2000—more than fifty years after California instituted these mandates—the Legislature established a remedy, California Labor Code Section 226.7, which provides workers one additional hour of pay when an employer unlawfully denies a meal or rest break. As this Court held in *Murphy v. Kenneth Cole Productions, Inc.*, 40 Cal. 4th 1094 (2007), that remedy constitutes a wage owed to the worker.

At one level, as the parties extensively brief, this case is about the interplay between *Murphy* and *Kirby v. Immoos Fire Protection, Inc.*, 53 Cal. 4th 1244, 1248 (2012) on the question of whether meal and rest period premiums constitute "wages" that must be listed on itemized wage statements under Labor Code Section 226 and paid upon termination under Labor Code Sections 201-203. We agree with Petitioner that *Murphy* clearly established these premiums as wages.

At a level more fundamental for workers, however, this case is about whether the right to meal and rest breaks can be effectively enforced, as the Legislature intended when it amended the Labor Code in 2000. Specifically, despite this Court's recognition of the fundamental importance of meal and rest periods in *Murphy*, the Court of Appeal decision risks turning these into second-tier rights by undermining effective enforcement.

First, the lower court opinion jeopardizes individual wage claims by low-wage workers for missed meal and rest periods. Without itemized wage statements, workers will be deprived of crucial information regarding whether they were compensated for missed meal or rest periods. Additionally, even if workers have this information, they will have little incentive to bring a meal and rest period claim without accompanying waiting time penalties. For a low-wage worker, the time spent bringing a claim and the risk of retaliation by the employer will rarely be worth the potential remedy of a single hour's wages.

Second, the Labor Commissioner's systemic, workplace-wide investigations will also be frustrated. Itemized wage statements provide information critical to identifying violations of the Labor Code, particularly when workers are reluctant to testify because they fear retaliation from their employer. Without a record of whether meal and rest period premiums were paid, violations will go undetected and audits of law-abiding employers will be unnecessarily prolonged.

Put simply, in enacting 226.7, the Legislature intended to create an *enforceable* remedy for meal and rest period violations. The lower court decision erodes that purpose by making individual claims and workplace wide investigations more costly and less likely. This Court should therefore affirm *Murphy*'s holding that this remedy constitutes a wage and, like all other wages, is subject to the transparency and deterrence that itemized wage statements and waiting time penalties, respectively, provide.

LEGAL ARGUMENT

I. Itemized Wage Statements and Waiting Time Penalties Provide the Transparency and Deterrence Necessary for Effective Enforcement of Basic Worker Protections.

In enacting the Labor Code, the California Legislature developed a "matrix of laws intended to ensure workers are correctly and adequately compensated for their work." *Ward v. United Airlines, Inc.*, No. S248702,

2020 WL 3495310,---P.3d----, at *9 (Cal. June 29, 2020). The requirements to provide itemized wage statements in Labor Code Section¹ 226 and for prompt payment of wages upon discharge in Sections 201-203 are part of this matrix. These provisions work in tandem to fulfill the Legislature's century-old purpose to ensure "full and prompt payment of an employee's earned wages." See *Smith v. Superior Court*, 39 Cal. 4th 77, 82 (2006); *see also Moore v. Indian Springs*, 37 Cal. App. 370, 380 (1918).

A. <u>Itemized Wage Statements Ensure the Transparency Necessary</u> for Individual Workers and Enforcement Agencies to Enforce <u>Basic Protections.</u>

"The core purpose of Section 226 is 'to ensure an employer documents the basis of the employee compensation payments to assist the employee in determining whether he or she has been compensated properly." *Ward*, 2020 WL 3495310 at *9 (quoting *Soto v. Motel 6 Operating, L.P.*, 4 Cal. App. 5th 385, 392-93 (2016)) (internal brackets omitted). To reach this objective, Section 226 mandates that employers provide itemized wage statements to employees each pay period. Along with other requirements, these wage statements must list "gross wages earned" and "net wages earned." *Id.* § 226(a)(1), (5). "Wages earned" means compensation that is already due, as opposed to that which is owed at a future point in time. *Soto*, 4 Cal. App. 5th at 391-93 (2016) (holding that vacation wages are not "wages earned" under Section 226(a) because, while they are vested wages, they are not due or quantifiable until termination or discharge); *cf.* Labor Code § 300 (prohibiting the "assignment of wages, earned or to be earned"). As briefed extensively by Petitioner Naranjo, meal and rest period

