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Attorneys for Plaintiff MARIO HARO,
individually, and on behalf of all others
similarly situated and aggrieved

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT

MARIO HARO, an individual, on behalf of
himself and all others similarly situated and
aggrieved,

Plaintiff,

vs.

RTS HOLDINGS, LLC DBA ROADONE
INTERMODALOGISTICS and also CROWN
INTERMODALOGISTICS, a Delaware
Limited Liability Company; ROADONE
INTERMODALOGISTICS, LLC, a Delaware
Limited Liability Company; and DOES 1 to 10,
inclusive,

Defendants.

Case No.:

**CLASS AND PAGA REPRESENTATIVE
ENFORCEMENT ACTION COMPLAINT**

- (1) FAILURE TO PAY MINIMUM WAGES;**
- (2) FAILURE TO FURNISH TIMELY AND
ACCURATE WAGE STATEMENTS;**
- (3) FAILURE TO MAINTAIN REQUIRED
RECORDS;**
- (4) UNLAWFUL DEDUCTION FROM WAGES;**
- (5) FAILURE TO REIMBURSE NECESSARY,
BUSINESS-RELATED EXPENSES;**
- (6) FAILURE TO PAY ALL WAGES OWED
UPON SEPARATION;**
- (7) VIOLATION OF CALIFORNIA'S UNFAIR
COMPETITION LAW ("UCL"), BUS. &
PROF. CODE §§ 17200; *ET SEQ.*; and**
- (8) CIVIL PENALTIES FOR VIOLATIONS OF
LABOR CODE, PURSUANT TO
CALIFORNIA'S PRIVATE ATTORNEYS
GENERAL ACT ("PAGA"), §§ 2698, *ET SEQ.***

DEMAND FOR JURY TRIAL

1 Plaintiff MARIO HARO (“Plaintiff” or “HARO”), on behalf of himself and all others similarly
2 situated and aggrieved, by and through his undersigned attorneys, files this Class Action and Private
3 Attorneys General Act of 2004 (“PAGA”) Representative Action Complaint against Defendants RTS
4 HOLDINGS, LLC doing business as ROADONE INTERMODALOGISTICS and also CROWN
5 INTERMODALOGISTICS, a Delaware Limited Liability Company; ROADONE
6 INTERMODALOGISTICS, LLC, a Delaware Limited Liability Company; and DOES 1 through 10
7 inclusive (collectively with the aforementioned entities, “Defendants”), respectfully alleges as follows:

8 **I. NATURE OF THE ACTION**

9 1. This is a class action and PAGA action for wage and hour Labor Code violations arising out
10 of, among other things, Defendants’ failure to pay minimum wages for all compensable hours worked;
11 failure to furnish timely, accurate wage statements; failure to maintain required payroll records; failure
12 to pay all wages owed upon separation; unlawfully deducted amounts from drivers’ wages; and failure
13 to reimburse all necessary, business-related expenses incurred in the course of employment.

14 2. As more fully set forth herein, Defendants failed to pay minimum wages, including but not
15 limited to all nonproductive time for rest breaks and pre-post trip inspections and time worked off-the-
16 clock before shifts started and after they ended; failed to issue timely and accurate wage statements;
17 failed to maintain accurate payroll records; failed to pay all wages owed upon separation; unlawfully
18 deducted amounts from employees’ wages; failed to reimburse all necessary, business-related expenses;
19 violated California’s Unfair Competition Law, Business and Professions Code, sections 17200; *et seq.*
20 and for civil penalties for the aforementioned violations of the Labor Code, pursuant to California’s
21 Private Attorneys General Act of 2004 (“PAGA”) §§ 2698, *et seq.*

22 3. Plaintiff seeks to represent the following Class¹:

23 All current and former employee drivers residing in California who worked
24 for RTS HOLDINGS, LLC dba ROADONE INTERMODALOGISTICS and
25 also CROWN INTERMODALOGISTICS; ROADONE
26 INTERMODALOGISTICS, LLC at any time beginning four (4) years prior
27 to the filing of the Complaint through the present (the “Class Period”).

28 ¹ Plaintiff reserves the right under California Rules of Court, Rule 3.765, to amend or modify the Class description with greater particularity or further division into subclasses or limitation to particular issues. Subsumed within this Class are all “Aggrieved Persons,” though limited to the relevant liability period under PAGA.

II. JURISDICTION AND VENUE

4. This Court has jurisdiction over the entire action by virtue of the fact that this is a civil action wherein the matter in controversy, exclusive of interest and costs, exceeds the jurisdictional minimum of the Court. The acts and omissions complained of in this action took place in the State of California, and at least one defendant resides in the state of California. Venue is proper pursuant to California Code of Civil Procedure section 395.5, because this is a class action, the acts and/or omissions complained of took place, in part, within the venue of this Court.

