STANSBURY BROWN
LAW PC

July 22, 2025

VIA LWDA WEBSITE

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

Re: *Heriberto Castro v. EZ Line Striping Corporation, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Heriberto Castro in claims arising from his employment with EZ Line Striping Corporation dba EZ Line Parking Lot Solutions and DOES 1 through 100 (collectively "EZL"). Mr. Castro is an "aggrieved employee" as defined by Labor Code Section 2698 *et seq*., due to EZL's numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Sections 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated.

EZL is in the business of seal coating, striping, paving marking, and other parking lot maintenance and employs individuals to perform such work for various entities that require its services. Mr. Castro commenced employment with EZL as a non-exempt employee from approximately 2016 until approximately June 2025 in the position of paint striper. Mr. Castro had no set schedule. Rather, he would generally work Monday through Saturday between 8.5-12 hours per day, depending on work demands. However, as discussed below, Mr. Castro worked considerably more hours than he was credited for on his wage statements. Mr. Castro was paid at a rate of approximately $23.50 per hour at the time of his separation with EZL.

For purposes of this letter, the "aggrieved employees" whom Mr. Castro seeks to represent are the other non-exempt employees of EZL in California at any time during the one year preceding the date of this letter through the present.

During Mr. Castro's employment with EZL, Mr. Castro and other aggrieved employees were not paid for all hours worked due to EZL's failures to properly account for all hours that Mr. Castro and other aggrieved employees actually worked. Specifically, Mr. Castro and other aggrieved employees' wage statements would routinely credit them for far fewer hours than they actually worked, resulting in substantial unpaid wages due to EZL's intentional time shaving practices. Additionally, Mr. Castro and other aggrieved employees never received a set schedule; rather they were constantly required to be "on-call" and would be penalized for not confirming work assignments within the hour they were contacted. For example, on two occasions when Mr. Castro failed to confirm he could work the following day, he received a write-up. Throughout Mr. Castro's employment with EZL, he was expected to show up to EZL's yard within hours of being notified of work. However, instead of properly compensating Mr. Castro and other aggrieved employees for these on-call hours worked, EZL would simply elect to pay them for the hours in which they were called to perform work, which was vastly under representative of the amount of hours that they were necessarily performing work on call. As a result of EZL's policies/practices regarding this on-call work, EZL failed to pay all requisite minimum, overtime, and/or double time wages owed to Mr. Castro and other aggrieved employees.

Furthermore, EZL routinely failed to pay Mr. Castro and other aggrieved employees at the prevailing wage when they worked on public works projects. For example, Mr. Castro would be assigned to work on the parking lots at government buildings, but was only being paid his regular hourly wage. When Mr. Castro became aware of EZL's chronic underpayment of wages and failure to pay all prevailing wages, he started requesting that an on-site government employee sign off on his time-sheet to put EZL on notice that those hours should be paid at the prevailing wage rate. However, EZL routinely failed to pay the prevailing wages that Mr. Castro and other aggrieved employees were entitled to when they worked on public works projects. Furthermore, EZL capped the prevailing wage rate at 8 hours a day, and any work completed in excess would be compensated at their standard hourly rate. Consequently, due to EZL's unlawful timekeeping and payment policies and practices that failed to compensate for all hours worked, Mr. Castro and other aggrieved employees have been deprived of all required minimum and overtime wages earned.

Mr. Castro and other aggrieved employees were required to work seven days a week in order to meet intense deadlines, in direct violation of Labor Code § 551 and 552.

Furthermore, Mr. Castro and other aggrieved employees routinely worked overtime but did not receive overtime compensation equal to one and one-half times their regular rate of pay for all overtime hours worked. Additionally, Mr. Castro and other aggrieved employees routinely worked shifts in excess of 12 hours but did not receive double-time compensation equal to double their regular rate of pay for all double-time hours worked. Specifically, upon information and belief, EZL intentionally engaged in unlawful timekeeping practices that were designed to deny statutory overtime/double-time payments to which Mr. Castro and other aggrieved employees were entitled, whether it be by way of time-shaving, "rolling over" overtime hours, failing to pay all daily overtime in favor of only issuing overtime payments for weekly hours worked in excess of 40 hours, and other deceptive timekeeping practices designed to minimize overtime compensation that Mr. Castro and other aggrieved employees were entitled to. Additionally, EZL paid Mr. Castro and other aggrieved employees at different rates of pay that are not excludable from the regular rate of pay. Mr. Castro received his standard hourly rate for standard paint striping jobs and parking lot maintenance, but received a higher rate of pay for i) applying seal coats over asphalt ("Seal Coat 2 Rate"); ii) installing thermos plastic (hereinafter the form of pay is referred to as "Thermo 2"); iii) public works projects ("Prevailing Wages"); and iv) Fringe Hourly Compensation. Despite EZL's payment of different rates to Mr. Castro and other aggrieved employees, EZL failed to properly calculate the regular rate of pay, thereby causing