¹ All future references to Sections will be to the California Labor Code unless otherwise noted.

premiums are thus "wages earned" and must be reported on the itemized wage statement.²

Recognizing the importance of itemized wage statements to ensuring compliance with other wage and hour laws, the Legislature has repeatedly amended Section 226 over the past 75 years to expand and strengthen it. Ward, 2020 WL 3495310 at *4. "The end result is a comprehensive statute that contains not only detailed requirements for the contents of wage statements, but also recordkeeping and inspection requirements [], and extensive remedies for noncompliance, including statutory penalties recoverable by the Labor Commissioner [] as well as injunctive relief, damages, statutory penalties, and attorney's fees for employee claimants []." Id. These enhanced requirements and remedies include a requirement that the employer permit inspection of itemized wage statements or face a penalty (§ 226(b), (c), & (f)), and statutory damages where a worker suffers injury as a result of the deficient wage statement (§ 226(e)).³ The recordkeeping requirements and remedies provide an individual worker with mechanisms to ensure compliance with the wage statement requirement. This, in turn facilitates compliance with the Labor Code more broadly, because a worker who is provided records of whether and when she receives meal and rest

² Ignoring the reasoning of *Soto*, Spectrum maintains that the requirement in Section 226 for "wages *earned*" to be included on itemized wage statements somehow excludes meal and rest period premiums. Answer br. at 31-32. However, unlike vacation wages, meal-period premium wages are due immediately upon violation and are therefore vested and quantifiable. *Murphy*, 40 Cal. 4th at 1108. They are thus "wages earned" under Section 226.

³ Additionally, the burden of proof shifts in any subsequent legal dispute if the employer fails to produce records. *Hernandez v. Mendoza*, 199 Cal. App. 3d 721, 727 (1988) (easing an employee's burden at trial when the employer fails to keep accurate records as required by law).

period premiums is better equipped to identify violations and assert her rights.

The Legislature also granted the Labor Commissioner access to conduct strategic itemized wage statements to workplace-wide investigations. After receiving a complaint or tip about workplace-wide violations, Labor Commissioner investigators often request itemized wage statements from an employer. These records may show violations on their face, such as listing eleven hours of daily work without an overtime premium. Even if itemized wage statements do not show violations on their face, they provide important information in an investigation, especially when reviewed along with timesheets. For example, with meal periods, timesheets showing workers never clocked out for meal breaks along with itemized wage statements that do not show any meal period premium wages would raise significant questions on whether the employer provided required breaks.

Recognizing the importance of itemized wage statements to broader enforcement efforts, the Labor Code explicitly provides several remedies for failure to provide accurate records to the Labor Commissioner. First, as with individual workers, the Labor Commissioner is entitled to a \$750 penalty per worker for failure to allow inspection within 21 days. Second, the Labor Commissioner must assess a civil penalty under Section 226.3 for any violation of the itemized wage statement requirements in Section 226(a). Unlike the statutory damages available to workers under Section 226(e), the penalties in Section 226.3 are not dependent on an injury to the individual worker; instead, the Labor Commissioner may use her discretion to waive the penalty only if she determines that the employer's failure to comply with the itemized wage statement requirements was an inadvertent mistake.⁴

Although the primary purpose of the itemized wage statement requirement is to ensure transparency for the worker, the benefits of accurate record keeping, including records of when premium wages are earned and paid, also redound to the employer. When workers have transparency in the form of itemized wage statements showing how much they earned and were paid, they have the opportunity to present any concerns as they arise, at which point a worker and an employer can jointly address the issue. Keeping accurate records thereby both promotes informal resolution of disputes and protects law-abiding employers in subsequent claims.