5. A substantial amount of Plaintiff MARIO HARO'S work for Defendants took place within Los Angeles County. All of this work that took place within Los Angeles County that Plaintiff MARIO HARO performed involved the acts and/or omissions complained of in this Complaint, including for instance, Defendants' failure to pay minimum wages for nonproductive time, rest breaks, pre- and post-trip inspections, time wrapping up final tasks at the end of a shift off-the-clock, and for waiting time. *See Owens v. Paraco, Inc.* (1958) 160 Cal.App.2d 824, 825–26 (holding that venue in a wage and hour case was proper in the county where the plaintiff performed the work even though the defendant's principal place of business was elsewhere).

6. Plaintiff alleges that more than two-thirds of all members of the proposed Class in the aggregate are citizens of California, so federal jurisdiction under the Class Action Fairness Act does not exist. Further, Plaintiff alleges that the proposed Class is estimated to be 100% California residents, as that is how the Class is defined.

III. PARTIES

7. Plaintiff MARIO HARO was, at all relevant times, a citizen of the State of California. Defendants employed Plaintiff HARO as a long haul drayage truck driver for approximately 1.4 years, from August 8, 2022 through approximately January 8, 2024, which is during the Class Period as alleged herein.

8. Upon information and belief, Defendant RTS Holdings, LLC doing business as RoadOne IntermodaLogistics and also Crown IntermodaLogistics, is a Limited Liability Company organized in the State of Delaware with its principal place of business at 1 Kellaway Dr., Randolph, Massachusetts

02368. Defendant is doing business in the State of California, operating in the State of California, and is availing itself of the privileges and obligations associated therewith.

9. Upon information and belief, Defendant RoadOne IntermodaLogistics, is a Limited Liability Company organized in the State of Delaware with its principal place of business at 1 Kellaway Dr., Randolph, Massachusetts 02368. Defendant is doing business in the State of California, operating in the State of California, and is availing itself of the privileges and obligations associated therewith.

10. Upon information and belief, Defendants (1) RTS Holdings, LLC doing business as RoadOne IntermodaLogistics and also Crown IntermodaLogistics and (2) RoadOne IntermodaLogistics (collectively, "RTS HOLDINGS") have agreements with various customers to provide those customers services within Los Angeles County that require RTS HOLDINGS to transport property to specified locations within California as well as extraterritorially. RTS HOLDINGS operates a yard in Wilmington, California and has conducted and transacted business at all times relevant to this lawsuit in, among other places, the County of Los Angeles in the State of California.

11. Plaintiff is ignorant of the true names, capacities, relationships, and extent of participation in the conduct alleged herein, of the Defendants sued as Does 1-10, inclusive, but is informed and believes that said Defendants are legally responsible for the conduct alleged herein and therefore sues these Defendants by such fictitious names. Plaintiff will seek leave to amend this Complaint to allege both the true names and capacities of the Doe Defendants when ascertained. Plaintiff is informed and believes, and thereon alleges, that at all times mentioned herein, all Defendants, including Doe Defendants, and each of them, were agents, servants, employees, successors in interest, and/or joint venturers of their co-Defendants and were, as such, acting within the course and scope of said agency, employment, partnership, joint venture, conspiracy, or enterprise, and with the express and/or implied permission, knowledge, consent, authorization and ratification of their co-defendants; however, each of these allegations are deemed "alternative" theories whenever not doing so would result in a contradiction with other allegations. Plaintiff is informed and believes that each Defendant acted in all respects pertinent to this action as the agent of the other Defendant, carried out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of each Defendant are legally attributable to each of the other Defendant.

1 **IV. FACTS COMMON TO ALL CAUSES OF ACTION**

2 12. Defendants are a 24/7 drayage trucking company delivering cargo to and from ports to
3 customers throughout California as well as nationally.

4 13. At all times during the Class Period, Defendants employed Plaintiff and Class Members as
5 hourly-paid truck drivers.

6 14. At all times during the Class Period, Defendants employed Plaintiff and the Class as
7 employee drivers who were engaged in transporting cargo in interstate commerce to and from ports in
8 the trucking industry throughout California.

9 15. At all times during the Class Period, Plaintiff and Class Members spent time working
10 performing nonproductive activities, including pre- and post-trip inspections.

11 16. At all times during the Class Period, Defendants failed to pay Plaintiff and Class Members
12 for all hours worked, namely, for nonproductive time, including but not limited to pre- and post- trip
13 inspections. Likewise, Plaintiff and Class Members spent time working prior to clocking in inside their
14 trucks, performing tasks including but not limited to performing pre-trip truck inspections. This
15 unrecorded compensable time occurred every single shift Plaintiff worked, because he abided by
16 Defendants' noncompliant policy. In addition, Plaintiff and Class Members spent time working after
17 clocking out inside their trucks, performing tasks to wrap up their workday such as performing post-trip
18 instructions. This unrecorded compensable time too occurred every single shift Plaintiff worked,
19 because he abided by Defendants' noncompliant policy. Defendant affirmatively instructs Plaintiff and
20 Class Members to clock in after completing these compensable tasks, so Defendants knew this
21 compensable time was not being recorded, meaning Defendants willfully failed to record and maintain
22 accurate timekeeping and payroll records. Likewise, Defendants affirmatively instructs Plaintiff and
23 Class Members to clock out before completing additional compensable tasks such as performing post-
24 trip inspections, so Defendants knew this post-shift time was compensable time that was not being
25 recorded, meaning Defendants willfully failed to record and maintain accurate timekeeping and payroll
26 records. So, all of this off-the-clock time was neither recorded nor ultimately compensated, even though
27 all of that nonproductive time is compensable. Thus, Defendants do not maintain required records, do
28 not issue accurate paystubs, nor do Defendants pay Plaintiff and Class Members minimum wage in

1 accordance with California law.

