



JANET T. MILLS  
GOVERNOR

DEPARTMENT OF LABOR  
BUREAU OF LABOR STANDARDS  
45 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0045

LAURA A. FORTMAN  
COMMISSIONER

WAGE & HOUR DIVISION

DIRECTOR

October 30, 2024

JG Hospitality Holding LLC  
D/B/A The Inn at Rostay  
and  
Joshua Gagni, Owner  
3703 Woodbridge Road  
Peabody, MA 01960

RE: Violations of Title 26 MRS. Inspection #489337

Dear Joshua Gagni,

When our Inspector contacted your place of business on July 16, 2024, the following violations of Maine Labor Law were found:

## Timely and Full Payment of Wages

Section 621-A, entitled "Timely and Full Payment of Wages", (materially) states:

**1. Minimum frequency and full payment.** At regular intervals not to exceed 16 days, every employer must pay in full all wages earned by each employee, except members of the family of the employer and salaried employees. Each payment must include all wages earned to within 8 days of the payment date. Payments that fall on a day when the business is regularly closed must be paid no later than the following business day. An employee who is absent from work at a time fixed for payment must be paid as if the employee was not absent. ...

In this case, the employers failed to pay [REDACTED] \$194.25 on the established pay date of 03/21/2024. The employers paid the wages more than six months later on 09/23/2024.

**Violations: 1**

## Penalties

When assessing fines, the Division generally relies on Section 53 of Title 26, which (materially) states:

...[T]he director may assess a forfeiture against any employer, officer, agent or other person who violates any provision of chapter 7, subchapters I to IV for each violation of those subchapters. The forfeiture may not exceed \$1,000 or the amount provided in law or rule as a penalty for the specific violation, whichever is less. ... The director shall adopt rules to govern the administration of the civil money forfeiture provisions. The rules must include a right of appeal by the employer and a range of monetary assessments with consideration given to the size of the employer's business, the good faith of the employer, the gravity of the violation and the history of previous violations. ...

The Rules referred to above are entitled: Chapter 9: Rules Governing Administrative Civil Money Penalties for Labor Law Violations. Pursuant to these rules, the number of violations will be multiplied by \$1,000. The result will then be reduced if the employer has fewer than 100 employees, no history of previous violations, the employer is not being cited for multiple or grave violations, and the employer has demonstrated “good faith”, all of which are defined in the rules.

Employer size, history, and gravity of the violation are the relevant criterion to the imposition of fines in this case. The employers have less than 25 employees. As such, we have used the smallest employer size category. This means that, pursuant to Section II (1), the penalty amount in all violations will be reduced by 33.3%. Pursuant to Section II (2), the result will then be reduced by 20% because the employers have no history of previous violations. Pursuant to Section II (3), the result will then be reduced by another 20% because the violation was not grave.

### **Timely and Full Payment of Wages;**

The penalties for violations of timely and full payment of wages (Section 621-A) is set out at Section 626-A, which (materially) states: “Whoever violates any of the provisions of...sections 621-A to 623 or section 626...is subject to a forfeiture of not less than \$100 nor more than \$500 for each violation.”

In this case, there was one violation. Chapter 9 Rules require us to start at \$1,000. The \$1,000 figure is then reduced by 33% for employer size, resulting in a penalty amount of \$667. The penalty is then reduced by another 20% because the employers have no history of previous violations, resulting in a penalty amount of \$533.60. The penalty is then reduced by another 20% because the violation was not grave, resulting in a **total penalty amount of \$426.88 for the violation in this category.**

### **Wages, Liquidated Damages, and Interest**

Section 53 of Title 26 M.R.S. authorizes the Director to order an employer to pay wages, liquidated damages and interest:

In addition, the director may order any employer, officer, agent, or other person who the director finds in violation under chapter 7, subchapters 1 to 4 or section 1312, to pay unpaid wages determined to be due, as well as an additional amount equal to twice the amount of unpaid wages to any employee as liquidated damages and a reasonable rate of interest.

In this case, the employers failed to pay the employee \$194.25 on the established pay date of 03/21/2024. The employers paid the wages 187 days later on 9/23/2024. Liquidated damages, in this case, total \$388.50. Since the employer paid a portion of that amount on 9/23/2024, the employers owe the employee an additional **\$388.50 in liquidated damages.**

The interest in this case is calculated at 10.88% per year, the same rate used in Kennebec County Superior Court. We multiply the liquidated damages of \$388.50 by 10.88% interest, resulting in \$42.27 total annual interest. We then divide that amount by 365 days, resulting in a total amount of \$0.116 daily interest. The daily interest is then multiplied by the 187 days that the wages went unpaid, **the result is a total interest amount of \$21.69 owed to the worker.**

## **Appeals and Settlements**

**The total penalty for the above violation is \$426.88. Please make checks payable to “Treasurer, State of Maine” and mail to the address at the top of this letter.**

**The total liquidated damages and interest owed to the worker for the above violation is \$410.19. Payment must be made directly to the worker and proof of payment submitted to the Wage and Hour Division.**

Pursuant to Section 53 of Title 26, you have the right to appeal this citation. The Bureau’s appeals process is set out in Section IV of the Chapter 9 Rules.

If you choose to file an appeal of any violation or penalty, you must do so within fifteen (15) business days of receipt of this notice. The appeal must be submitted in writing to the Commissioner. The employer may request the appeal by U.S. mail, hand delivery, or email. If you file an appeal, be specific as to which violation(s) or penalties you wish to appeal. If a request for a formal appeal is received timely, a hearing will be scheduled. The Commissioner may serve as the hearing officer or assign the appeal to a qualified hearing officer. The hearing will be at the headquarters of the Bureau or at a place mutually agreeable to the parties. The hearing may be held telephonically or by remote video, at the discretion of the hearing officer. All proposed penalties will be stayed until after the formal appeal is heard.

If no response is received within the designated timeframe, you accept all citations and any penalties assessed, and any wages, liquidated damages, or interest ordered to be paid. The notice will become a final order and payment will be due at that time.

We strongly recommend that any correspondence be sent by certified mail. Failure to correct violations may result in additional penalties for each violation that is not corrected.

You may approach the Bureau to negotiate a settlement to waive the violations or penalties at any time during this process. However, settlement negotiations will not affect the deadline to appeal.

If you have questions regarding this notice, you may contact the Bureau of Labor Standards, Wage & Hour Division at (207) 623-7900.

Respectfully,

A handwritten signature in black ink that reads "Scott R. Cotnoir". The signature is written in a cursive, slightly slanted style.

Scott Cotnoir, Director  
Wage and Hour Division  
Inspection #489337