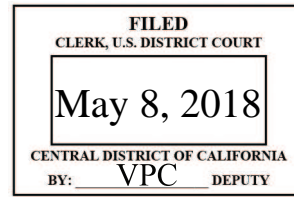


JS-6



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Attorneys for Plaintiff Secretary of Labor

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

**R. ALEXANDER ACOSTA,** ) **Case No. 2:18-cv-02025-SJO-(MRWx)**  
Secretary of Labor, )  
United States Department of Labor, )  
 ) **CONSENT JUDGMENT AS TO**  
Plaintiff, ) **DEFENDANT HDK AVENUE, INC.**  
v. )  
 )  
**RK APPAREL INC.,** a California )  
corporation, **JESSIE LEE,** an individual, )  
and **HDK AVENUE, INC.,** a California )  
Corporation, )  
Defend- )  
ants. )

Plaintiff Alexander Acosta, Secretary of Labor, United States Department of Labor (“Secretary”), and Defendant HDK Avenue, Inc. (“Defendant”), have agreed to resolve the matters in controversy in this civil action and consent to the entry of this Con-

1 sent Judgment in accordance herewith:

2 A. The Secretary filed an Amended Complaint alleging that the Defendant vio-  
3 lated provisions of Sections 15(a)(1), 15(a)(2) and 15(a)(5) of the Fair Labor Standards  
4 Act of 1938, as amended (“FLSA”), 29 U.S.C. §§ 215(a)(1), 215(a)(2), and 215(a)(5).

5 B. Defendant appears by counsel, acknowledges receipt of a copy of the Secre-  
6 tary’s Amended Complaint and waives answer and any defenses to the Secretary’s  
7 Amended Complaint.

8 C. The Secretary and Defendant waive Findings of Fact and Conclusions of  
9 Law, and agree to the entry of this Consent Judgment.

10 D. Defendant admits that the Court has jurisdiction over the parties and subject  
11 matter of this civil action and that venue lies in the Central District of California.

12 ORDERED, ADJUDGED, AND DECREED that Defendant HDK Avenue, Inc.  
13 its officers, agents, servants, and employees and those persons in active concert or par-  
14 ticipation with it who receive actual notice of this order (by personal service or other-  
15 wise) be, and they hereby are, permanently enjoined and restrained from violating the  
16 provisions of Sections 15(a)(1), 15(a)(2) and 15(a)(5) of the FLSA, 29 U.S.C. §§  
17 215(a)(1), 215(a)(2), and 215(a)(5), in any of the following manners:

18 1. Defendant shall not, contrary to FLSA § 6, 29 U.S.C. § 206, employ any  
19 employee who in any workweek is engaged in commerce or the production of goods for  
20 commerce, or employed in an enterprise engaged in commerce or in the production of  
21 goods for commerce, within the meaning of the FLSA, at wage rates less than \$7.25 an  
22 hour (or less than the applicable minimum rate as may hereafter be established by  
23 amendment to the FLSA).

24 2. Defendant shall not, contrary to FLSA § 7, 29 U.S.C. § 207, employ any  
25 employee who in any workweek is engaged in commerce or the production of goods for  
26 commerce, or employed in an enterprise engaged in commerce or in the production of  
27 goods for commerce, within the meaning of the FLSA, for a workweek longer than 40  
28 hours unless the employee is paid at a rate of time and one half the employee’s regular

1 rate for all hours worked in excess of 40 hours in a workweek.

2 3. Defendant shall not fail to make, keep, make available to authorized agents  
3 of the Secretary for inspection, transcription, and/or copying, upon their demand for  
4 such access, and preserve records of employees and of the wages, hours, and other con-  
5 ditions and practices of employment maintained, as prescribed by regulations issued, and  
6 from time to time amended, pursuant to FLSA §§ 11(c) and 15(a)(5), 29 U.S.C.  
7 §§ 211(c) and 215(a)(5) and the implementing regulations found in Title 29, Code of  
8 Federal Regulations, Part 516.