2 17. Defendants fail to provide Plaintiff and Class Members timely, accurate wage statements
3 that reflect their total number of nonproductive, compensable hours worked. The applicable rate is not
4 listed and the total hours worked during the pay period is not listed, while trips were performed during
5 that time. As such, nonproductive, compensable time was worked during that period, but no time is
6 reflected on their paystubs nor were Plaintiff and Class Members paid for that time. Accordingly,
7 Defendants failed to provide accurate wage statements to Plaintiff and Class Members identifying all
8 hours worked and all rates in effect during the pay period.

9 18. At all times during the Class Period, Defendants unlawfully deducted amounts from
10 Plaintiffs' and Class Members' wages for costs Defendants were legally obligated to pay, such as for
11 and critical illness coverage, which Plaintiffs and other similarly situated employees that Plaintiffs and
12 other similarly situated employees did not authorize.

13 19. At all times during the Class Period, Defendants failed to reimburse Plaintiff and Class
14 Members for the necessary, business-related expenses they incurred, including but not limited to, cell
15 phone service charges. Class Members were required to use their cell phones during the course of
16 employment to clock in and out as there were no timeclock alternatives, navigate to their delivery
17 destinations, and communicate with dispatch. Defendants provided no alternative option for clocking in
18 and out, navigating, nor communicating with dispatch en route, all aspects of which Plaintiff and Class
19 Members were required to do in discharging their duties. As such, Plaintiff and Class Members were
20 required to use their personal cell phones to carry out those functions, so Defendants should have
21 reimbursed Plaintiff and Class Members for their cell phone service costs.

22 20. As the payor of Plaintiff and Class Members' paychecks and reimbursements, Defendants
23 knew that Plaintiff and Class Members were not reimbursed for the use of their personal cell phones,
24 while also knowing that Plaintiff and Class Members were using their personal cell phones to clock in
25 and out, communicate with dispatch, and navigate along their routes. Further, "strong public policy"
26 favoring indemnification of these expenses does not require employees to request reimbursement of
27 said expenses when an employer knows its employees are incurring these expenses in discharging their
28 duties.

1 21. At all times during the Class Period, Defendants failed to pay Plaintiff and Class Members
2 who separated, whether voluntarily or involuntarily, from Defendants all of those Plaintiff and Class
3 Members' final wages upon separation. The outstanding final wages owed are in the form of unpaid
4 minimum wages accrued over time as described herein.

5 22. Defendants failed to pay Plaintiff all wages due at the time of his involuntary separation on
6 or around January 8, 2024. Because of the nature of his separation, all wages were owed to Plaintiff the
7 same day of separation but were not paid on that day. Those unpaid wages relate to the unpaid
8 minimum wages described herein, which Defendants willfully failed to pay since Defendants knew the
9 hours worked each shift were not recorded pursuant to Defendants' policy regarding when Plaintiff and
10 Class Members are required to clock in and out.

11 23. Those unpaid wages relate to the unpaid minimum wages described herein, which
12 Defendants willfully failed to pay since Defendants knew the hours worked each shift were not
13 recorded pursuant to Defendants' policy regarding when Aggrieved Persons are required to clock in and
14 out.

15 24. Defendants' conduct, as alleged herein, has caused Plaintiff and Class Members damages
16 including, but not limited to, loss of wages and compensation. Defendants are liable to Plaintiff and the
17 Class for failing to pay minimum wages; failure to provide timely and accurate wage statements; failing
18 to maintain all required payroll records; failing to pay all wages owed upon separation; unlawfully
19 deducted wages from earnings; failing to reimburse all necessary business-related expenses; and unfair
20 competition.

21 25. Plaintiff is a member of and seeks to be the representative for the Class of similarly situated
22 employees who all have been exposed to, have suffered, and/or were permitted to work under,
23 Defendants' unlawful employment practices as alleged herein.

24 26. At all relevant times, Defendants have been, and continue to be, a "person" as that term is
25 defined under California Business & Professions Code section 17021 and California Labor Code
26 sections 1-29.5.

27 27. Plaintiff has complied with the procedures for bringing suit specified in California Labor
28 Code section 2699.3. By letter dated November 15, 2023, Plaintiff gave written notice by certified mail

1 to the Labor and Workforce Development Agency (“LWDA”), and Defendants, of the specific
2 provisions of the Labor Code alleged to have been violated, including the facts and theories to support
3 the alleged violations.

