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Confidential Settlement Communication (Cal. Evid. Code §§ 1152, 1154)

January 25, 2026

VIA CERTIFIED U.S. MAIL

Dodson Valco, Inc.
2330 Holmes Road
Houston, TX 77051

Texas Pipe and Supply Company
2330 Holmes Road
Houston, TX 77051

Re: PAGA NOTICE – Miguel Montano Ramirez v. Dodson Valco, Inc., et al.

To Whom It May Concern:

This office has been retained by Miguel Montano Ramirez ("Mr. Montano" or "Plaintiff"), your employee. I am writing on behalf of Mr. Montano, and all similarly situated employees, pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Cal. Labor Code § 2699 et seq.

Pursuant to Labor Code Sections 2699 et seq., a copy of this letter is being sent to the California Labor and Workforce Development Agency, along with a PAGA Claim Notice, and shall serve as a formal PAGA Notice to Dodson Valco, Inc., Texas Pipe and Supply Company, and any of its members, officers, directors, owners, and related individuals responsible for causing the violations of the Labor Code as set forth in this letter (collectively referred hereafter as "Defendants").

Mr. Montano, on behalf of himself and all other aggrieved employees, contends that Defendants have violated, among others, the following specific provisions of the California Labor Code, namely: §§ 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 558.1, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 1199, and 2698 et seq., and the applicable IWC Wage Orders. Certain of these violations provide for "statutory penalties" for which a private right of action existed before passage of PAGA and for which no PAGA notice is required in order to maintain a civil action.

As the court in *Caliber Bodyworks, Inc. v. Superior Court (Herrera)* (2005) 134 Cal. App. 4th 365 explains:

Not all statutory penalties are "civil penalties" covered by the Act.

[Defendant] fails to distinguish between a request for statutory penalties provided by the Labor Code for employer wage-and-hour violations, which were recoverable directly by employees well before the Act [PAGA] became part of the Labor Code, and a demand for "civil penalties," previously enforceable only by the State's labor law enforcement agencies. An example of the former is section 203, which obligates an employer that willfully fails to pay wages due an employee who is discharged or quits to pay the employee, in addition to the unpaid wages, a penalty equal to the employee's daily wages for each day, not exceeding 30 days, that the wages are unpaid.

Caliber Bodyworks, 134 Cal. App. 4th at 377.

Section 2699.5 includes many Labor Code provisions that, prior to the Act, contained a private right of action. (§ 2699.5)

Id. at 382.

With regard to those Labor Code sections for which no PAGA notice is required, we provide this correspondence in a further effort to resolve this matter informally without the time and expense of court proceedings. The facts and theories which support the violations of these Labor Code provisions are as follows:

Plaintiff wishes to bring a representative action on behalf of himself and the State of California as well as on behalf of a group of aggrieved employees defined as: non-exempt hourly employees for Defendants in the State of California who worked one or more pay periods since one (1) year prior to the date of this PAGA notice and continuing to the present (hereinafter "aggrieved employees").

I. UNPAID WAGES AND OVERTIME

California Labor Code sections 510, 1194, and 1198 require employers to pay at least minimum wage for all hours worked, pay time-and-a-half or double-time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates.

During the relevant time period, Mr. Montano and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. Mr. Montano frequently worked 60-70 hours per week during his employment from July 1, 2024, through July 15, 2025, at an hourly rate of $20.55. Dodson failed to compensate Mr. Montano and other aggrieved employees for all hours worked and performing off-the-clock work. Dodson also failed to include non-discretionary bonuses and incentives in aggrieved employees' regular rate of pay for purposes of overtime compensation. Therefore, Mr. Montano and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

II. MEAL AND REST BREAK VIOLATIONS

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided. During the relevant time period, Dodson routinely required Mr. Montano and other aggrieved employees to work through, interrupt, cut short, and/or delay their meal and rest breaks to comply with Dodson's policies and expectations.

Specifically, Mr. Montano frequently had his first meal break delayed beyond the 5th hour of his shift, was often interrupted during lunch breaks by management or clients needing shipment information, and was unable to take his second rest break approximately 80% of the time. Additionally, when Mr. Montano worked more than 10 hours in a shift, he was not provided with a second 30-minute meal break as required by law.