B. <u>Waiting Time Penalties Provide the Necessary Deterrence to</u> <u>Incentivize Prompt Payment of Wages.</u>

For over a century, the Labor Code has imposed penalties for the late payment of wages because the Legislature recognized the severe hardships workers face when they do not receive their full pay at discharge or resignation. *Smith*, 39 Cal. 4th at 83, 87 n.4; *Moore*, 37 Cal. App. at 377. "Delay of payment or loss of wages results in deprivation of the necessities of life, suffering inability to meet just obligations to others, and, in many cases may make the wage-earner a charge upon the public." *Smith*, 39 Cal. 4th at 82 (quoting *Kerr's Catering Service v. Department of Industrial Relations*, 57 Cal.2d 319, 326 (1962)). While the focus is ensuring proper

⁴ Spectrum attempts to shift the focus from whether an employer must list meal and rest period premium wages earned under Section 226(a) to whether Naranjo suffered injuries under 226(e). Answer Br. at 32-33. Whether or not Naranajo suffered injuries for purposes of Section 226(e) is a fact-specific inquiry suited for trial courts. Spectrum's focus, however, on 226(e) both disregards the plain language of 226(a) at issue and ignores the fact that 226.3 penalties also arise based on itemized wage statement violations regardless of whether the employee has suffered an injury.

compensation of an employee, the requirement that an employer pay all wages due upon termination, like the requirement for itemized wage statements, also benefits the employer by providing the incentive for a final accounting with a former employee.

In its current iteration, Section 203 provides waiting time penalties of up to 30 days' salary for workers who do not receive timely payment of their final pay. Most often, waiting time penalties are owed based on violations of Sections 201 and 202, which detail when an employer must pay an employee's final wages upon discharge or resignation. Section 201 states, "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code § 201(a). Section 202 requires similar immediate payment for an employee who resigns and provides 72 hours' notice; otherwise, the employer has 72 hours to pay. *Id.* § 202. Waiting time penalties provide the enforcement mechanism to ensure "[t]he public policy in favor of full and prompt payment of an employee's earned wages." *Smith*, 39 Cal. 4th at 82.

Waiting time penalties serve to deter violations by employers that might otherwise fail to pay wages upon discharge. For example, a claim for failure to pay ten hours of minimum wages at \$13 per hour is a \$130 claim (\$13 * 10 hours) without waiting time penalties. However, if an employer fires a worker and fails to pay the unpaid hours within 30 days, the worker can claim \$3,120 (8 hours * \$13 * 30 days) in waiting time penalties in addition to the unpaid wages, assuming the employee worked 8 hours per day. While an employer inclined to cut corners may be willing to risk facing a claim for several hundred dollars, a several thousand-dollar penalty is much more likely to deter the violation.

In sum, the Labor Code sets up a matrix of default protections to ensure effective enforcement of basic workplace standards. Through itemized wage statements, workers have contemporary access to records of their wages earned and paid, which allows them to determine whether they have been properly compensated. Waiting time penalties ensure that an employer pay any remaining unpaid wages upon discharge. For most of the past century, these twin mechanisms of transparency and deterrence have been the backdrop against which the Legislature has created substantive rights and remedies, including the meal and rest period premiums in Section 226.7.

II. As Explained in *Murphy* and *Kirby*, the California Legislature Enacted the Meal and Rest Break Premiums to Enhance the Labor Code's Existing Matrix of Enforcement Mechanisms.

