



CASTLE LAW

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May 13, 2025

For Online Filing:

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Todd Phillips v. Carvana Logistics, LLC*

Dear Labor Commissioner,

As counsel for, and on behalf of, Todd Phillips (hereinafter referred to as “Claimant”), I am writing to provide you and the following employer (hereafter “Defendant”) notice pursuant to California Labor Code section 2699.3:

CARVANA LOGISTICS, LLC
300 E. RIO SALADO PARKWAY BLDG 1
TEMPE, AZ 85281

I am setting forth the facts and theories to support each of the counts found within this letter. Please notify us of your intent to investigate any or all of the claims alleged herein against the above identified Defendant. Should you decide not to investigate, we request that you allow us to seek civil penalties on behalf of the Labor Commissioner, Claimant, and all similarly situated current and former aggrieved employees, pursuant to California Labor Code section 2699(a). A \$75.00 filing fee is being submitted to Department of Industrial Relations, Accounting Unit, 455 Golden Gate Avenue, 10th Floor, San Francisco, CA 94102.

A. FACTS

Claimant and other aggrieved employees worked for Defendant as non-exempt employees in California. Claimant was employed by Defendant as a Commercial Driver at their Lincoln, California location from approximately November 2023 to April 14, 2025. Claimant experienced and is informed and believes other employees of Defendant also experienced the following, and on that basis they are aggrieved employees as discussed herein:

Defendant failed to properly compensate Claimant and other aggrieved employees for all hours worked. Specifically, Claimant and other aggrieved employees were only paid for mileage driven and not for loading time, unloading time, or other non-driving work activities that were an integral part of their job duties.

Defendant failed to provide legally compliant meal and rest breaks to Claimant and other aggrieved employees. Claimant and other aggrieved employees' meal periods were recorded for times when Claimant and the other aggrieved employees' stopped driving, even though Claimant and other aggrieved employees continued to work during that time. Claimant and aggrieved employees' schedules failed to practically allow for compliant meal and compliant rest breaks throughout their shifts.

Defendant failed to maintain accurate records for Claimant and other aggrieved employees. The tracking software used by Defendant failed to account for time worked, including by recording automatically meal breaks during time that Claimant and other aggrieved employees were actually still working. These inaccuracies were then also reflected in the wage statements furnished to Claimant and other aggrieved employees.

Defendant failed to notify Claimant and other aggrieved employees of the amount of sick leave available to them on their designated pay day. The information was not provided on their wage statements nor any other writing on their pay days.

Defendant violated Claimant and other aggrieved employees' right to sick leave by implementing punitive measures against employees who utilized sick leave, treating the use of sick time similarly to other conduct subject to discipline.

Defendant failed to timely pay all wages due to Claimant and other aggrieved employees upon termination, failing to pay his wages in full, including but not limited to unpaid non-driving time and meal and rest break penalties.

Defendant failed to pay Claimant and other aggrieved employees at the appropriate overtime rate. Defendant's payment policy fails to appropriately account for and calculate the overtime rate for Claimant and other aggrieved employees, who regularly work enough hours to entitle them to overtime wages.

B. VIOLATIONS OF THE LABOR CODE EXPERIENCED BY CLAIMANT AND OTHER AGGRIEVED EMPLOYEES

Violation of Labor Code §§ 1194, 1197, 1197.1; IWC Wage Order(s) (Failure to Pay Minimum Wages)

California Labor Code sections 1194, 1197, 1197.1 and relevant IWC Wage Order(s) require employers to pay at least the applicable minimum wage for all time worked. During the period Claimant and other aggrieved employees were employed by Defendant, they were entitled to be paid at least the State's or other applicable minimum wage rate for all time that they worked. For the reasons stated above, Defendant did not pay Claimant and other aggrieved employees at least the applicable minimum wage for all hours worked. Thus, Claimant and other aggrieved employees were not paid at least the applicable state minimum wage for all hours worked in violation of the Labor Code.

