

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

September 24, 2025

VIA LWDA WEBSITE

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

Re: *Anthony Arroyo v. ODW Logistics, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Anthony Arroyo (“Mr. Arroyo”) in claims arising from his employment with ODW Logistics, Inc.; and Does 1 through 100 (collectively “ODW Logistics”). Mr. Arroyo is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to ODW Logistics’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 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. For purposes of this letter, “aggrieved employees” include all of ODW Logistics’ non-exempt employees who worked for ODW Logistics in California during the one year immediately preceding the date of this letter through the present.

ODW Logistics provides third party logistics to a variety of companies. Mr. Arroyo worked for ODW Logistics at one of their Ontario, California, locations, where Mr. Arroyo was employed as a non-exempt “Operations Trainer” (or similarly titled position) from approximately May 2023 to the present.

ODW Logistics failed to pay Mr. Arroyo and other aggrieved employees for all hours worked, including (but not limited to) by requiring and/or permitting employees to work while off-the-clock, such as during their unpaid meal periods, and before or after clocking in for their shifts due to long lines at the timeclock machines. Mr. Arroyo was required to spend a total of 5-10 minutes putting on protective clothing and equipment prior to clocking in and removing these items after clocking out for each shift. Additionally, as described below, Mr. Arroyo was often instructed to clock out for his meal period but was required to continue working while he was on his unpaid meal period. This off-the-clock work has resulted in Mr. Arroyo and other aggrieved employees not being paid all required wages for all hours worked, including all minimum wages and overtime wages.

ODW Logistics also failed to provide Mr. Arroyo and other aggrieved employees with all legally compliant meal periods due to ODW Logistics’ meal period

policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Specifically, due to work demands, Mr. Arroyo and other aggrieved employees often was not able to take a meal period before the end of the fifth hour of work, yet he was still required by his supervisors to clock out for meal periods, continue working, and clock back in after 30 minutes, even though he was not actually able to take an off-duty meal period until a later time. Mr. Arroyo and other aggrieved employees were also not provided with meal periods that were a full 30 minutes of “net rest” in an area away from the workstation that is appropriate for rest, which employers are required by the Wage Order to maintain for their employees to use during their meal and rest periods. Specifically, because of the distance between the workstations and the rest areas and the long lines at timeclock machines, employees would have to shorten their meal periods by several minutes in order to return to their workstations and avoid disciplinary action. Thus, Mr. Arroyo and other aggrieved employees were not provided with full 30-minute meal periods of net rest in an area appropriate for rest away from the workstation. In addition, ODW Logistics failed to provide Mr. Arroyo and other aggrieved employees with second meal periods on shifts over 10.0 hours. Further, on those occasions when ODW Logistics failed to provide a legally compliant meal period to Mr. Arroyo and other aggrieved employees, ODW Logistics failed to compensate Mr. Arroyo and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7. Despite failing to authorize and permit Mr. Arroyo and other aggrieved employees to take all meal periods to which they are entitled, upon information and belief, during at least a portion of the relevant time period, ODW Logistics maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7 and did not pay Mr. Arroyo or other aggrieved employees any meal period premiums.

ODW Logistics has also failed to authorize and permit all required rest periods for Mr. Arroyo and other aggrieved employees. Specifically, ODW Logistics has often failed to authorize and permit a net 10-minute rest period for every four hours worked or major fraction thereof due to work demands imposed by ODW Logistics. Mr. Arroyo and other aggrieved employees were also not provided with a full 10 minutes of “net rest” in an area away from the workstation that is appropriate for rest, which employers are required by the Wage Order to maintain for their employees to use during their rest periods. Despite ODW Logistics’ written policies specifying only “10 minutes” for each rest period, the distance between ODW Logistics’ breakrooms and employees’ workstations required Mr. Arroyo and other aggrieved employees to shorten their rest periods by several minutes in order to return to their workstation prior to the end of their rest periods to avoid disciplinary action. Upon information and belief, in approximately 2024, a non-exempt employee made a complaint to ODW Logistics that the walk time to the break room was cutting into employees’ rest periods and that non-exempt employees were not receiving a full ten minutes of net rest due to the distance between employee workstations and the break rooms. Despite failing to authorize and permit Mr. Arroyo and other aggrieved employees to take all rest periods to which they are entitled, upon information and belief, during at least a portion of the relevant time period, ODW Logistics maintained no

mechanism for the payment of rest period premium payments as required by Labor Code § 226.7 and did not pay Mr. Arroyo or other aggrieved employees any rest period premiums.

