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May 12, 2026

California Labor and Workforce Development Agency (PAGA Unit)
P.O. Box 420603
San Francisco, CA 94142-0603
Via Online Filing

Blue & Gold Fleet
Richard Zuromski
446 Old County Road, Ste. 100-115
Pacifica, CA 94044
Via Certified Mail, Return Receipt Requested

Blue & Gold Fleet, LP
c/o Agent for Service of Process
Koy Saechao
2710 Gateway Oaks Drive, Ste. 150N
Sacramento, CA 95833
Via Certified Mail, Return Receipt Requested

Re: Notice of PAGA Violations

Dear PAGA Administrator and All Entities and Persons listed herein:

Please be advised James Peeples (hereinafter "Aggrieved Plaintiff") has retained Bailey Law Partners, LLP to represent him and on behalf of other aggrieved employees for violations of the California Labor Code, including but not limited to missed meal periods, missed rest periods, failure to maintain accurate time records, and failure to indemnify pursuant to Labor Code section 2802, as described more fully below, against Blue & Gold Fleet, LP and/or Blue & Gold Fleet (hereinafter "Blue & Gold Fleet"). Blue & Gold Fleet is liable for civil penalties pursuant to Labor Code section 2698 et seq. Aggrieved Plaintiff hereby requests this agency investigate the claims and allegations below. This letter serves as notice in accordance with the Private Attorney General Act of 2004 ("PAGA").

This letter constitutes statutory notice pursuant to Labor Code § 2699.3(a)(1) for purposes of bringing a claim under PAGA. Please consider this a request for the California Labor & Workforce Development Agency ("LWDA" or "Agency") to take action against respondent Blue & Gold Fleet and their agents, managers, and supervisors, including but not limited to Operations Manager Aden Anderson, Fleet Operations Manager Tony Heeter, Vice President

Kent McGrath, and President Murphy (collectively "Blue & Gold Fleet"), for violations of the California Labor Code described below. The aforementioned entities and individuals were and are aware of, complicit in, and actually caused the violations described below.

Liability under PAGA may be based on a wide variety of Labor Code predicate provisions, including but not limited to the following California Labor Code sections: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, 224, 226, 226.2, 226.3, 226.7, 226.8, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 246, 246.5, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 516, 517, 518, 551, 552, 558, 558.1, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, 1102.6, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, Sections 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651, and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2804, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3073.6, 6310, 6311, and 6399.7. Any violation of these or any other Labor Code provisions serves as the basis for a PAGA claim by an aggrieved employee on behalf of the state.

Background

Blue & Gold Fleet provides passenger ferry services, operating ferry routes throughout the San Francisco Bay Area, including Alameda, San Francisco, South San Francisco, and Vallejo. In addition to operating its own vessels, Blue & Gold Fleet contracts with the Water Emergency Transportation Authority (WETA). According to its website, Blue & Gold Fleet operates a fleet of 21 vessels.

James Peebles has been employed as a Captain and Vessel Master with Blue & Gold Fleet since March 2016. Mr. Peebles has worked out of each of the Blue & Gold Fleet locations during his career and remains a current employee.

Blue & Gold Fleet captain and crew are responsible for operating the passenger ferry vessels along designated routes throughout the San Francisco Bay, including routes between Oakland, Alameda, San Francisco, and Vallejo, among others. Shifts are structured around scheduled "bid times." The bid times are pre-set durations during which the crews are expected to provide ferry services to Blue & Gold passengers. The only timekeeping mechanism used by Blue & Gold Fleet employees whose time records are maintained is the captain's vessel log, which captains fill out on behalf of captain and crew and submit to Blue & Gold Fleet dispatch employees. Dispatch employees then enter the time reported on the captain's log into a payroll processing system. As a result, virtually every shift in Blue & Gold Fleet's time-keeping records

appears as a perfect eight or ten-hour shift, with exceptions primarily for overtime, regardless of when captains and crew actually begin or end work. Blue & Gold Fleet therefore fails to maintain accurate time-keeping records, fails to pay for all hours worked, and fails to maintain accurate payroll records.

Further, Blue & Gold Fleet's payroll processing system does not reflect whether meal periods were taken; instead, each shift assumes a valid and lawful meal period unless the bid sheets state otherwise, in which case a meal premium may be paid, albeit at the discretion of Blue & Gold Fleet management. In some cases, Blue & Gold Fleet management may make a unilateral decision to simply not pay a meal period. Further, captain and crew are not fully relieved of their duties at any time during a given shift because they can be contacted by Blue & Gold Fleet management at any time throughout the day by various means, including by radio, text messaging, or phone calls to an employee's personal cell phone. As a result, captain and crew are not fully relieved of their duties during each meal period and each rest period. *See, e.g., Augustus v. ABM Sec. Servs., Inc.*, 2 Cal. 5th 257 (2016).

Blue & Gold Fleet requires its employees, including captain and crew, to use their personal cell phones but provides no reimbursement for such use.

Blue & Gold Fleet's policies, practices, and procedures violate the California Labor Code, violations that are uniform across all non-exempt Blue & Gold Fleet crew members.

California Labor Code Violations

1. Failure to Provide Meal & Rest Breaks in Violation of Labor Code §§ 226.7, 512, and Applicable Wage Orders

Based on the foregoing facts, Blue & Gold Fleet has failed to maintain policies, practices, and procedures that provide its employees with lawfully compliant meal and rest periods as required by the California Labor Code and the applicable wage orders. Further, Blue & Gold Fleet has taken no action to ensure that employees receive compliant, duty-free meal periods or to pay meal period premiums as required by law.

