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April 24, 2026

NOTICE OF LABOR CODE VIOLATIONS
CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.*

VIA CERTIFIED U.S. MAIL
- Electronic Return Receipt

Huck International, Inc.
201 Isabello Street
Pittsburgh, PA, 15212

Howmet Aerospace Inc.
201 Isabello Street
Pittsburgh, PA, 15212

- PAGA Notice & Filing Fee -
Submitted electronically to the Labor and Workforce Development Agency

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **David Gutierrez** ("Plaintiff(s)") and all other "covered employees" of the following "Defendant(s)":

HUCK INTERNATIONAL, INC.; HOWMET AEROSPACE INC.

Defendants shall mean and include the foregoing in addition to any other related employer entities, individuals under Labor Code sections 558 and 558.1, and all others who may be later added upon further investigation and discovery as liable employers.

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency ("LWDA") does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act ("PAGA"). "PAGA allows an 'aggrieved employee'—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer." *Huff v. Securitas Security Services USA, Inc.* (2018) 23

Cal.App.5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiff requests that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good faith effort to correct any violations. Plaintiff attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in judgment or settlement approved by the Superior Court of California under Labor Code section 2699(s). Defendants are notified that any attempt to resolve this case should be conducted in coordination with Plaintiff's counsel to protect the interests of Plaintiff, the aggrieved employees, and the State of California via the LWDA. Plaintiff advises Defendants this letter should be also considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Machinist 3 from about June 2019 to Present. During their employment Plaintiff and the other covered (i.e., aggrieved) employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The "aggrieved employees" include Plaintiff and the following individuals:

> All current and former non-exempt employees, including those misclassified as non-exempt, and exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the "<u>covered employees</u>" and the "<u>PAGA Period</u>"). As defined, these covered current and former employees are "aggrieved employees" under PAGA.

Plaintiff reserves the right to expand or narrow the definition of the "covered employees" in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants' violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

<u>Unpaid Hours Worked/Minimum Wage</u>
Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the "Hours and

Days of Work" and "Minimum Wages" sections of the applicable IWC Wage Orders with respect to the covered employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful." Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The "Minimum Wages" sections of the applicable IWC Wage Order provide that "[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise." The foregoing California wage laws require payment of "not less than the applicable minimum wage *for all hours worked* in the payroll period" and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and the covered employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages.

Defendants maintained a policy and practice of requiring Plaintiff and other similarly situated aggrieved employees to perform work off-the-clock without compensation. Specifically, Plaintiff and the aggrieved employees were not relieved of all duty during unpaid meal periods and were frequently interrupted and forced to complete work duties such as cutting machine parts, fixing and troubleshooting a non-functioning ventilator, sweeping and mopping the floor, and reloading parts into machines. These interruptions were often directed by the Lead, who would wait at the machine, dictate when the meal break could be taken, and sometimes require the Plaintiff and the aggrieved employees to clock out before the fifth hour and take the break afterward. Despite performing work during these unpaid periods, Defendants failed to compensate Plaintiff for this off-the-clock time.

Due to these unlawful practices, Defendants failed to pay Plaintiff and other covered employees for all hours worked, including minimum and overtime wages where applicable, in violation of California Labor Codes and applicable Industrial Welfare Commission Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Overtime
Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders

Defendants violated Labor Code sections 510, 1194, and 1198, along with the "Hours and Days of Work" sections of the applicable IWC Wage Orders with respect to the covered employees.

Labor Code section 510 requires "[a]ny 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;" and "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;" and "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." Labor Code section 1194 renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the "Hours and Days of Work" sections.

Defendants failed to pay Plaintiff and the covered employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages.. As a result of the unpaid off-the-clock work discussed above, each time this resulted in unpaid work over 8 hours in a day or 40 hours in a week this resulted in unpaid overtime hours.

Additionally, Defendants failed to pay overtime at the regular rate of pay. Specifically, Defendants failed to include all forms of additional non-discretionary remuneration in the regular rate of pay when calculating Plaintiff and the covered employees' overtime wages. Defendant paid Plaintiff and the covered employees additional payments, including non-discretionary performance pay and shift differentials, that Defendant failed to include in the regular rate of pay for the pay periods in which they were earned, resulting in the underpayment of any overtime hours worked.