4 **V. CLASS AND REPRESENTATIVE ACTION ALLEGATIONS**

5 28. Plaintiff is a member of and seeks to be the representative for the Class of similarly situated
6 employees who all have been exposed to, have suffered, and/or were permitted to work under
7 Defendants’ unlawful employment practices as alleged herein.

8 29. Plaintiff brings his first through seventh causes of action on behalf of himself and the
9 following Class² of persons defined as follows:

10 All current and former employee drivers residing in California who worked
11 for RTS HOLDINGS, LLC dba ROADONE INTERMODALOGISTICS,
12 LLC; and/or CROWN INTERMODALOGISTICS at any time beginning
four (4) years prior to the filing of the Complaint through the present (the
“Class Period”).

13 30. This action has been brought and may be properly maintained as a class action pursuant to
14 the provisions of California Code of Civil Procedure section 382 (hereinafter “section 382”) and other
15 applicable law.

16 31. **Numerosity of the Class:** Pursuant to section 382, Class Members are so numerous that
17 their individual joinder is impracticable. Plaintiff estimates, on information and belief, that there are at
18 least 1,000 current and former similarly situated employee Class Members of Defendants employed as
19 drivers in California during the Class Period. The precise number of Class Members and their
20 addresses are known to Plaintiff or will be known to Plaintiff through discovery. Class Members may
21 be notified of the pendency of this action by mail, electronic mail, the Internet, or published notice.

22 32. **Existence of Predominance of Common Questions of Fact and Law:** Pursuant to
23 section 382, common questions of law and fact exist as to all Class Members. These questions
24 predominate over any questions affecting only individual Class Members. These common legal and
25

26
27 ² Plaintiff reserves the right under California Rules of Court, Rule 3.765, to amend or modify the Class description
28 with greater particularity or further division into subclasses, to propose or eliminate subclasses, or further limitation
to particular issues, when presented to the Court at the appropriate time, in response to facts learned through
discovery, legal arguments advanced by Defendants, or otherwise.

1 factual questions include:

- 2 a. Whether Plaintiff and each Class Member were not paid minimum wage for each hour
- 3 worked or part thereof during which they were required to perform acts at the direction and
- 4 for the benefit of Defendants;
- 5 b. Whether Defendants engaged in a pattern or practice of failing to pay Plaintiff and Class
- 6 Members who worked as drivers in California for the total compensable hours worked
- 7 during the Class Period;
- 8 c. Whether Defendants maintained accurate time records of all hours worked, including all
- 9 non-productive time during the Class Period in accordance with IWC Wage Order No. 9-
- 10 2001(7);
- 11 d. Whether Defendants violated California Labor Code section 226(a) by failing to issue
- 12 accurate itemized wage statements to Plaintiff and Class Members that included all
- 13 compensable hours worked among other piece-rate wages earned throughout the Class
- 14 Period;
- 15 e. Whether Defendants violated California Labor Code section 226 by issuing inaccurate
- 16 itemized wage statements to Plaintiff and Class Members that failed to accurately state the
- 17 total hours worked, to the detriment of Plaintiff and the Class;
- 18 f. Whether Defendants violated California Labor Code section 226 by failing to timely
- 19 produce Plaintiff and Class Members' payroll records upon written request;
- 20 g. Whether Defendants violated California Labor Code sections 218.5, 1197, and 1198 by
- 21 failing to compensate Plaintiff and Class Members for those acts Defendants required
- 22 Plaintiff and Class Members to perform for the benefit of Defendants;
- 23 h. Whether Defendants violated California Labor Code section 221 by unlawfully deducting
- 24 amounts from Plaintiffs and Class Members' wages;
- 25 i. Whether Defendants violated California Labor Code section 2802 by failing to reimburse
- 26 Plaintiff and Class Members for all necessary, business-related expenses they incurred;
- 27 j. Whether Defendants engaged in unfair practices and violated California Business and
- 28 Professions Code, sections 17200; *et seq.* by failing to reimburse Plaintiff and Class

Members with all necessary, business-related expenses; and

k. The nature and extent of classwide injury and measure of damages for the injury.

33. **Typicality**: Plaintiff's claims are typical of the claims of the members of the Class he represents because Plaintiff, as a driver of Defendants, was exposed and subjected to the same unlawful business practices as other drivers employed by Defendants during the Class Period. Plaintiff and the members of the Class he represents sustained the same types of damages and losses.

34. **Adequacy**: Plaintiff is an adequate representative of the Class he seeks to represent because his interests do not conflict with the interests of the members of the Class Plaintiff seeks to represent. Plaintiff has retained counsel competent and experienced in complex class action litigation and Plaintiff intends to prosecute this action vigorously. The interests of Class Members will be fairly and adequately protected by Plaintiff and his counsel.