Mr. Castro and other aggrieved employees to be underpaid all required overtime wages. For example, Mr. Castro's wage statement numbered 10642, shows that Mr. Castro worked for 116 hours, including 36 hours of overtime paid at 1.5 times Mr. Castro's hourly rate of pay (i.e., $33.00). However, in the same pay period, Mr. Castro also received a $70.50 Thermo 2 payment for 3 hours of work at an hourly rate of $23.50. Therefore, Mr. Castro's overtime rate of pay, when including Thermo 2 (which must be properly included in the overtime rate of pay), should have been approximately $33.08. This practice was pervasive throughout Mr. Castro's employment as he was routinely compensated at multiple and different rates of pay. However, all forms of pay were not factored in by EZL when calculating Mr. Castro's regular rate of pay during those pay periods when he received different rates of pay. Further on information and belief, EZL failed to properly blend all hourly rates in a given pay period to determine the proper regular rate of pay for calculating overtime. This practice resulted in a systemic underpayment of overtime wages, in addition to the deceptive timekeeping practices as described above.

In addition, Mr. Castro and other aggrieved employees were not provided all legally compliant meal periods due to EZL's meal period policies and practices which fail to provide a timely 30-minute duty-free first meal period (i.e. a first meal period commencing before the end of the fifth hour of work). Specifically, Mr. Castro estimates that he did not receive a compliant first meal period, whether it be shortened, missed, or interrupted, on at least 75% of the shifts that he worked. For example, Mr. Castro and other aggrieved employees were instructed to take their meal period while on the commute to different job sites in order to adhere to strict schedules and deadlines. Mr. Castro's shortened, late, and on-duty meal periods were a direct result of EZL's policy/practice. EZL also failed to provide timely, legally compliant second meal periods when Mr. Castro and other aggrieved employees worked shifts in excess of 10.0 hours. In addition, on those occasions when Mr. Castro and the other aggrieved employees were not provided with all legally compliant meal periods to which they were entitled, EZL failed to compensate them with the required meal period premiums, as mandated by Labor Code § 226.7.

EZL also failed to authorize and permit Mr. Castro and other aggrieved employees to take all statutorily mandated rest periods. Mr. Castro and the other employees would be made to work through the entirety of their shifts and forced to forego rest periods in order to meet the strict deadlines imposed on them by EZL. Due to the overwhelming workload and the company culture, Mr. Castro and the other aggrieved employees were generally not permitted to exercise any compliant duty-free rest periods. Further, upon information and belief during at least a portion of the relevant time period, EZL maintained no payroll code or other mechanism for the payment of rest period premium payments under Labor Code § 226.7 in the event that a legally compliant rest period was not authorized or permitted to Mr. Castro and the other aggrieved employees.

EZL also maintained inaccurate payroll records, and issued inaccurate and deficient wage statements, in part due to EZL's failure to pay all minimum and overtime wages, and meal and rest period premium wages. As a result, EZL also failed to pay all wages owed to Mr. Castro and the other aggrieved employees upon their separation of employment from EZL, in part due to EZL's failure to pay all minimum and overtime wages, and meal and rest period premium wages.

EZL failed to adequately reimburse Mr. Castro for all reasonable and necessary work expenditures, including but not limited to requiring Mr. Castro and other aggrieved employees to use their personal cellphones for the performance of their job duties. Mr. Castro and other aggrieved employees were required to utilize their personal cellphones to receive their schedules, communicate with team members, and send pictures to verify the completion of work assignments. Mr. Castro and other aggrieved employees were not ever provided any reimbursement for the necessary uses of their personal cellphones.

EZL failed to meet its obligations to provide paid sick leave to Mr. Castro and other aggrieved employees under Labor Code § 245.5(b) which requires that employers authorize and permit its employees who worked 30 or more days within a year to accrue paid sick leave, and to allow them to exercise paid sick leave on or after their 90th day of employment. Despite meeting all of the statutory requirements for being able to accrue and utilize paid sick leave, Mr. Castro and other aggrieved employees were not provided paid sick leave on those occasions where they needed to take a "sick day" in violation of Labor Code § 245.5(b).

Furthermore, EZL violated Labor Code § 204 by failing to pay Mr. Castro and other aggrieved employees all wages earned at least twice during each calendar month.

Finally, EZL failed to conform to the requirements of Labor Code § 2810.5 by failing to provide Mr. Castro and other aggrieved employees written notices, in the language normally used to communicate employment related information to the employees, containing information regarding their: i) rate(s) of pay and the basis thereof; ii) allowances claimed as part of the minimum wage; iii) regular payday designated by the employer; iv) the legal name of the employer; v) the address of the legal entity that is the employer; vi) the telephone number of the employer; vii) identifying information for the employer's workers' compensation insurance carrier; and viii) information informing the employee of their right to accrue and use paid sick leave.

As described above, EZL committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 16 ("Wage Order 16"):

<u>Minimum Wage Violations</u>

EZL was required to pay Mr. Castro and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. See Labor Code §§ 551, 552, 82.12, 1194; 1194.2, 1197; and Wage Order 16 § 4. As alleged above, EZL maintained and maintains timekeeping policies/practices that regularly, systematically, and impermissibly underreport the hours worked by Mr. Castro and other aggrieved employee whether by rounding, time-shaving, or otherwise. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Castro and other aggrieved employees of all required minimum wages. Mr. Castro and other aggrieved employees were required to work seven days a week in order to meet intense deadlines, in direct violation of Labor Code § 551 and 552.