For example, Plaintiff and the covered employees earned non-discretionary additional payments in the form of bonuses when employees perform well. However, Defendants engaged in a practice of paying all overtime wages at Plaintiff and the covered employees' base rate, which neglected additional remuneration.

An illustrative example of this violation is shown below:

HOWMET AEROSPACE

Employee Name: David Gutierrez
Employee HRIS ID: 10308809
Employee Payroll ID: 01003008
Department ID: 0653131211

Exemptions			Add. W/H	Res	Work
FED		Sgl/Ma.Sep	0.00		
CA	00	Head house	0.00	X	X

Tax Company: Huck International, Inc.
Tax Co. Address: 201 Isabella Street
City/Postal Code: Pittsburgh, PA 15212-5858
Telephone Number: 1-844-946-9638

Period: 02/02/2026 - 02/15/2026
Pay Date: 02/20/2026
Pay Group: BWF

Description	Rate	Hrs	Amount	YTD
Earnings				
Regular	28.4100	32.00	909.12	7,471.26
Regular	28.4100	40.00	1,136.40	
CA Meal Break Penalty				28.41
Straight Time OT	28.4100	10.88	309.10	2,901.23
Straight Time OT	28.4100	9.90	281.26	
OT Prem 0.5 - Job Rate	14.2050	9.90	140.63	1,450.62
OT Prem 0.5 - Job Rate	14.2050	10.88	154.55	
Holiday Not Worked				1,136.40
Vac - Job Rate				227.28
CA Sick Pay	28.4100	8.00	227.28	454.56
Performance Pay			4,861.88	4,861.88
Total hours		92.78		
Non-Cash				
Imp Grp Term Insurance			0.42	1.68
Taxable Wages				
FED Withholding Wages			7,602.55	16,801.32
CA Withholding Wages			7,602.55	16,801.32
Vacation and Sick Balances				
Sick Hrs Earned		40.00		
Sick Hrs Taken		16.00		

Description	Amount	YTD
Pre-Tax Deductions		
Health Welfare Benefits	286.30	1,145.20
401k Deferral	131.79	586.80
Taxes		
Federal		
Withholding Tax		639.96
EE Social Security Tax	479.53	1,078.06
EE Medicare Tax	112.15	252.13
State - California		
Withholding Tax		244.17
EE Disability Tax	100.54	226.02
Other/Post-Tax Ded.		
Loan 1	368.50	1,474.00
Loan 2	33.09	132.36

Extract from Plaintiff's Wage Statement from the Pay Period 02/02/2026 - 02/15/2026

Here, Plaintiff worked 10.88 hours of overtime and earned a non-discretionary bonus of $4,861.88 labeled as "Performance Pay;" however, Defendants failed to factor this additional remuneration into the regular rate of pay. Instead, Defendants unlawfully paid Plaintiff overtime pay at 1.5x Plaintiff's base rate rather than the increased regular rate of pay, which would have factored in all Performance Pay and shift differentials other forms of additional, non-excludable remuneration.

See additional illustrative example below:

HOWMET AEROSPACE

Employee Name: David Gutierrez
Employee HRIS ID: 10308809
Employee Payroll ID: 01003008
Department ID: 3606031208

Exemptions			Add. W/H	Res	Work
FED	00	Sgl/Ma.Sep	0.00		
CA	00	Ma.both wk	0.00	X	X

Tax Company: Howmet Global Fastening System
Tax Co. Address: 201 Isabella Street
City/Postal Code: Pittsburgh, PA 15212-5858
Telephone Number: 1-844-946-9638