9 4. Defendant shall not, contrary to FLSA § 15(a)(1), 29 U.S.C. § 215(a)(1),  
10 transport, offer for transportation, ship, deliver, or sell in commerce (or ship, deliver, or  
11 sell with knowledge or reason to believe that shipment, delivery, or sale in commerce is  
12 intended) goods in the production of which any employee has been employed in viola-  
13 tion of FLSA §§ 6 and/or 7, 29 U.S.C. §§ 206 and/or 207.

14 5. The amount hereby found due to Defendant's employees for the period  
15 from November 13, 2017, through February 26, 2018, is \$234,168.88 to 41 employees  
16 of which amount Defendant shall pay \$66,168.88 as set forth in the attached Exhibit A.

17 The Secretary shall distribute the funds to Defendant's employees. Any funds  
18 which are not so paid within three years because of inability to locate the proper persons  
19 or their refusal to accept it shall be deposited into the U.S. Treasury as miscellaneous re-  
20 ceipts, pursuant to 29 U.S.C. § 216(C);

21 6. Within seven days of entry of this Judgment Defendant shall institute a  
22 Code of Conduct with the following provisions:

23 a. Defendant shall comply with the Fair Labor Standards Act and state wage  
24 provisions. This means that Defendant must pay its employees at least the required min-  
25 imum wage rate and an overtime rate of time and one half the employee's regular rate  
26 for all hours worked over 40 in a workweek.

27 b. Defendant shall provide a safe work environment, in compliance with applica-  
28 ble health and safety codes.

1 c. Defendant shall maintain a time keeping system that accurately records the  
2 hours worked by its employees.

3 d. Defendant's employees shall clock in their start time and end time each day and  
4 must record their own hours. Defendant shall not clock in for employees.

5 e. Defendant may pay employees on a piece rate basis, but if they are paid in this  
6 manner, Defendant shall review the employee's wages weekly to ensure that the em-  
7 ployee is being paid the minimum wage required by the FLSA for the employee's hours  
8 worked. If the piece rate earnings do not equal the minimum wage for 40 hours, the De-  
9 fendant shall make up the difference.

10 f. For each employee paid on a piece rate basis Defendant shall maintain on its  
11 premises the piece tickets on which the employee's pay is based for a period of two  
12 years.

13 g. For each employee paid in cash, Defendant shall maintain on its premises cash  
14 pay records for a period of two years.

15 h. All employees who work in excess of 40 hours per week are entitled to be paid  
16 an overtime rate of time and one half their regular rate for the hours over 40. To pay  
17 overtime, Defendant must add up the employee's weekly earnings and divide that num-  
18 ber by the number of hours worked to get the employee's regular rate. Defendant shall  
19 pay the employee one half of the employee's regular rate for the hours over 40, in addi-  
20 tion to the piece rate earnings. The attached Exhibit B contains examples of minimum  
21 wage and overtime calculations;

22 i. Defendant shall maintain a record of the employee hours worked and the  
23 amounts paid. Defendant shall provide copies of these records to all manufacturers it is  
24 doing business with, through the manufacturer's monitor or directly to the manufacturer,  
25 on at least a monthly basis.

26 k. Defendant shall inform any manufacturer it is doing business with immediately  
27 whenever Defendant is unable to meet any requirement of the FLSA;

28 l. Defendant shall cooperate with all monitors employed by manufacturers it is

1 doing business with.

2 m. Defendant shall maintain a valid garment registration.

3 7. On at least an annual basis, Defendant shall hire an independent third party  
4 to conduct training as to the requirements of the FLSA. The training shall be for one ses-  
5 sion of not less than one hour with an opportunity for questions and answers and shall  
6 address the FLSA's minimum wage, overtime, record keeping, and anti-retaliation re-  
7 quirements. All supervisors as well as the individuals who determine the employees pay  
8 or schedules or who prepare payroll shall attend this training. Defendant shall maintain  
9 documentation of these trainings for a period of four years and provide it to representa-  
10 tives of the Secretary of Labor upon their request. This provision shall be in effect for a  
11 period of four years from the date entry of this Judgment by the Court.