35. **Superiority and Substantial Benefit**: The class action is superior to other available means for the fair and efficient adjudication of Plaintiff's and Class Members' claims. The damages suffered by each individual Class Member may be limited. Damages of such magnitude are small given the burden and expense of individual prosecution of the complex and extensive litigation necessitated by Defendants' conduct. Further, it would be virtually impossible for Class Members to redress the wrongs done to them on an individual basis. Even if Class Members themselves could afford such individual litigation, the court system could not. Individualized litigation increases the delay and expense to all parties and the court system, due to the complex legal and factual issues of the case. By contrast, the class action device presents far fewer management difficulties, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

36. The Class should also be certified because:

a. The prosecution of separate actions by individual Class Members would create a risk of inconsistent or varying adjudications for individual Class Members, which would establish incompatible standards of conduct for Defendants;

b. The prosecution of separate actions by individual Class Members would create a risk of adjudication with respect to them, which would, as a practical matter, be dispositive of the interests of the other Class Members not parties to the adjudications, or substantially

1 impair or impede their ability to protect their interests; and

2 c. Questions of law and of fact common to Class Members predominate over any
3 questions affecting only individual members.

4 **VI. FIRST CAUSE OF ACTION**

5 **Failure to Pay Minimum Wages**

6 **Violation of California Labor Code §§ 510, 1194, 1194.2, and 1197; Wage Order No. 9-2001, § 4**
7 **(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)**

8 37. Plaintiff re-alleges and incorporates all preceding paragraphs as if fully set forth herein.

9 38. California Labor Code section 510 provides in pertinent part, “Eight hours of labor
10 constitutes a day’s work. Any work in excess of eight hours in one workday and any work in excess of
11 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one
12 workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay
13 for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less
14 than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on
15 any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of
16 pay of an employee.”

17 39. California Labor Code section 1197 provides in pertinent part that “The minimum wage for
18 employees fixed by the commission or by any applicable state or local law, is the minimum wage to be
19 paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.”

20 40. California Labor Code section 1194(a) provides, “Notwithstanding any agreement to work
21 for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime
22 compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of
23 the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable
24 attorney’s fees, and costs of suit.”

25 41. California Labor Code section 1194.2 provides in pertinent part, “In any action under
26 Section 98, 1193.6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the
27 minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to
28 recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.”

1 42. Pursuant to IWC Wage Order No. 9-2001, “hours worked” includes “the time during which
2 an employee is subject to the control of an employer, and includes all the time the employee is suffered
3 or permitted to work, whether or not required to do so.”

4 43. Pursuant to California Labor Code section 1182.12(b)(1) and IWC Wage Order No. 9-
5 2001(4), Plaintiff and Class Members who worked for RTS HOLDINGS, an employer who employs at
6 least 26 employees, were entitled to receive not less than twelve dollars (\$12) per hour through
7 December 31, 2019, then thirteen dollars (\$13) per hour through December 31, 2020, fourteen dollars
8 (\$14) per hour through December 31, 2021, then fifteen dollars (\$15.00) per hour through December
9 31, 2022, and then regardless of employer size, fifteen dollars and fifty cents (\$15.50) per hour
10 beginning January 1, 2023 through December 31, 2023, and then sixteen dollars (\$16) per hour and
11 thereafter.

12 44. At all times relevant during the Class Period, under the provisions of Wage Order No. 9-
13 2001, Plaintiff and each Class Member should have received not less than the minimum wage in a sum
14 according to proof for the time worked, but were not compensated.

15 45. For all hours that Plaintiff and Class Members worked, they are entitled to not less than the
16 California minimum wage and, pursuant to California Labor Code section 1194.2(a) liquidated
17 damages in an amount equal to the unpaid minimum wages and interest thereon. Pursuant to California
18 Labor Code section 1194, Plaintiff and Class Members are also entitled to their attorneys’ fees, costs,
19 and interest according to proof.

20 46. At all times relevant during the Class Period, Defendants willfully failed and refused, and
21 continue to willfully fail and refuse, to pay Plaintiff and Class Members the amounts owed.

22 47. Defendants’ unlawful conduct alleged herein occurred in the course of employment of
23 Plaintiff and all other similarly situated drivers, and Defendants have done so continuously throughout
24 the filing of this Complaint.

25 48. As a direct and proximate result of Defendants’ violation of California Labor Code sections
26 510 and 1197, Plaintiff and Class Members have suffered irreparable harm and money damages
27 entitling them to damages or restitution. Plaintiff, on behalf of himself and all others similarly situated,
28 seeks damages and all other relief allowable including all wages due while working as Defendants’

1 drivers, attorneys' fees, liquidated damages, prejudgment interest, and as to those employees no longer
2 employed by Defendants, waiting time penalties pursuant to California Labor Code section 200, *et seq.*

3 49. Plaintiff and Class Members are entitled to back pay, pre-judgment interest, liquidated
4 damages, statutory penalties, and attorneys' fees and costs. Plaintiff and former Class Members are
5 entitled to waiting time penalties pursuant to California Labor Code sections 203 and 1197.1.

6 **VII. SECOND CAUSE OF ACTION**

7 **Failure to Furnish Timely and Accurate Wage Statements**

8 **Upon Payment of Wages in Violation of Cal. Labor Code § 226**

9 **(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)**

10 50. Plaintiff hereby re-alleges and incorporates by reference all paragraphs of this Complaint as
11 if fully set forth herein.