In 2000, fully cognizant of the Labor Code's comprehensive scheme to enforce basic worker protections, the Legislature took action to address employers' repeated failure to provide meal and rest breaks. *See Murphy*, 40 Cal. 4th 1105-06. At that time, the only remedy available was to seek injunctive relief in court. *Id.* Working in tandem with the Industrial Welfare Commission,⁵ the Legislature created Section 226.7, which provides one additional hour of pay when an employer unlawfully denies a meal or rest break. *Id.*

In *Murphy*, this Court determined that the Legislature intended these meal and rest period premiums to be wages subject to the existing matrix of

⁵ The Industrial Welfare Commission (IWC) also added a wage remedy for meal and rest break violations in 2000. In the proceedings, the Commission heard testimony from the chief counsel of the Labor Commissioner's Office that the only remedy available—injunctive relief in court—made enforcement of the underlying meal and rest break rights "a huge difficulty" and that the existing remedy was "not a good way to enforce something." Raymond Request for Judicial Notice (May 5, 2000 Public Meeting of the Industrial Welfare Commission) at 73-76. A commissioner then suggested providing the "premium pay" of "one hour at [the workers'] regular rate of pay" as a remedy. *Id.* at 76.

enforcement mechanisms, just like overtime premiums. 40 Cal. 4th at 1110-11.

In so holding, the Court relied upon the legislative history of meal and rest period premiums, finding that the Legislature intended these premiums to resemble other premium wages, particularly overtime wages. *Id.* at 1108. The Court emphasized that, unlike penalties, which do "not vest until someone has taken action to enforce [them]," meal and rest period premiums, like overtime premiums, are due "immediately upon [the employee] being forced to miss a rest or meal period." *Id.* at 1108. The Court noted that this was a conscious legislative choice, as late amendments to the bill "eliminated the requirement that an employee file an enforcement action." *Id.* In other words, the Legislature made the conscious decision to treat meal and rest period premiums like all other wages due immediately upon violation—that is, they must be paid at the end of the pay period without the need for any enforcement action to secure them. In this way, the Legislature deliberately crafted a remedy that was easy to enforce, consistent with its goal of ensuring workers receive meal and rest periods.

There is no reason to believe – and nothing in *Murphy* suggests – that the Legislature, in creating this self-enforcing wage remedy to improve compliance, intended to simultaneously undermine enforcement by keeping workers in the dark about whether such remedies were provided and foreclosing an effective deterrent for violations. Put simply, the Legislature did not intend, and *Murphy* did not hold, that the wage remedy in Section 226.7, unlike other wage remedies, is exempt from the century-old enforcement tools in Sections 226 and 203. To conclude otherwise would run counter to the Legislature's goal of promoting compliance with meal and rest break rules.

Kirby did not alter *Murphy*'s conclusion; rather, it reaffirmed the importance of ensuring section 226.7 is enforceable for low-wage workers.

In *Kirby*, the Court addressed whether an employer could recover attorney's fees under Section 218.5, which provides for fees to a prevailing party in actions brought for, among other things, "the nonpayment of wages."⁶ There, the plaintiffs settled with all employers except for one and then dismissed a claim for meal and rest period premiums against the sole remaining employer. *Id.* at 1248-49. The Court concluded that the employer could not recover fees against the plaintiffs. *Id.* at 1259.⁷

In reaching its conclusion, *Kirby*, like *Murphy*, emphasized the legislative intent behind Section 226.7 premium wages: to incentivize claims for meal and rest period violations. Addressing the argument that preventing fee shifting to employers in meal and rest break cases would encourage frivolous lawsuits by workers, the Court in *Kirby* noted that the Legislature appeared more concerned with low-wage workers being deterred from bringing meritorious cases than a hypothetical slippery slope:

[T]he Legislature could reasonably have concluded that meritorious section 226.7 claims may be deterred if workers, especially low-wage workers, had to weigh the value of an "additional hour of pay" remedy if their claims succeed against the risk of liability for a significant fee award if their claims fail.

Id. at 1259.

Like *Murphy*, *Kirby* does not suggest that the Legislature intended to remove meal and rest period premiums from the traditional matrix of

⁶ The Legislature has since narrowed the *Kirby* decision, without disturbing *Murphy*, by amending Section 218.5 to allow fee awards against employees only if "the employee brought the court action in bad faith." Labor Code § 218.5; *An Act to Amend Section 218.5 of the Labor Code, Relating to Employment*, S.B. 462, 2013 Cal. Legis. Serv. Ch. 142.