12 8. Defendant, directly or through agents, employees, associates, friends or rel-  
13 atives, shall not in any way demand, require or accept any of the back wages due under  
14 this Judgment from any employee. Defendant cannot threaten or imply that adverse ac-  
15 tion will be taken against any employee because of his /her receipt of funds due under  
16 this Judgment. Defendant understands and agrees that demanding or accepting any of  
17 the wages due under this Judgment or threatening any employee for accepting money  
18 due under this Judgment is specifically prohibited by this Judgment;

19 9. Within 30 days of entry of this Judgment Defendant shall distribute a copy  
20 of Exhibits B (regarding overtime calculations) and C (which summarizes terms of this  
21 Judgment and the employees' rights under the FLSA) to each of its current employees  
22 in the employee's native language, provide copies to all new hires, and post a copy at  
23 each of its establishments; and it is further

24 ORDERED that each party shall bear its own fees and other expenses incurred by  
25 such party in connection with any stage of this proceeding, including but not limited to  
26 attorneys' fees, which may be available under the Equal Access to Justice Act, as  
27 amended; and, it is further

28 ORDERED that this Court retains jurisdiction of this action for purposes of en-

1 forcing compliance with the terms of this Consent Judgment.

2 SO ORDERED.

3 Dated: May 8  
4 \_\_\_\_\_, 2018

*S. James Otew*  
\_\_\_\_\_  
U.S. DISTRICT COURT JUDGE

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1 The defendant HDK Avenue,  
2 Inc., hereby appears, waives any  
3 defense herein, consents to the entry of  
4 this Judgment, and waives notice by the  
5 Clerk of Court:

6 By:   
7 HAE DEUK KIM

4-19-2018  
Date

8 Its: o w e m

9 Attorneys for the Defendant

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13 CHRISTINE HAM,  
14 HAM & ASSOCIATES, APLC

4-30-18  
Date

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For the Plaintiff:

M. KATE O’SCANNLAIN  
Solicitor of Labor

JANET M. HEROLD  
Regional Solicitor

SUSAN SELETSKY  
Counsel for FLSA

/s/ Cheryl L. Adams  
CHERYL L. ADAMS, Attorney  
Attorneys for the Plaintiff,  
Secretary of Labor, U.S. Department of Labor

Date: May 2, 2018



Exhibit A

Installment Payment Plan:

Date Due	Amount Due
May 30 <sup>th</sup> , 2018	\$16,542.22
June 30 <sup>th</sup> , 2018	\$4,135.56
July 30 <sup>th</sup> , 2018	\$4,135.56
August 30 <sup>th</sup> , 2018	\$4,135.56
September 30 <sup>th</sup> , 2018	\$4,135.56
October 30 <sup>th</sup> , 2018	\$4,135.56
November 30 <sup>th</sup> , 2018	\$4,135.56
December 30 <sup>th</sup> , 2018	\$4,135.56
January 30 <sup>th</sup> , 2019	\$4,135.56
February 30 <sup>th</sup> , 2019	\$4,135.56
March 30 <sup>th</sup> , 2019	\$4,135.56
April 30 <sup>th</sup> , 2019	\$4,135.56
May 30 <sup>th</sup> , 2019	\$4,135.50

1 Exhibit B

2 Computing minimum wage and overtime on piecework:

3  
4 **Example 1:**

5 Employee A produced \$200 in piecework and worked 40 hours

6  $\$200 / 40 \text{ hours} = \$5.00 \text{ per hour}$

7  $\text{Difference} = \$11.00 \text{ (Calif. Minimum Wage)} - \$5.00 = \$6.00 \text{ per hour (underpaid)}$

8  ***$\$6.00 \text{ per hour} \times 40 \text{ hours} = \$240.00 \text{ minimum wage due}$*** 

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9  
10 **Example 2:**

11 Employee B produced \$550.00 in piecework and worked 50 hours

12  $\$550 / 50 \text{ hours} = \$11.000 \text{ per hour}$

13  $\$11.00 \text{ per hour} \times 0.5 \text{ (half time)} = \$5.50 \text{ per hour due for OT hours}$

14  ***$\$5.50 \times 10 \text{ hours} = \$55.00 \text{ in overtime premium due}$*** 

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15  
16 **Example 3:**

17 Employee C produced \$365.00 in piecework and worked 50 hours

18  $\$365 / 50 \text{ hours} = \$7.30 \text{ per hour}$

19  $\text{Difference in Reg. Rate} = \$11.00 \text{ (State minimum wage)} - \$7.30 = \$3.70 \text{ per hour}$