12 51. Labor Code section 226(a) sets forth reporting requirements for employers when they pay
13 wages, as follows: "Every employer shall . . . at the time of each payment of wages, furnish his or her
14 employees . . . an itemized statement in writing showing (1) gross wages earned, (2) total hours worked
15 by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and
16 any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that
17 all deductions made on written orders of the employee may be aggregated and shown as one item, (5)
18 net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of
19 the employee and only the last four digits of his or her social security number or an employee
20 identification number other than a social security number, (8) the name and address of the legal entity
21 that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of
22 Section 1682, the name and address of the legal entity that secured the services of the employer, and (9)
23 all applicable hourly rates in effect during the pay period and the corresponding number of hours
24 worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary
25 services employer as defined in Section 201.3, the rate of pay and the total hours worked for each
26 temporary services assignment. The deductions made from payment of wages shall be recorded in ink
27 or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement
28 and the record of the deductions shall be kept on file by the employer for at least three years at the place

1 of employment or at a central location within the State of California. For purposes of this subdivision,
2 “copy” includes a duplicate of the itemized statement provided to an employee or a computer-generated
3 record that accurately shows all of the information required by this subdivision”

4 52. Labor Code section 226(b) provides that “[a]n employer that is required by this code or any
5 regulation adopted pursuant to this code to keep the information required by subdivision (a) shall afford
6 current and former employees the right to inspect or receive a copy of records pertaining to their
7 employment, upon reasonable request to the employer. . . .”

8 53. Labor Code section 226(e) provides: “An employee suffering injury as a result of a
9 knowing and intentional failure by an employer to comply with subdivision (a) shall be entitled to
10 recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a
11 violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay
12 period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and shall be entitled to an
13 award of costs and reasonable attorney’s fees.”

14 54. For purposes of Labor Code section 226(e), subsection (3) provides that, “a “knowing and
15 intentional failure” does not include an isolated and unintentional payroll error due to a clerical or
16 inadvertent mistake. In reviewing for compliance with this section, the factfinder may consider as a
17 relevant factor whether the employer, prior to an alleged violation, has adopted and is in compliance
18 with a set of policies, procedures, and practices that fully comply with this section.”

19 55. Defendants failed to accurately record all rates of pay in effect during the pay period.
20 Defendants’ failure to provide Plaintiff and Class Members with accurate itemized wage statements
21 during the Class Period has caused Plaintiff and Class Members to incur economic damages in that they
22 were not aware that they were owed and not paid compensation for all nonproductive time including
23 performing pre- and post-trip inspections. Plaintiff and Class Members were not compensated for this
24 work, and for all other hours worked without pay. This alleged failure was repeated, not an isolated
25 incident. For instance, on all of Plaintiff’s paystubs within the statutory period under section 226, they
26 do not show all hours worked. Plaintiff’s and Class Members’ paystubs failed to reflect all time they
27 actually worked based on the compensable time worked prior to clocking in and after clocking out,
28 pursuant to Defendants’ noncompliant timekeeping and compensation policies. Defendants’

1 noncompliant timekeeping and compensation policies resulted in repeated wage statement violations,
2 and as such, were not an isolated failure. Accordingly, the alleged wage statement violations were both
3 knowing and intentional.

4 56. Plaintiff and Class Members were damaged by these failures because, among other things,
5 the failures hindered Plaintiff and the Class from determining the amounts of wages actually owed to
6 them.

7 57. Plaintiff and Class Members request recovery of Labor Code section 226(e) penalties
8 according to proof, as well as interest, attorneys' fees and costs pursuant to Labor Code section 226(e),
9 in a sum as provided by the Labor Code and/or other statutes.

10 **VIII. THIRD CAUSE OF ACTION**

11 **Failure to Maintain Required Records**

12 **in Violation of Cal. Labor Code §§ 226, 1174; IWC Wage Order No. 9-2001, § 6**

13 **(Brought by Plaintiff on Behalf of All Class Members Against All Defendants)**

14 58. Plaintiff hereby re-alleges and incorporates by reference all paragraphs of this Complaint as
15 if fully set forth herein.

16 59. During the Class Period, as part of Defendants' illegal pay roll policies and practices to
17 deprive Plaintiff and Class Members of all wages earned and due, Defendants knowingly and
18 intentionally failed to maintain records as required under California Labor Code sections 226 and 1174,
19 and IWC Wage Order No. 9-2001, section 6, including but not limited to the following records: total
20 daily hours worked by each employee; applicable rates of pay; nonproductive, compensable time; time
21 records showing when each employee begins and ends each work period; and accurate itemized
22 statements.

23 60. IWC Wage Order No. 9-2001, section 6(A)(3) provides that "Every employer shall keep
24 accurate information with respect to each employee including the following: . . . (3) Time records
25 showing when the employee begins and ends each work period. [T]otal daily hours worked shall also be
26 recorded."