<u>Overtime Wage Violations</u>

EZL was required to pay Mr. Castro and other aggrieved employees overtime wages for all overtime hours worked. *See* Labor Code §§ 1194(a) and 1198; Wage Order 16, § 3. Wage Order 16, § 3 requires an employer to pay overtime wages when an employee's hours worked cross certain thresholds or meet certain criteria set forth in the Wage Order. At all times relevant herein, EZL caused Mr. Castro and other aggrieved employees to work overtime hours but did not compensate Mr. Castro and other aggrieved employees at one and one-half times their regular rate of pay for such hours. Mr. Castro and other aggrieved employees were required to work seven days a week in order to meet intense deadlines, in direct violation of Labor Code § 551 and 552.

<u>Meal Period Violations</u>

As alleged above, EZL failed to provide Mr. Castro and other aggrieved employees with all required and compliant meal periods due to EZL's meal period policies/practices that often fail to provide 30 minute off-duty first meal periods before the end of the fifth hour of work. *See* Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As a result, Mr. Castro and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

<u>Rest Period Violations</u>

As alleged above, EZL also failed to authorize and permit Mr. Castro and other aggrieved employees to take all required paid rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 16, § 12. As a result, Mr. Castro and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required paid rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

<u>Failure to Reimburse Necessary Business Expenses</u>

EZL was subject to Labor Code § 2802, which states that "an employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer." EZL was subject to Labor Code § 2804, which states that "any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State." As alleged herein, due to EZL's unlawful reimbursement practices, EZL failed to indemnify Mr. Castro and other aggrieved employees for all necessary business expenses incurred, as described in detail above.

Wage Statement Violations

EZL was required to furnish Mr. Castro and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 16, § 7. As a result of EZL's failure to pay all overtime wages, minimum wages, and failure to pay all required meal and rest period premium wages, EZL maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Castro and other aggrieved employees in violation of Labor Code § 226.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. EZL failed to timely pay Mr. Castro and other aggrieved employees all of their final wages at the time of separation, which included all overtime and minimum wages, and all meal and rest period premium wages at the time of aggrieved employees' separation of employment. Pursuant to Labor Code § 203, EZL's failure to pay all final wages due to Mr. Castro and other aggrieved employees was willful and, consequently, entitles Mr. Castro and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day EZL failed to pay their final wages after their separation from employment, up to a maximum of thirty days.

Prevailing Wage Violations

EZL was required to pay Mr. Castro and other aggrieved employees the statutory prevailing wage on all public works projects pursuant to Labor Code § 1774 which states, "The contractor to whom a contract is awarded, and any subcontractor under him, shall not pay less than the specified prevailing rates of wages to all workmen employed in the execution of the contract." Due to EZL's unlawful policy and practice of refusing to pay the prevailing wage to Mr. Castro and other aggrieved employees, EZL has violated Labor Code § 1774.

As an "aggrieved employee," Mr. Castro will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Castro's own investigation, and on information and belief, EZL committed and continue to commit the following Labor Code violations:

a. EZL violated Labor Code §§ 551-552, 558, 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Castro and other aggrieved employees the statutory minimum wage for all hours worked;

b. EZL violated Labor Code §§ 204, 510, 551-552, 558, 1194, and 1198 by failing to pay Mr. Castro and other aggrieved employees all overtime/doubletime compensation earned;

c. EZL violated Labor Code §§ 226.7, 512, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Castro and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. EZL violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Castro and other aggrieved employees from taking all required paid rest periods, and/or failing to pay all rest period premiums to Mr. Castro and other aggrieved employees at their respective regular rates of compensation;

e. EZL violated and 2804 by failing to reimburse Mr. Castro and other aggrieved employees for all work-related expenses incurred;

f. EZL violated Labor Code § 226 by failing to furnish Mr. Castro and other aggrieved employees with accurate and compliant itemized wage statements;

g. EZL violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due upon separation of employment to Mr. Castro and other aggrieved employees;

h. EZL violated Labor Code § 204 by failing to pay Mr. Castro and other aggrieved employees all wages earned at least twice during each calendar month; and

i. EZL violated Labor Code § 245.5 by failing to permit and authorize Mr. Castro and other aggrieved employees to exercise the use of their accrued paid sick leave days; and

j. EZL violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Castro and other aggrieved employees;

k. EZL violated Labor Code § 2810.5 by failing to provide legally mandated disclosures and/or written notices regarding the terms of employment of Mr. Castro and other aggrieved employees; and

l. EZL violated Labor Code § 1771, 1772, 1774, 1775, and 1776 by failing to pay Mr. Castro and other aggrieved employees all prevailing wages on public works projects.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and EZL if the LWDA intends to investigate the alleged violations of the Labor Code stated herein. Please contact me should you require additional information.

Sincerely,
STANSBURY BROWN LAW, PC

Ethan C. Surls

cc: EZ Line Striping Corporation dba EZ Line Parking Lot Solutions (via USPS certified mail)