20  $\$3.70 \times 50 \text{ hours} = \$185.00 \text{ in regular rate due}$

21  $\$11.00 \times 0.5 \text{ (half time)} \times 10 \text{ hours of OT} = \$55.00 \text{ in overtime premium due}$

22 **Total Due: \$185.00 in regular rate and \$55.00 in overtime premium - \$240.00**

23  
24 Footnote: The employer must use either the state minimum wage, or the minimum wage applicable to  
25 the locality where the work is performed as the regular rate, whichever is higher. For example, the  
26 California minimum wage is currently at \$11.00 while Los Angeles County's is \$12.00, the employer  
27 must use the \$12.00 rate as the regular rate.  
28

1 Exhibit B

2 **Como computar el sueldo mínimo y el tiempo y medio (overtime) para los trabaja-**  
3 **dores que ganan por pieza.**

4 **Ejemplo No. 1:**

5 El empleado A hizo \$200.00 en trabajo de piezas y trabajo 40 horas.

- 6 •  $\$200.00 / 40 \text{ horas} = \$5.00$  por hora
- 7 • La diferencia es:  $\$11.00$  (sueldo mínimo por hora en California) -  $\$5.00 = \$6.00$   
8 por hora.  $\$6.00$  por hora es lo que se le debe a esta persona.

9 **Total:  $\$6.00$  por hora x 40 horas =  $\$240.00$  que se le debe al empleado por sueldo**  
10 **mínimo.**

11 **Ejemplo No. 2:**

12 El empleado B hizo \$550.00 en trabajo de piezas y trabajo 50 horas.

- 13 •  $\$550.00 / 50 \text{ horas} = \$11.00$  por hora
- 14 •  $\$11.00$  por hora x 0.5 (la mitad) =  $\$5.50$  que se debe por hora por cada hora de  
15 tiempo extra (overtime).
- 16 • **Total:  $\$5.50$  por hora x 10 horas =  $\$55.00$  que se le debe al empleado por**  
17 **tiempo extra (overtime).**

18 **Ejemplo No. 3:**

19 El empleado C hizo \$365.00 en trabajo de piezas y trabajo 50 horas.

- 20 •  $\$365.00 / 50 \text{ horas} = \$7.30$  por hora
- 21 • La diferencia en Salario Regular es:  $\$11.00$  (sueldo mínimo por hora en Califor-  
22 nia) -  $\$7.30 = \$3.70$  que se le debe al empleado por cada hora  $\$3.70$  x 50 horas =  
23  $\$185.00$  es lo que se debe en Salario Regular.
- 24 •  $\$11.00$  por hora x 0.5 (la mitad) x 10 horas extras (overtime) =  $\$55.00$  que se le  
25 debe al empleado por tiempo extra (overtime).
- 26 • **Total:  $\$185.00$  en Salario Regular y  $\$55.00$  por tiempo extra (overtime) =**  
27  **$\$240.00$ .**

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Note: El empleador debe usar el sueldo minimo estatal, o el salario minimo applicable a la localidad donde se realiza el trabajo como el salario regular, el que sea mas alto. Por ejemplo, el sueldo minimo de California es \$11.00 por hora, ye del Condado de Los Angeles es \$12.00 por hora, el empleador debe usar el sueldo de \$12.00 por hora para el salario regular.

증거서류 B

작업량에 따라 최소임금과 오버타임을 계산하는 방법은 다음과 같습니다.

예시1:

직원A는 40시간을 일하여 \$ 200 만큼의 작업량을 달성했습니다.

\$ 200 을 40시간으로 나누면,  $200 / 40 =$  시간당 \$ 5이 됩니다.

\$ 11.00 (캘리포니아 주 시간당 최소임금) - \$ 5.00 = 시간당 \$6.00 만큼 임금을 받지 못한 것입니다.

따라서 시간당 임금차이 \$ 6.00 x 40 시간 = \$ 240 의 미지불임금을 받을 수 있습니다.

예시 2:

직원 B는 50시간을 일하여 \$ 550 만큼의 작업량을 달성했습니다.

\$ 550 을 50시간으로 나누면  $\$550/50 =$  시간당 \$11,000 이 됩니다.