Period: 12/23/2024 - 01/05/2025
Pay Date: 01/10/2025
Pay Group: BWF

Description	Rate	Hrs	Amount	YTD
Earnings				
Regular	26.0000	16.00	416.00	832.00
Regular	26.0000	16.00	416.00	
Straight Time OT	26.0000	8.07	209.82	627.64
Straight Time OT	26.0000	16.07	417.82	
OT Prem 0.5 - Job Rate	15.4520	8.00	123.62	361.51
OT Prem 0.5 - Job Rate	14.8404	16.03	237.89	
OT Prem 1.0 - Job Rate	30.9043	0.07	2.16	3.05
OT Prem 1.0 - Job Rate	29.6800	0.03	0.89	
Holiday Not Worked	26.0000	13.33	346.58	346.58
Vac - Job Rate	26.0000	13.33	346.58	346.58
CA Sick Pay	30.9040	8.00	247.23	247.23
WeekendShift - %401K	2.6000	45.40	118.04	236.08
WeekendShift - %401K	2.6000	45.40	118.04	
Total hours		56.14		

Description	Amount	YTD
Pre-Tax Deductions		
Health Welfare Benefits	194.30	194.30
401k Plan-Matched	119.44	119.44
Taxes		
Federal		
EE Social Security Tax	174.01	174.01
EE Medicare Tax	40.70	40.70
State - California		
Withholding Tax	110.27	110.27
EE Disability Tax	30.87	30.87

Extract from Plaintiff's Wage Statement from the Pay Period 12/23/2024 - 01/05/2025

Here, Plaintiff worked 8 hours of overtime and earned a shift differential labeled as "WeekendShift - %401K" however, Defendants failed to factor this additional remuneration into the regular rate of pay. Instead, Defendants unlawfully paid Plaintiff overtime pay at 1.5x Plaintiff's base rate rather than the increased regular rate of pay, which would have factored in all shift differentials to other forms of additional, non-excludable remuneration.

To the extent that other covered employees earned overtime pay or other forms of non-excludable remuneration, each must be factored into the regular rate of pay during the statutory period. Plaintiff alleges, based on information and belief that this was a matter of common policy and practice. Defendants violated the Labor Code accordingly.

Defendant unlawfully paid overtime to Plaintiff and the covered employees at their straight hourly rate. For each overtime hour worked, Defendant should have paid overtime ***"at the rate no less than one and one-half times the regular rate of pay for an employer"*** and required by the plain language of Labor Code section 510(a) and the IWC Wage Orders. Defendant's failure to pay overtime at the regular rate of pay was common to the covered employees. Defendant violated the Labor Code accordingly.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Paid Sick Leave
Violation of Labor Code §§ 246 through 248.7

Defendants violated Labor Code sections 246 through 248.7 with respect to the covered employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 40 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

Employers must pay sick leave in accordance with one of the three permissible methods provided in Labor Code section 246(l): (1) "the same manner as the regular rate of pay for the workweek;" (2) "by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days;" or (3) "for exempt employee … in the same manner as the employer calculates wages for other forms of paid leave time." Labor Code sections 248.6 and 248.7 similarly require paid sick leave to be paid at a regular rate-based calculation in excess of the base hourly rate and at the lawful accrual rate.

Under Labor Code section 246(i), employers must provide employees "with written notice of the amount of paid sick leave available … for use on either the employee's itemized wage statement … or in a separate writing provided on the designated pay date with the employee's payment of wages."

Defendants failed to comply with California's paid sick leave laws with respect to the covered employees. Defendants failed to pay all owed paid sick leave at the lawful statutory rate.

When Plaintiff and other covered employees used paid sick leave, Defendants calculated the 'CA Sick Pay' based only on the employee's base hourly rate of $28.41, failing to include all nondiscretionary pay like "Performance Pay", in violation of the requirement to pay sick leave at the full regular rate of pay.