During Mr. Arroyo's employment with ODW Logistics, ODW Logistics also failed to properly calculate the regular rate of pay when calculating their employees' sick time pay, thus providing Mr. Arroyo and other aggrieved employees with sick time pay at below the regular rate of pay, in violation of California law.

ODW Logistics also failed to adequately reimburse Mr. Arroyo and other aggrieved employees for all reasonable and necessary work expenditures, including, but not limited to, use of personal cellular phones. Despite requiring Mr. Arroyo and other aggrieved employees to use their personal cell phones to communicate with co-workers and supervisors, ODW Logistics did not adequately reimburse Mr. Arroyo and other aggrieved employees for these expenses.

As a result of ODW Logistics' failure to compensate Mr. Arroyo and other aggrieved employees for minimum wages, all meal and rest period premium wages, and sick time pay at the correct regular rate of pay, ODW Logistics maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements.

As described above, ODW Logistics committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 9 ("Wage Order 9"):

Minimum Wage Violations

ODW Logistics was required to pay Mr. Arroyo and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 9, § 4. As alleged above, ODW Logistics failed to conform its pay practices to the requirements of the law by failing to pay Mr. Arroyo and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of ODW Logistics and/or suffered or permitted to work under the California Labor Code and Wage Order 9. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Arroyo and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

ODW Logistics was required to pay Mr. Arroyo and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 9, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides,

“Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” As alleged above, ODW Logistics caused Mr. Arroyo and other aggrieved employees to work overtime hours but did not compensate Mr. Arroyo and other aggrieved employees at one and one-half times their regular rate of pay for such hours. As a result of these policies/practices, Mr. Arroyo and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, ODW Logistics failed to provide Mr. Arroyo and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 9, § 11. As a result, Mr. Arroyo 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.”).

Rest Period Violations

As alleged above, ODW Logistics also failed to authorize and permit Mr. Arroyo and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 9, § 12. As a result, Mr. Arroyo 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 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.”)

Failure to Reimburse Employees for Necessary Business Expenditures

As alleged above, ODW Logistics failed to reimburse Mr. Arroyo and other aggrieved employees for necessary work expenses, including the use of their personal cellular phones for business purposes. ODW Logistics’ policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 9, § 9, and Labor Code §§ 2802 and 2804 (“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 her obedience to the directions of the employer.”) Mr. Arroyo and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Wage Statement Violations

ODW Logistics was required to furnish Mr. Arroyo 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 9, § 7. As a result of ODW Logistics' failure to pay all overtime, minimum, and double-time wages, and failure to pay all required meal and rest period premium wages, ODW Logistics maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Arroyo and other aggrieved employees in violation of Labor Code § 226. ODW Logistics' failure to comply with its wage statement obligations was knowing and intentional, and Mr. Arroyo and other aggrieved employees have suffered injury as a result.

Failure to Pay Sick Pay at the Legal Pay Rate

ODW Logistics' pattern, practice and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement, pursuant to Labor Code §§ 246, 248.5 and/or Labor Code §§ 2699, *et seq.*, to recovery by Mr. Arroyo and other aggrieved employees, in a civil action, to the extent allowed by law.

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

- a. ODW Logistics violated Labor Code §§ 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Arroyo and other aggrieved employees the statutory minimum wage for all hours worked;
- b. ODW Logistics violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Mr. Arroyo and other aggrieved employees all overtime compensation earned;
- c. ODW Logistics violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Arroyo and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. ODW Logistics violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Arroyo and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Arroyo and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

- e. ODW Logistics violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Arroyo and other aggrieved employees for all necessary expenditures incurred;
- f. ODW Logistics violated Labor Code § 226 by failing to furnish Mr. Arroyo and other aggrieved employees with accurate and compliant itemized wage statements;
- g. ODW Logistics violated Labor Code §§ 245 *et seq.*, 246, 1194, 1194.2 and 1197 by failing to pay Mr. Arroyo and other aggrieved employees sick pay at the employee's regular rate of pay;
- h. ODW Logistics violated Labor Code § 204 by failing to pay Mr. Arroyo and other aggrieved employees all wages earned at least twice during each calendar month; and
- i. ODW Logistics violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Arroyo and other aggrieved employees.

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

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: ODW Logistics, Inc. (via certified mail)