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LAUREL
EMPLOYMENT LAW

July 23, 2025

ELECTRONICALLY FILED

Attn: PAGA Administrator
Labor and Workforce Development Agency
1515 Clay Street, Suite 801
Oakland, California 94612
PAGAfilings@dir.ca.gov

Re: **Private Attorneys General Act of 2004 Notice**

Employee(s): **Jordan McGhee**

Employer: **ADESA US Auction, LLC and Related Entities**

Dear PAGA Administrator:

Pursuant to California Labor Code § 2699.3(a)(1), Jordan McGhee notifies the California Labor & Workforce Development Agency ("LWDA") that he intends to seek civil penalties pursuant to California Labor Code § 2699(a) and (f) for violations of the following provisions of the California Labor Code by ADESA US Auction, LLC ("ADESA"), as well as any unknown related entities involved in the alleged violations:

1. Failure to pay minimum wages (Lab. Code §§ 1194, 1197, and 1197.1);
2. Failure to pay for all hours worked (Lab. Code § 204);
3. Failure to pay wages (Lab. Code § 510);
4. Failure to provide meal and rest periods, and failure to provide compensation for non-compliant meal and rest periods (Lab. Code §§ 226.7 and 512);
5. Failure to provide timely and accurate itemized wage statements (Lab. Code § 226);
6. Exceeding the maximum work hours (Lab. Code § 1198);
7. Failure to maintain accurate records (Lab. Code § 1174); and
8. Failure to timely pay all wages following separation from employment or when due and payable (Lab. Code §§ 201, 201.3, 202, 203, 204, and 227.3).

Mr. McGhee, an aggrieved employee, intends to bring a civil action against ADESA pursuant to PAGA on behalf of himself and other aggrieved employees. Specifically, the Aggrieved Employees at issue here are all of ADESA's current and former hourly-paid, non-exempt employees who worked for ADESA in California.

Background of Defendant:

"ADESA provides wholesale vehicle auction solutions to professional care buyers and sellers."[1] ADESA auctions cars to its customers, including vehicle manufacturers, rental companies, financial institutions, fleet managers, independent dealers, and franchise dealers. ADESA operates 56 locations across the country, including several in California. For example, ADESA operates auction locations in San Joaquin County, Riverside County, Sacramento County, San Diego County, and Placer County. In order to meet its business objectives, ADESA employs workers like Mr. McGhee and the Aggrieved Employees, who perform labor, driving, cleaning, and other non-exempt job duties at ADESA's work locations throughout California.

Background of Aggrieved Employees:

Mr. McGhee was employed by ADESA as a driver/laborer from approximately March 2025 to July 2025 in ADESA's Mira Loma location. ADESA required Mr. McGhee to work, on average, 8-to-10 hours per day and 5 days per week (an overall average of 40-to-50 hours per week) during his employment at a base hourly rate of $16.50 per hour. Mr. McGhee's primary job duties included driving cars through the auction, moving cars to and from the auction location, cleaning the cars, and other manual labor tasks. ADESA classified Mr. McGhee as non-exempt from overtime and paid Mr. McGhee on a weekly basis.

The Aggrieved Employees are all of ADESA's current and former non-exempt employees in California who are classified as non-exempt and paid on an hourly-rate basis.

ADESA regularly required Mr. McGhee and the Aggrieved Employees to perform work while off-the-clock without compensation at the required minimum wage in violation of Labor Code §§ 204, 1194, 1197, and/or 1197.1. ADESA did so willfully or in reckless disregard of whether its attendance and "clock in" policies violated the California Labor Code. Upon information and belief, ADESA altered and/or caused to be altered Mr. McGhee's and the Aggrieved Employees' recorded work time to falsely reduce their on-the-clock work hours in an effort to avoid paying them overtime wages.

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[1] *See* https://www.adesa.com/about-us/ (last visited July 17, 2025).

Upon information and belief, ADESA require Mr. McGhee and the Aggrieved Employees to arrive early to work, where they would have to sign in at a security check-point/visitor log-in sheet, after which Mr. McGhee and the Aggrieved Employees remain subject to ADESA's control while on ADESA's premises, but refrain from clocking in for their shifts without being paid for such compensable work time. Upon information and belief, ADESA would also require Mr. McGhee and the Aggrieved Employees to traverse between various departments during their workday, but would require them to clock out upon leaving one department and to clock in when arriving at the new department. ADESA did not pay Mr. McGhee and the Aggrieved Employees for such compensable "travel time" between work departments.

Despite regularly working more than 8 hours in a day and/or 40 hours in a week, ADESA fails to pay Mr. McGhee and the Aggrieved Employees overtime pay at 1.5 times their regular rate of pay for all hours actually worked in accordance with Labor Code §§ 204 and 510. In addition to the off-the-clock work described above, much of which occurred during days when Mr. McGhee and the Aggrieved Employees worked at least 8 total hours and/or during weeks when Mr. McGhee and the Aggrieved Employees worked at least 40 total hours, ADESA was also responsible for improper timekeeping record alterations that artificially reduced Mr. McGhee's and the Aggrieved Employees' overtime hours.