An illustrative example of this violation is shown below:

HOWMET AEROSPACE

Employee Name: David Gutierrez
Employee HRIS ID: 10308809
Employee Payroll ID: 01003008
Department ID: 0653131211

Exemptions			Add. W/H	Res	Work
FED		Sgl/Ma.Sep	0.00		
CA	00	Head house	0.00	X	X

Tax Company: Huck International, Inc.
Tax Co. Address: 201 Isabella Street
City/Postal Code: Pittsburgh, PA 15212-5858
Telephone Number: 1-844-946-9638

Period: 02/02/2026 - 02/15/2026
Pay Date: 02/20/2026
Pay Group: BWF

Description	Rate	Hrs	Amount	YTD
Earnings				
Regular	28.4100	32.00	909.12	7,471.26
Regular	28.4100	40.00	1,136.40	
CA Meal Break Penalty				28.41
Straight Time OT	28.4100	10.88	309.10	2,901.23
Straight Time OT	28.4100	9.90	281.26	
OT Prem 0.5 - Job Rate	14.2050	9.90	140.63	1,450.62
OT Prem 0.5 - Job Rate	14.2050	10.88	154.55	
Holiday Not Worked				1,136.40
Vac - Job Rate				227.28
CA Sick Pay	28.4100	8.00	227.28	454.56
Performance Pay			4,861.88	4,861.88
Total hours		92.78		
Non-Cash				
Imp Grp Term Insurance			0.42	1.68
Taxable Wages				
FED Withholding Wages			7,602.55	16,801.32
CA Withholding Wages			7,602.55	16,801.32
Vacation and Sick Balances				
Sick Hrs Earned		40.00		
Sick Hrs Taken		16.00		

Description	Amount	YTD
Pre-Tax Deductions		
Health Welfare Benefits	286.30	1,145.20
401k Deferral	131.79	586.80
Taxes		
Federal		
Withholding Tax		639.96
EE Social Security Tax	479.53	1,078.06
EE Medicare Tax	112.15	252.13
State - California		
Withholding Tax		244.17
EE Disability Tax	100.54	226.02
Other/Post-Tax Ded.		
Loan 1	368.50	1,474.00
Loan 2	33.09	132.36

Extract from Plaintiff's Wage Statement from the Pay Period 02/02/2026 - 02/15/2026

Here, Plaintiff earned "Performance Pay" in the amount of $4,861.88 in the same pay period that Plaintiff earned 8 hours of paid sick leave. Defendants should have paid the paid sick leave at the higher statutory rate, inclusive of this additional earning. However, Defendants failed to and instead paid all sick leave at Plaintiff's base rate resulting in unpaid paid sick leave.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Meal Period Premium Wages
Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the covered employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff and the covered employees experienced non-compliant meal periods due to rigorous operational demands and the constant requirements of their field-based roles. Although Plaintiff was generally scheduled to work from 7:00 a.m. to 3:30 p.m., the nature of the work, including meeting customers in-home for damage estimations, setting up specialized equipment, coordinating follow-up schedules, and maintaining detailed digital logs of project notes.

Due to these variety of tasks, projects, and deadlines, Plaintiff and other covered employees were often unable to take compliant meal periods. Specifically, Plaintiff and covered employees would often miss their meal periods in order to meet the employer's operational demands such as. For example, Defendants required Plaintiff to perform back-to-back job site assignments lasting three to four hours each, often followed by mandatory all-staff meetings that left no gaps in the workday. As a result, Plaintiff and other covered employees were often unable to take compliant meal periods before the fifth hour of work.

Defendants mandated that Plaintiff and the covered employees track their time through a mobile application, yet managers frequently performed manual adjustments to those logs to artificially reflect lunch periods that were never actually provided. Because the expectation to complete consecutive, time-intensive appointments effectively precluded the possibility of taking a duty-free, uninterrupted break, Plaintiff was often forced to work until 5:30 p.m. or later before attempting to take a late meal. As a result, Defendants maintained an environment that discouraged compliant breaks, despite management's unfulfilled promises to address scheduling conflicts, and failed to pay the required meal and rest period premiums when no valid meal waiver was in place.

Every time Plaintiff or the covered employees received a non-compliant meal period, they were owed a meal period premium at their regular rate of pay.

When Defendant did not provide compliant meal periods, Defendant failed to pay Plaintiff and the covered employees all meal period premiums at the regular rate of compensation because the premiums paid did not factor in incentives and other forms of remuneration. Instead, Defendant only paid covered employees for meal period premiums at their base hourly rate, in violation of California law.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

<u>Unpaid Rest Period Premium Wages</u>
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the covered employees.