초과수당 시급은 시간당 \$ 11.00 x 0.5 (해프타임) = 시간당 \$ 5.50 입니다.

따라서 오버타임 임금으로 \$ 5.50 x 10 시간 = \$ 55.00 을 지급 받을 수 있습니다.

예시 3:

직원 C는 50시간을 일하여 \$ 365 만큼의 작업량을 달성했습니다.

\$ 365 을 50시간으로 나누면  $365 / 50 =$  시간당 \$ 7.30 이 됩니다.

정규 시급 차이는 \$ 11.00 (캘리포니아 주 시간당 최소임금) - \$ 7.30 = 시간당 \$ 3.70 입니다.

\$ 3.70 x 50 시간 = \$185.00 의 정규 임금이 더 지불되어야 합니다.

\$ 11.00 x 0.5 (해프타임) x 오버타임 10시간 = \$ 55.00 의 오버타임 임금이 지불되어야 합니다 .

따라서 \$ 185.00의 정규 임금과 \$ 55.00의 오버타임 임금을 합쳐 총액 \$ 240.00의

1 미지불임금을 받을 수 있습니다.

2 Footnote: 고용주는 해당 작업이 수행되는 지역에 적용되는 최저 임금과 주 최저 임금 중에서 더  
3 높은 쪽을 사용해야 한다. 지방 자치당국이 주 보다 높은 최저 임금을 받는 경우, 즉 캘리포니아 주의  
4 최저 임금은 현재 \$11.00달러이고, 로스 앤젤레스 카운티는 \$12.00달러인 경우, 고용주는 정규 임금으로  
5 \$12달러 로 사용해야 한다.

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1 Exhibit C

2 **LEGAL NOTICE TO ALL EMPLOYEES**

3 The **Fair Labor Standards Act** provides that all employees must be  
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5 paid **minimum wage** for all hours worked. In addition, employees must be  
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7 paid **overtime**, at a rate of time and one half their regular rate, for the  
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9 hours they work over 40 in a workweek. All employees, whether they  
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11 are paid **hourly** or on a **piece rate** basis are entitled to an overtime premium  
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13 when they work over 40 hours.

14 To resolve a lawsuit brought by the **Department of Labor**, the **United**  
15  
16 **States District Court** entered an Order forbidding **HDK Avenue, Inc.**, a  
17  
18 garment contractor, from shipping goods on which employees were not paid  
19  
20 the minimum wage or overtime required by the **Fair Labor Standards Act**.

21 All employees who work in this establishment should report violations  
22  
23 of minimum wage and overtime to the U.S. Department of Labor, Wage and  
24  
25 Hour Division, at (213) 894-6375. Your name will not be disclosed.  
26  
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1  
2 **NOTICIA LEGAL A TODOS LOS EMPLEADOS**

3 La Ley de **Norma Justas de Trabajo** determina que se les debe pagar a todos los  
4 empleados el sueldo mínimo por todas las horas que ellos trabajen. A la vez, también  
5 estipula que cada empleado que trabaje sobre tiempo, más de 40 horas en una semana  
6 laboral, se les deberá pagar a tiempo y medio de lo que ganen por cada hora de sobre  
7 tiempo trabajada. Todos los empleados, independientemente de que se les pague por ho-  
8 ra o por pieza, tienen derecho a que se les pague prima sobre tiempo cuando trabajan  
9 más de 40 horas en una semana laboral.  
10  
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12  
13 Para resolver una demanda laboral iniciada por el Departamento Del Trabajo, la  
14 corte del Distrito de los Estados Unidos expidió una orden que prohíbe a **HDK Avenue,**  
15 **Inc.**, una fábrica de ropa, de enviar la producción de etiquetas a sus distribuidores si en  
16 la fabricación de dichos productos no se les pago a los empleados el sueldo mínimo o el  
17 sobre tiempo requerido por la **Ley de Norma Justas de Trabajo**.  
18  
19

20 Si usted piensa que no se le pago de acuerdo a lo que la ley indica, por favor llama  
21 al Departamento del Trabajo de los Estados Unidos, División de Horas y Salarios al  
22 (213) 894-6375. Su nombre se mantendrá confidencial.  
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