Blue & Gold Fleet failed to pay its employees the premium required for missed meal and rest periods pursuant to Labor Code section 226.7, therefore causing violations of the California Labor Code. As a result of Blue & Gold Fleet's failure to pay lawfully mandated premiums for missed meal and rest periods, Blue & Gold Fleet is liable for civil penalties pursuant to Labor Code, including but not limited to sections 558, 558.1, and 2698 *et seq.*

2. Failure to Reimburse Expenses in Violation of Labor Code§ 2802

By requiring its employees to use their personal cell phones without reimbursement for their use, Blue & Gold Fleet has violated Labor Code section 2802, which requires employers to indemnify employees for all necessary expenditures or losses; accordingly, Blue & Gold Fleet is liable for penalties pursuant to California Labor Code sections 558, 2802, and 2698 *et seq.*

3. Failure to Keep Accurate Time Records and Provide Accurate Wage Statements in Violation of Labor Code §§ 226 and 226.3

Blue & Gold Fleet has failed to maintain accurate time records and failed to provide accurate and complete wage statements that itemize all information required under Labor Code section 226, including but not limited to the total and actual hours worked, accurate gross and net wages earned, and all applicable deductions.

Blue & Gold Fleet's practice of having its dispatch employees enter time from the vessel logbooks into payroll processing system results in inaccurate timekeeping records and facial violations of the California Labor Code. Specifically, virtually every single shift is recorded as either a perfect eight or ten-hour shift and Blue & Gold Fleet assumes a legally compliant meal period for each employee, a pattern that does not reflect actual hours worked and that demonstrates that Blue & Gold Fleet's wage statements systematically failed to reflect actual time worked by its employees.

As a result of these violations, Blue & Gold Fleet is liable for civil penalties pursuant to California Labor Code sections 226.3 and 2698 et seq.

4. Blue & Gold Fleet's Unlawful Wage Deductions in Violation of Labor Code § 221.

Blue & Gold Fleet unlawfully deducted wages from employees without authorization in violation of Labor Code section 221. For example, on numerous occasions Mr. Peebles bid and was assigned ten-hour bids; despite such assignments, his wages were reduced unilaterally by Blue & Gold Fleet.

As a result, Blue & Gold Fleet is liable for civil penalties pursuant to California Labor Code sections 221 and 2698 et seq.

5. Liability Under Labor Code § 1199

Labor Code section 1199 provides that any "employer or other person acting either individually or as an officer, agent, or employee of another person" who "[v]iolates or refuses or neglects to comply with any provision" of the Labor Code is subject to penalties pursuant to Labor Code section 2698 et seq. As a result of the conduct described herein, Blue & Gold Fleet agents, managers, and/or supervisors, including but not limited to Operations Manager Aden Anderson, Fleet Operations Manager Tony Heeter, Vice President Kent McGrath, and President Murphy are liable for violations of the California Labor Code as noticed by this letter.

6. Liability Under Labor Code § 558.1

Labor Code section 558.1 provides that any "employer or other person acting either individually or as an officer, agent, or employee of another person" who "[v]iolates or refuses or neglects to comply with any provision" of the Labor Code is subject to penalties pursuant to Labor Code section 2698 et seq. As a result of the conduct described herein, Blue & Gold Fleet agents, managers, and/or supervisors, including but not limited to Operations Manager Aden

Anderson, Fleet Operations Manager Tony Heeter, Vice President Kent McGrath, and President Murphy are liable for violations of the California Labor Code as noticed by this letter.

7. Failure to Pay All Wages Twice Each Calendar Month in Violation of Labor Code § 204

Labor Code section 204 requires employers to pay employees all wages earned twice during each calendar month (absent a collective bargaining agreement that provides otherwise, which is not applicable here). Blue & Gold Fleet's failure to pay its employees all wages earned pursuant to the requirements of Labor Code section 204 subjects it to penalties pursuant to Labor Code section 2698 et seq.

Aggrieved Plaintiff James Peeples requests this agency to investigate the above allegations and provide notice of the allegations pursuant to the provisions of the Private Attorneys General Act (Labor Code sections 2698 et seq.). Alternatively, Aggrieved Plaintiff requests the agency to inform them through the undersigned if it does not intend to so investigate so that they may amend their lawsuit to include the provisions of this letter, including those provided by the Private Attorneys General Act.

Sincerely,



Paul K. Pfeilschifter

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Litigation Hold Notice

PLEASE TAKE NOTICE THAT THIS IS ALSO A GENERAL LITIGATION PRESERVATION NOTICE to preserve all documents relating to all employees, including but not limited to all timekeeping and payroll records in paper form, native electronic form and any other format in which they are generated and maintained in the regular course of business; all databases and computer or electronic systems that are used for timekeeping and payroll; all records and evidence in any way related to the facts and claims asserted in this letter; all records and evidence in any way related to claims of Aggrieved Plaintiff, the state and other current or former employees under the California Labor Code Private Attorney General (including underlying Labor Code and IWC orders), the California Government Code, and the Equal Employment Opportunity Act. These documents include but are not limited to all schedules (both current and former), all vessel logs and captain's logs, all timekeeping records, all rest and meal period records, all duty and responsibility records, all records with employee signatures or initials, all payroll records, all state or federal withholding records, all personnel files and other employment records, all records concerning the payment or non-payment of wages, or provision or non-provision of state mandated labor code protections, as well as all documents pertaining to the wage and hour practices described herein, all communications relating to these records and documents, and all emails relating to these records and documents.

All such records and documents must be preserved in their native electronic format and must not be deleted, destroyed, altered, or modified in any way pending resolution of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Pfeilschifter', with a long horizontal line extending to the right.

Paul K. Pfeilschifter