Dodson also failed to provide adequate coverage to Mr. Montano and other aggrieved employees so they may be relieved of all work duties and take legally mandated meal and rest breaks. Moreover, Dodson also failed to authorize and permit Mr. Montano and other aggrieved employees to take the requisite number of meal and rest breaks, including second meal breaks and third rest breaks, when working shifts exceeding 10 hours in length. Despite these facts, Dodson failed to compensate Mr. Montano and other aggrieved employees all the premium wages they were owed, including failing to pay premium wages at Mr. Montano and other aggrieved employees' regular rate of pay.

III. WAITING TIME PENALTIES

California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.

As the California Supreme Court held in *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal. 5th 1056, premium pay for missed meal and rest breaks constitutes wages for purposes of waiting time penalties under California labor law.

During the relevant time period, Dodson failed to pay Mr. Montano and other aggrieved employees all wages, including for uncompensated off-the-clock work, unpaid overtime premiums and premium wages for failing to provide legally mandated meal and rest breaks, due to them within any time period specified by California Labor Code sections 201 and 203 and therefore is liable under California Labor Code section 203. Mr. Montano is entitled to a daily penalty of $164.40 ($20.55 per hour x 8 hours) for up to 30 days, totaling $4,932.00.

IV. INACCURATE WAGE STATEMENTS

Defendants have violated California Labor Code § 226(a) by willfully failing to furnish Plaintiff and other employees with required wage statement information. As a result of violations of California Labor Code § 226(a), Defendants are liable for civil penalties pursuant to California Labor Code §§ 226.3 and 2698 et seq.

Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, (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 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.

Mr. Montano and others were deprived of wage statements altogether, or various necessary items of information such as total hours worked, applicable hourly rates, all overtime hours worked, the proper rate of overtime pay, and proper compensation for the failure to provide rest and meal periods. Moreover, Defendants' employees' work hours, overtime hours and pay, missed rest or meal break premiums, wages, without limitation, were misreported on their wage statements. As a result of violations of California Labor Code § 226(a), Defendants are liable for civil penalties pursuant to California Labor Code §§ 226.3 and 2698 et seq.

V. FAILURE TO TIMELY PAY WAGES

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Dodson failed to pay Mr. Montano and other aggrieved employees all wages due to them, including for uncompensated off-the-clock work, unpaid overtime premiums and premium wages for failing to provide legally mandated meal and rest breaks within any time period specified by California Labor Code section 204.

VI. PENALTIES UNDER LABOR CODE SECTION 558

California Labor Code section 558 allows recovery of penalties. (a) Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall be paid to the affected employee. Mr. Montano and other aggrieved employees have been denied their wages and premium wages and, therefore, are entitled to penalties.

VII. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. 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 two years.

During the relevant time period, Dodson failed to keep accurate and complete payroll records showing the hours worked daily and the wages paid to Mr. Montano and other aggrieved employees. Dodson instructed employees to falsify meal break records by recording breaks at times when they did not actually take them, thereby failing to maintain accurate records of daily hours worked and meal periods. By failing to maintain complete and accurate records, Dodson not only violated its statutory obligations but also shifted the burden to employees to prove their hours worked, further depriving them of their earned wages.

VIII. CONCLUSION

We believe that Mr. Montano and other current and former California-based hourly-paid or non-exempt employees are entitled to penalties as allowed under California Labor Code section 2698 et seq. for violations of Labor Code sections 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, and the IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant send a certified letter to the employer in question and the California Labor & Workforce Development Agency setting forth the claims, and the basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor Code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Mr. Montano will seek these penalties on his own behalf and on behalf of other similarly situated California-based hourly-paid or non-exempt employees of Dodson within one year of the date of this letter, as allowed by law.

Best Regards,

Halavi Law, Inc.

Naveed Halavi, Esq.

Cc: California Labor & Workforce Development Agency Attn: PAGA Administrator (via online portal at https://dir.tfaforms.net/198)