⁷ The parties provide in depth briefing on whether the term "wages" as used in Labor Code Section 203 and 226 is describing a remedy or a legal violation. We agree with Petitioner that these sections clearly describe a legal remedy as in *Murphy* and not a legal violation as in *Kirby*.

enforcement tools that apply to other wage remedies due immediately. Rather, *Kirby* reaffirmed that the Legislature's purpose was to ensure that low-wage workers could effectively enforce their rights to meal and rest periods. Neither *Murphy* nor *Kirby* suggests that the Legislature intended to exclude meal and rest periods from matrix of worker protections available, including itemized wage statements and waiting time penalties.

III. Stripping the Labor Code's Transparency and Deterrence Tools from the Section 226.7 Wage Remedy Would Undermine the Legislative Purpose of Meal and Rest Period Premiums and Put Low-Wage Workers at Risk.

Meal and rest period violations remain pervasive throughout California, disturbingly so in low-wage industries. As of 2010, in Los Angeles, for example, over eighty percent of low-wage workers who earned a meal period or a rest period reported a violation in the previous week. Ruth Milkman et al., *Wage Theft and Workplace Violations in Los Angeles: The Failure of Employer and Labor Law for Low-Wage Workers*, UCLA Institute for Research on Labor and Employment University (2010), at 2, 18, 39.

As discussed above, the Legislature adopted the Section 226.7 wage premium to address these violations and there is no indication that the Legislature intended to exclude the premium wages from the default enforcement mechanisms in Sections 226 and 203. Indeed, it would be absurd for the Legislature, concerned about widespread failure to provide basic worker protections, to strip—without comment—two critical enforcement tools applicable to all other wages due immediately.⁸

⁸ Spectrum draws the opposite conclusion, claiming that the fact the Legislature did not amend 226 and 203 to include Section 226.7 premium wages means that the Legislature intentionally excluded Section 226.7 premiums from these added protections. This argument ignores the structure of Sections 226 and 203. Neither 226 nor 203 lists the types of wages to

The Court of Appeal decision finding otherwise could have drastic consequences for low-wage workers. Consider, for example, how the lower court's decision would affect day laborers. See Moore, 37 Cal. App. at 380 (upholding a form of waiting time penalties in 1918 based, in part, on consideration of day laborers); Smith, 39 Cal. 4th at 88. A day laborer may work several jobs in the same month, if not the same week. To a one- or two-day construction employer who orders that an employee work during a meal break, the likely premium wage of less than \$25 per day constitutes only a minimal incentive to provide proper breaks, even though that amount may be significant for the low-wage worker. Cf. Troester v. Starbucks Corp., 5 Cal. 5th 829, 847 (2018), as modified on denial of reh'g (Aug. 29, 2018) (noting that even \$100 over a 17-month period can "pay a utility bill, buy a week of groceries, or cover a month of bus fares"). Because workers may not understand their right to meal or rest periods and, even if they do, must expend time and forgo pay (due to lost work days) to initiate an enforcement action, an employer faces only minimal risk and the unscrupulous or careless employer would have little incentive to provide breaks. *See Murphy*, 40 Cal. 4th at 1115 (noting that Murphy was unaware of his rights to meal and rest periods when filing his Labor Commissioner claim).

Alternatively, an employer has a stronger incentive to provide proper breaks if those wage premiums earned and paid must be listed on itemized wage statements and any wage premiums unpaid at termination are subject to waiting time penalties. When meal-period premium wages appear on a

which these sections apply. For example, although the Court has identified overtime compensation and reporting time pay as wages, the Legislature has not amended 226 or 203 to list the Labor Code or Industrial Wage Order sections providing for overtime or reporting pay. *Murphy*, 40 Cal. 4th at n.6. The Legislature has not—and likely could not—codify every judicial decision related to the Labor Code or interrelation between different Labor Code Sections.

wage statement, workers are more likely to be aware of, and demand, their rights to these breaks and/or premiums. Additionally, the waiting time penalty, which would likely amount to several thousand-dollars on even a small amount of unpaid premiums, would incentivize the careless, and perhaps even the unscrupulous, employer to pay the premium wage when workers miss breaks or, better yet, to provide breaks consistent with the law, in order to avoid a far higher penalty. For a low-wage worker, the itemized wage statement and the waiting time penalties could therefore be the difference between receiving meal and rest breaks and being denied them.