<u>Labor Code sections 226.7</u> and <u>516</u> and the <u>IWC Wage Orders</u> require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. <u>Labor Code section 226.7</u> requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). <u>Labor Code section 1198</u> renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The <u>IWC Wage Orders</u>, including <u>Section 12</u> (<u>Rest Periods</u>), further require one uninterrupted 10-minute rest period for each four-hour period (or major faction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Plaintiff and the covered employees experienced non-compliant meal and rest periods due to rigorous operational demands and the constant requirements of their field-based roles. Specifically, these roles involved a variety of tasks, including meeting customers in-home for damage estimations, setting up specialized equipment, coordinating follow-up schedules, and maintaining detailed digital logs of project notes. For example, Defendants required Plaintiff to perform back-to-back job site assignments lasting three to four hours each, often followed by mandatory all-staff meetings that left no gaps in the workday. As a result, Plaintiff and other covered employees were often unable to take compliant rest periods before the fifth hour of work.

Defendants mandated that Plaintiff and the covered employees track their time through a mobile application, yet managers frequently performed manual adjustments to those logs to artificially reflect lunch periods that were never actually provided. Because the expectation to complete consecutive, time-intensive appointments effectively precluded the possibility of taking a duty-free, uninterrupted break, Plaintiff was often forced to work until 5:30 p.m. or later before attempting to take a late meal. As a result, Defendants maintained an environment that discouraged compliant breaks, despite management's unfulfilled promises to address scheduling conflicts, and failed to pay the required meal and rest period premiums when no valid meal waiver was in place.

Every time Plaintiff or the covered employees received a non-compliant meal period, they were owed a meal period premium at their regular rate of pay.

When Defendant did not provide compliant meal periods, Defendant failed to pay Plaintiff and the covered employees all meal period premiums at the regular rate of compensation because the premiums paid did not factor in incentives and other forms of remuneration. Instead, Defendant only paid covered employees for meal period premiums at their base hourly rate, in violation of California law.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages During Employment
Violation of Labor Code §§ 204, 204b, 210

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the covered employees.

Labor Code section 204(a) requires payment of "all wages" for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid "not more than seven calendar days following the close of the payroll period." Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides "every person who fails to pay the wages of an employee as provided in Section … 204 … shall be subject to a civil penalty" of $100 for an initial violation and $200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice. As a direct result of Defendants' systemic failure to properly calculate the regular rate of pay for premium wages (including overtime, sick time, meal and rest period premiums) by excluding non-discretionary pay, Defendants failed to pay all 'wages' earned on the designated pay days, constituting an untimely payment of wages for all covered employees.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements
Violation of Labor Code §§ 226, 226.3

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the covered employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the covered employees each pay period as a result of the policies and practices set forth in this notice. Because Defendants miscalculated premium pay for meal, rest, sick, and overtime periods by excluding non-discretionary compensation like Performance Pay, the itemized wage statements failed to accurately list the correct 'gross wages earned,' 'net wages earned,' and the applicable hourly rates and number of hours worked at each rate, in violation of Labor Code § 226(a)(1), (5), and (9).

Additionally, Defendants violated Labor Code section 226(a)(2) by failing to accurately list employees' "total hours worked," as the wage statements did not accurately include the uncompensated time Plaintiff and other covered employees worked due to Defendants' policy and practice of requiring off-the-clock work.

Plaintiff and other covered employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other covered employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Maintain Accurate Records
Violation of Labor Code § 1174; IWC Wage Orders

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and other covered employees.

Labor Code section 1174 requires that employers maintain accurate "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." Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the covered employees, up to the maximum amount allowed as set forth under the Labor Code.

Attorneys' Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other covered employees and the State of California. Plaintiff continues to incur attorneys' fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE –

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the covered employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the covered employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronic data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold <u>must be suspended immediately</u>.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the covered employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

Elyssa Martinez

Elyssa Martinez, Esq.

BM

Cc Plaintiff David Gutierrez
Jonathan Arena | Executive Vice President and Chief Legal and Compliance Officer and Secretary | CorporateSecretary@howmet.com