27 61. More specifically, in violation of IWC Wage Order No. 9-2001, section 6, Defendants
28 affirmatively instructed Plaintiff and Class Members to clock in only once Plaintiff and Class Members

1 were inside their trucks and had performed certain compensable tasks at the start of their shifts in the
2 form of performing pre-trip inspections. Likewise, Defendants affirmatively instructed Plaintiff and
3 Class Members to clock out at the end of Plaintiff and Class Members' shifts before they had completed
4 additional required, compensable tasks in the form of post-trip inspections. This compensable time was
5 not captured and compensated because it was not originally recorded.

6 62. As a proximate result of Defendants' unlawful actions and omissions, Plaintiff and Class
7 Members have been damaged in an amount according to proof at trial, and are entitled to all wages
8 earned and due, plus interest thereon. Additionally, Plaintiff and Class Members are entitled to all
9 available civil and statutory penalties and an award of costs, expenses, and reasonable attorneys' fees,
10 including but not limited to those provided in California Labor Code section 226(e), as well as other
11 available remedies.

12 **IX. FOURTH CAUSE OF ACTION**

13 **Unlawful Deduction From Wages**

14 **Violation of California Labor Code § 221**

15 **(Brought by Plaintiffs on Behalf of Themselves and the Class Against All Defendants)**

16 63. Plaintiff re-alleges and incorporates all preceding paragraphs as if fully set forth herein.

17 64. California Labor Code section 221 provides that "It shall be unlawful for any employer to
18 collect or receive from an employee any part of wages theretofore paid by said employer to said
19 employee."

20 65. Defendants collected or received from Plaintiffs part of their wages Defendants owed them,
21 deductions for accident insurance and critical illness coverage. Plaintiffs are informed, believe, and
22 thereon allege, that at all times relevant during the Class Period, Defendants maintained a policy or
23 practice of collecting and receiving wages Defendants paid to Plaintiffs and other similarly situated
24 employees that Plaintiffs and other similarly situated employees did not authorize.

25 66. As a result of Defendants' unlawful conduct, Plaintiff and Class Members have suffered
26 damages in an amount, subject to proof, to the extent that Defendants unlawfully deducted amounts
27 from Plaintiffs' and Class Members' wages that were unauthorized or unlawful in the first place.

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Failure to Reimburse All Necessary Business-Related Expenses

Violation of California Labor Code § 2802

(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)

67. Plaintiff re-alleges and incorporates all preceding paragraphs as if set forth fully herein.

68. California Labor Code section 2802 provides that “An employer shall indemnify his or her employee 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, even though unlawful unless the employee, at the time of obeying the directions, believed them to be unlawful.”

69. During the applicable statutory period, Plaintiff and Class Members incurred necessary expenditures and losses in direct consequence of the discharge of their employment duties and their obedience to the directions of Defendants, Defendants did not reimburse Plaintiff and Class Members for these expenditures or losses. Such expenses include, but are not limited to, expenses for cellular phone service.

70. Defendants have failed to fully reimburse Plaintiff and Class Members for necessary business-related expenses and losses.

71. Plaintiff and Class Members are entitled to recover their necessary unreimbursed business-related expenses and losses incurred during the course and scope of their employment, plus interest accrued from the date on which the employee incurred the necessary expenditures at the same rate as judgments in civil actions in the State of California, pursuant to California Labor Code section 2802.

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1 contract for a definite period quits his or her employment, his or her wages shall become due and
2 payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of
3 his or her intention to quit, in which case the employee is entitled to his or her wages at the time of
4 quitting.”

5 75. Section 203 of the California Labor Code provides that if an employer willfully fails to pay
6 compensation promptly upon discharge or resignation, as required by sections 201 and 202, then the
7 employer is liable for penalties in the form of continued compensation up to thirty (30) work days.

8 76. So, California Labor Code sections 201 and 202 require Defendants to pay all
9 compensation due and owing to former drivers at or around the time employment is terminated.
10 Section 203 of the California Labor Code provides that if an employer willfully fails to pay
11 compensation promptly upon discharge or resignation, as required by sections 201 and 202, then the
12 employer is liable for penalties in the form of continued compensation of up to thirty (30) work days.

13 77. At all times relevant during the Class Period, Plaintiff and Class Members were employees
14 of Defendants covered by California Labor Code section 203.

15 78. Pursuant to Labor Code section 201, upon Plaintiff’s and the Class Members’ separation
16 dates, Defendants were required to pay Plaintiff and the Class Members all wages earned.

17 79. Plaintiff and Class Members were not paid at all for their rest period time and
18 nonproductive time. Defendants did pay Plaintiff and Class Members some, but not all, minimum
19 wages. That is, for the hours worked while Plaintiff and Class Members were clocked in, Defendant
20 paid Plaintiff and Class Members minimum wages, though for some of those hours, did not do so at the
21 regular rate of pay. As for the hours Plaintiff and Class Members performed work while they were not
22 clocked in, Defendant did not pay Plaintiff and Class Members any minimum wages for that time
23 worked.