Moreover, even though the transparency provided by wage statements and the deterrent effect of waiting time penalties do not prevent all meal and rest period violations, when violations do occur, these requirements make enforcement, whether by an individual worker or the Labor Commissioner, more effective.

At the outset, requiring employers to provide statements showing meal and rest period premium wages and accompanying waiting time penalties makes it easier for workers to use the "legislatively-favored" administrative ("Berman") process with the Labor Commissioner's Office and thereby makes it more likely a low-wage worker will bring an enforcement action at all. *See Murphy*, 40 Cal. 4th at 1119; Labor Code § 98. The Legislature designed the Berman process as a "speedy, informal, and affordable method of resolving wage claims" without discovery in which "the hearing officer may assist the parties with cross-examination and explain issues and terms involved." *OTO, L.L.C. v. Kho*, 8 Cal. 5th 111, 122 (2019) (internal quotation marks omitted). As described above, requiring workers be provided with records of meal and rest period premiums, which can be compared to time sheets and other records, allows an employee and a hearing officer to examine a violation *without* the discovery or depositions that would otherwise be required. While records can of course be falsified,

the absence of a record-keeping requirement would make proof for both employee and employer more difficult and would remove the strong incentive for employers to track meal and rest periods to avoid burden-shifting. *See Hernandez v. Mendoza*, 199 Cal. App. 3d 721, 727 (1988). Finally, the ability to receive waiting time penalties makes missing several days of work and pay for an enforcement action worthwhile for a low-wage worker, whereas a promise of only meal and rest period premiums may not provide the same incentive for an employee working paycheck to paycheck.⁹

Spectrum's position also undermines the Labor Commissioner's ability to enforce California labor law for the most vulnerable workers through company-wide investigations. Critically, this enforcement method reaches the many workers that do not file individual claims for fear of retaliation. If employers are required to list meal period premiums on the wage statements, investigators can often turn to these records to assess whether the employers is in compliance; if this information is not required, however, an investigation must rely entirely on testimony of workers and employers. Requiring numerous interviews in every case just to determine compliance is inefficient and ineffective: not only does this limit the number of investigations the Labor Commissioner can conduct and needlessly waste

⁹ As both parties note, the Legislature in 2000 established that, similar to civil actions, all "due and unpaid wages" from an award of the Labor Commissioner in the Berman process accrue interest under Civil Code Section 3289. *See* Cal. Labor Code § 98.1(c); Pet. Opening Br. at 35; Answer Br. at 52-53. The award of the Labor Commissioner, like a judgment of a court, lists the *remedies* a claimant receives, not the basis for a legal action. Spectrum's contention that the phrase "due and unpaid wages" in Section 98.1(c) is not referring to remedies even though it references an administrative award unmasks any contention that Spectrum is faithfully applying the Court's distinction in *Murphy* and *Kirby* between wages as remedies and a legal action brought for nonpayment of wages.

the time of employers, workers, and the government, but it also jeopardizes effective enforcement because many workers fear testifying. The resulting decreased enforcement puts workers' wellbeing at risk and effectively penalizes law-abiding employers by allowing violations to continue unabated.

CONCLUSION

This Court has long "recognized that statutes governing conditions of employment are to be construed broadly in favor of protecting employees." *Murphy*, 40 Cal. 4th at 1103. The Court of Appeal decision fails to follow this maxim and puts low-wage workers at risk. Following *Murphy*, the Court should reverse.

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STATE OF CALIFORNIA

Supreme Court of California

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