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July 1, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA CERTIFIED MAIL **RETURN RECEIPT REQUESTED**

SNAP-ON TOOLS COMPANY, LLC
c/o The Corporation Company
555 Capitol Mall, Suite 1150
Sacramento, CA 95814

Re: *Salvadore De La Pena, et al. v. Snap-On Tools Company, LLC*
PAGA Claim Notice

To Whom It May Concern:

We represent Salvadore De La Pena, Shawn Young, and Reginald Grenas (“Plaintiffs”) in their potential Private Attorney General Act (“PAGA”) action pursuant to Labor Code Section 2699, *et seq.* against Snap-On Tools Company, LLC (“Snap-On” or “Defendant”). This letter constitutes Plaintiffs’ written notice of Defendant’s Labor Code violations pursuant to Labor Code Section 2699.3, and notice of their intent to recover penalties under PAGA. A copy of this letter is also being sent to Defendant.

Defendant manufactures, distributes, and sells professional automotive repair tools and related equipment. Under the guise of its standard franchise agreement (“Agreement”) Defendant obtains the labor of “Distributors” like Plaintiffs to carry out necessary services within one of its distribution channels—mobile distributors. Under the management and control of Defendant, these Distributors perform advertising, sales, delivery, and maintenance-related tasks. Despite their central role in Defendant’s tools sales business, Defendant uniformly and willfully misclassifies its Distributors such as Plaintiffs as “independent contractors” in violation of California law. *See* Labor Code Section 226.8. Defendant also requires Plaintiffs and other Distributors to make significant purchases as a condition of employment, as outlined in the Agreement, among other places. This conduct violates Labor Code Sections 435.2 and 450. This conduct violates Labor Code Section 450. The Agreement also required Plaintiffs and other Distributors to agree to an unlawful covenant not to compete (including in Section 22 of the Agreement), in violation of Labor

Code Section 432.5 as such contractual provisions are prohibited by Business and Professions Code Section 16600.

By refusing to recognize its Distributors as employees, Defendant cheats these individuals out of protections provided by California labor laws such as minimum wages, overtime pay and reimbursement of business expenses. And, further, Defendant passes along business losses to Plaintiffs and other Distributors such as lost and missing inventory and repair costs, actualized by both unlawful deductions from Distributors and failure to reimburse Distributors. Defendant's misclassification of Distributors also robs the State of important employee tax revenue and gives Defendant an undue advantage over law-abiding competitors who bear the necessary expenses associated with employing similar workers.

As a further result of its misclassification of Distributors like Plaintiffs, Defendant failed to provide accurate itemized wage statements showing earnings, hours worked, pay rates, and the like. Defendant also has no meal and rest break policy for its Distributors and does not otherwise make such breaks available to Distributors, who often do not take such breaks and/or are not compensated for these periods. Defendant similarly fails to keep necessary payroll records showing the hours worked daily as required by Labor Code Section 1174.

Lastly, Defendant fails to pay all wages due upon termination under Labor Code Section 203 given its underpayment of wages as stated above.

Pursuant to Labor Code Sections 1194, 1197, and 1197.1 as well as applicable Wage Orders, Defendant must compensate Plaintiffs and similarly situated employees for all hours worked. Labor Code section 510 and related IWC Wage Orders require overtime pay for hours worked beyond 8 in a day and/or 40 in a week. Defendant's owners, officers, managers, superintendents, agents, employees, and other persons who have caused Distributors to be paid less than minimum wages also violate Labor Code Section 1199.

Meal and rest break obligations along with payment in lieu options are presented in Labor Code Sections 226.7 and 512, as well as applicable Wage Orders.

The obligation to reimburse employees for reasonable and necessary business expenses is set forth in Labor Code Section 2802 and applicable Wage Orders. Deductions for mistakes or other non-malicious conduct by employees are prohibited by Labor Code Sections 221, 223, 224, and 225.5, as well as Wage Orders and prevailing decisional authority. *See, e.g., Kerr's Catering Service v. Department of Industrial Relations*, 57 Cal.2d 319 (1962). Defendant's deductions and failure to reimburse violate these laws, and the Agreement between Defendant and Distributors setting forth these policies violates Labor Code Section 432.5.

Labor Code Sections 226, 226.2, and 226.3 set forth the applicable wage statement requirements.

The obligation to pay all wages when due is presented in Labor Code Sections 201, 202, 203, 210, and applicable Wage Orders. The above-mentioned failures to pay wages means Defendant does not provide all wages when due to Plaintiffs and similarly situated employees. Defendant's owners, officers, managers, superintendents, agents, and other persons who have willfully refused to pay these wages or falsely denied the amount or validity of the wages owed to Distributors also violate Labor Code Section 216.

Defendant's above-mentioned violations, among others, implicate Labor Code Sections, including, but not limited to, the following: Labor Code Sections 201, 202, 203, 210, 216, 221, 223, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 432.5, 450, 510, 512, 558, 1174, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, 2802, 2698 and 2699.

Accordingly, on behalf of himself and as a representative of Defendant's current and former "Distributor" employees, Plaintiffs respectfully request that the Labor and Workforce Development Agency ("LWDA") initiate an investigation with respect to the aforementioned violations. If the LWDA declines to pursue enforcement, Plaintiffs will pursue these claims on behalf of themselves and all other current and former similarly aggrieved employees.

Thank you for consideration of this matter. If you have any questions or comments, please do not hesitate to contact us at any time.

Sincerely,



Shaun Markley