Further, ADESA fails to provide compliant meal and rest periods to Mr. McGhee and the Aggrieved Employees who are not fully relieved of work duties during such "break" times. ADESA regularly subjects Mr. McGhee and the Aggrieved Employees to interruption throughout their purported "breaks," often pulling them out of breaks before the full 10- or 30-minute period is up. ADESA also fails to ensure Mr. McGhee and the Aggrieved Employees receive meal or rest periods in a timely fashion as required by the Labor Code.

ADESA's policies, practices, and procedures cause Mr. McGhee and the Aggrieved Employees to systematically miss their meal and/or rest periods. Yet, ADESA does not provide Mr. McGhee and the Aggrieved Employees with premium payments for each day they do not receive compliant meal and rest periods. Mr. McGhee and the Aggrieved Employees are frequently denied meal and/or rest periods for various reasons, including that ADESA does not authorize, permit, and/or make available timely meal and/or rest periods to them, and/or Mr. McGhee and the Aggrieved Employees are often too busy with work during the day to have time to take a *bona fide* meal and/or rest period. ADESA also does not properly monitor, take steps, or otherwise reasonably attempt to ensure meal and rest periods are made available to Mr. McGhee and the Aggrieved Employees. Further, when Mr. McGhee and the Aggrieved Employees do attempt to take a meal period, they are often short, subject to interruption, and/or untimely, *i.e.*, after the end of the 5th hour of work. As a result, Mr. McGhee and the

Aggrieved Employees are not provided with duty-free, uninterrupted, and timely 30-minute meal periods by the end of the 5th hour of work.

Additionally, Mr. McGhee and the other Aggrieved Employees are not provided with uninterrupted, 10-minute rest periods, while completely relieved of any duty and/or control by ADESA, by the end of the 4th hour of work, and each subsequent 4 hours of work or major fraction thereof.

Further, on days when Mr. McGhee and the Aggrieved Employees work shifts of 10 hours or more ADESA does not authorize and/or permit Mr. McGhee and the Aggrieved Employees to take a 2nd meal period before the 10th hour of work. As a result, Mr. McGhee and the Aggrieved Employees are not provided with duty-free, uninterrupted, and timely second 30-minute meal periods by the end of the 10th hour of work.

As outlined herein, Mr. McGhee and the Aggrieved Employees are not compensated with proper minimum wages, overtime wages, payment for all hours worked, and are not paid premium payments for missed meal and rest periods. As such, ADESA fails to, among other things, reflect the accurate number of hours worked, rates of pay, gross wages earned, net wages earned, and/or premium pay owed in Aggrieved Employees' itemized wage statements. Therefore, Mr. McGhee and the Aggrieved Employees do not receive accurate, itemized wage statements as required under the Labor Code.

As a consequence of ADESA's off-the-clock policies and practices, Mr. McGhee and the Aggrieved Employees do not receive all wages in a timely manner during their employment as required by Labor Code § 204. Accordingly, ADESA violated Labor Code § 204(a).

Finally, as a consequence of ADESA's failure to pay all wages owed (including minimum wages, overtime wages and premium wages), Mr. McGhee and the Aggrieved Employees do not receive all wages owed during employment. As such, Mr. McGhee and the Aggrieved Employees who are ADESA's former employees did not receive all wages owed following separation from employment in violation of the Labor Code.

Labor Code § 1174(d) requires employers to keep payroll records showing the hours worked, wages paid, and the employees employed, on file for not less than two (2) years. During the relevant time period, ADESA failed to maintain accurate records relating to Mr. McGhee's and the Aggrieved Employees' work periods, total daily hours worked, overtime hours worked, double time hours worked, overtime wages owed, double time wages owed, meal periods, premium pay owed, and/or total hours worked per payroll period, among other recordkeeping violations. Accordingly, ADESA violated the applicable IWC Wage Orders and Labor Code sections 1198.5 and 1174(d).

Mr. McGhee is represented by Laurel Employment Law, APC, a law firm with offices in Santa Monica and Van Nuys. Laurel Employment Law has extensive experience in the successful litigation and resolution of employment and representative actions. A description of the work, mission, and credentials of the firms can be found at https://www.laurelemploymentlaw.com/. Mr. McGhee and his counsel are committed to zealously pursuing redress on behalf of the State of California and all other similarly situated employees for the violations and civil penalties set forth above.

If I can be of any assistance, please do not hesitate to contact me. We would appreciate hearing from the LWDA at its earliest convenience, and we thank you for your careful consideration of this matter.

Sincerely,

Joshua I. White (SBN 278166)
William M. Hogg (SBN 338196)
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