Violation of Labor Code §§ 510, 1194; IWC Wage Order(s) (Failure to Pay Overtime Wages)

Labor Code sections 510 and 1194 and relevant IWC Wage Order(s) require employers to pay employees overtime at 1.5 times of each employee's regular rate for any work in excess of eight (8) hours in one workday and any work in excess of forty (40) hours in any one workweek. Employers must also pay overtime at 1.5 times of each employee's regular rate for the first eight (8) hours worked on the seventh day of work in any one workweek. Finally, employers must pay double each employee's regular rate for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh day of work in any one workweek. As stated above, Claimant and other aggrieved employees worked over eight (8) hours per day and forty (40) hours per week and were not paid overtime wages as legally required. Claimant and all other aggrieved employees are entitled to recover all unpaid overtime wages.

Violation of Labor Code § 1174 (Failure to Keep Accurate Time Records)

Labor Code section 1174(d) requires employers to keep "payroll records showing the hours worked daily by and the wages paid to . . . employees . . . These records shall be kept in accordance with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years." Defendant did not keep accurate information regarding all hours worked by Claimant and other aggrieved employees, largely by failing to accurately record all time worked on their time records. This was in violation of the Labor Code.

Violation of Labor Code §§ 226.7, 512 and IWC Wage Order(s) (Failure to Provide Meal Periods)

Labor Code section 226.7 and relevant IWC Wage Order(s) require employers to provide employees meal periods of thirty (30) minutes per five (5) hours worked. For the reasons stated above, Claimant and other aggrieved employees were not authorized and permitted to take legally compliant meal periods pursuant to California law. Defendant also failed to pay meal period premiums for its failure to provide meal periods.

Violation of Labor Code § 226.7 and IWC Wage Order(s) (Failure to Provide Rest Periods)

Labor Code section 226.7 and relevant IWC Wage Order(s) require employers to provide employees paid off-duty rest periods of ten (10) minutes per four (4) hours or major fraction thereof worked. For the reasons stated above, Claimant and other aggrieved employees were not authorized and permitted to take legally compliant rest periods pursuant to California law in violation of the Labor Code. Defendant also failed to pay rest period premiums for their failure to provide rest periods.

Violation of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements)

Labor Code section 226 requires employers to furnish to employees with "an accurate itemized 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, provided that all deductions made on written orders of the employee may be

aggregated and shown as one item, (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” For the reasons stated above, Defendant failed to comply with these requirements with respect to Claimant and other aggrieved employees in violation of the Labor Code.

Violation of Labor Code §§ 201–203, 256 (Failure to Pay Final Wages)

Labor Code sections 201–203 require that all wages, including minimum wages and meal and rest period premiums, be paid to employees upon separation and/or termination of employment. Here, for the reasons stated above, Claimant and other aggrieved employees did not receive all final wages due and owing to them at the time of termination or seventy-two (72) hours thereafter as required by Labor Code sections 201–203. This is in violation of the Labor Code.

Violation of Labor Code § 246 (Failure to Notify of Available Sick Leave)

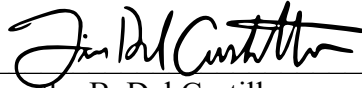
Labor Code section 246 requires employers to "provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee's itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee's payment of wages." As stated above, Defendant failed to notify Claimant and other aggrieved employees of the amount of sick leave available to them on their designated pay day. For the reasons stated above, Defendant failed to comply with these requirements with respect to Claimant and other aggrieved employees in violation of the Labor Code.

Violation of Labor Code § 246 (Retaliation for Sick Leave Usage)

Labor Code section 246 establishes employees' rights to accrue and use paid sick leave without interference or retaliation from employers. For the reasons stated above, Defendant violated Claimant and other aggrieved employees' right to sick leave. Defendant failed to comply with these requirements with respect to Claimant and other aggrieved employees in violation of the Labor Code.

If you have any questions or require any further information regarding the facts and theories to support these claims, do not hesitate to contact my office. Pursuant to Labor Code section 2699.3, please notify Defendant and this law office within 60 calendar days of the postmark date of this notice whether the Agency intends to investigate the alleged violations.

Very truly yours,
Castle Law: California Employment Counsel, PC

By: 
Timothy B. Del Castillo

cc: CARVANA LOGISTICS, LLC
300 E. RIO SALADO PARKWAY BLDG 1
TEMPE, AZ 85281