24 80. At the time of Plaintiff’s and the Class Members’ respective separation dates, Plaintiff and
25 Class Members had unpaid wages. Defendants willfully failed to pay Plaintiff and other members of
26 the Class who are no longer employed by Defendants for their uncompensated hours, in the form of rest
27 breaks and nonproductive time upon their separation from employment with Defendants as required by
28 California Labor Code sections 201 and 202. Thus, in violation of Labor Code section 201, Defendants

1 failed to pay Plaintiff and the Class Members the full amount of wages due and owing them, in amounts
2 to be proven at the time of trial, but in excess of the jurisdictional minimum of this Court.

3 81. Defendants willfully failed to pay Plaintiff and former Class Members for their
4 uncompensated hours upon their termination or separation from employment with Defendants as
5 required by California Labor Code sections 201 and 202. As a result, Defendants are liable to Plaintiff
6 and other former Class Members for waiting time penalties amounting to thirty (30) days' wages for
7 Plaintiff and each such Class Member pursuant to California Labor Code section 203.

8 **XII. SEVENTH CAUSE OF ACTION**

9 **Violation of California's Unfair Competition Law,**

10 **Bus. & Prof. Code §§ 17200; *et seq.***

11 **(Brought by Plaintiff on Behalf of Himself and the Class Against All Defendants)**

12 82. Plaintiff re-alleges and incorporates all preceding paragraphs as if fully set forth herein.

13 83. Section 17200 of the California Business and Professions Code (the "UCL") prohibits any
14 unlawful, unfair, or fraudulent business practices.

15 84. Through their action alleged herein, Defendants have engaged in unfair competition within
16 the meaning of the UCL. Defendants' conduct, as alleged herein, constitutes unlawful, unfair, and/or
17 fraudulent business practices under the UCL.

18 85. Defendants' unlawful conduct under the UCL includes, but is not limited to, violating the
19 statutes alleged herein. Defendants' unfair conduct under the UCL includes, but is not limited to,
20 failure to pay Class Members wages and compensation they earned through labor provided, and failing
21 to otherwise compensate Class Members, as alleged herein. Defendants' fraudulent conduct includes,
22 but is not limited to, issuing wage statements—in the form of settlement histories—containing false
23 and/or misleading information about the time Class Members worked and the amount of wages or
24 compensation due.

25 86. Plaintiff has standing to assert this claim because he has suffered injury in fact and has lost
26 money as a result of Defendants' conduct.

27 87. Plaintiff and the Class seek restitutionary disgorgement from Defendants for all unpaid
28 wages and unreimbursed business expenses, to the extent permitted by law.

1 **XIII. EIGHTH CAUSE OF ACTION**

2 **For Civil Penalties Pursuant to California's Private Attorneys General Act of 2004 ("PAGA"), §§**
3 **2698, *et seq.*, for Violations of California Labor Code Sections**

4 **(Brought by Plaintiff on Behalf of Himself and the General Public Against All Defendants)**

5 88. Plaintiff hereby re-alleges and incorporates by reference all paragraphs of this Complaint
6 as if fully set forth herein.

7 89. PAGA provides that any provision of law under the Labor Code and applicable IWC Wage
8 Order(s) that provides for a civil penalty to be assessed and collected by California's Labor and
9 Workforce Development Agency ("LWDA") for violations of the California Labor Code and applicable
10 IWC Wage Order(s) may, as an alternative, be recovered by aggrieved employees in a civil action
11 brought on behalf of themselves and other current or former employees pursuant to procedures outlined
12 in California Labor Code section 2699.3.

13 90. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any person who
14 was employed by the alleged violator and against whom one or more of the alleged violations was
15 committed."

16 91. Plaintiff and other current and former employees of Defendants are "aggrieved employees"
17 as defined by Labor Code section 2699(c) in that they are all Defendants' current or former employees
18 and one or more of the alleged violations were committed against them.

19 92. Pursuant to Labor Code sections 2699.3 and 2699.5, aggrieved employees, including
20 Plaintiff, may pursue a civil action arising under PAGA, alleging violations of any provision listed in
21 section 2699.5, after the following requirements have been met:

- 22 a. The aggrieved employee shall give written notice ("Employee's Notice") by online filing to
23 the LWDA and by certified mail to the employer of the specific provisions of the California
24 Labor Code alleged to have been violated, including the facts and theories to support the
25 alleged violations;
- 26 b. The Employee's Notice filed with the LWDA is accompanied by a seventy-five-dollar (\$75)
27 filing fee; and
- 28 c. The LWDA shall provide notice ("LWDA Notice") to the employer and the aggrieved

employees by certified mail that it does not intend to investigate the alleged violation within sixty (60) calendar days of the postmark date of the Employee's Notice. Upon receipt of the LWDA Notice, or if the LWDA Notice is not provided within sixty-five (65) calendar days of the postmark date of the Employee's Notice, the aggrieved employees may commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties in addition to any other penalties to which the employees may be entitled.

93. Pursuant to California Labor Code sections 2699.3(c), aggrieved employees, including Plaintiff, may pursue a civil action arising under PAGA for violations of any provision other than those listed in section 2699.5 after the following requirements have been met:

- a. The aggrieved employees shall give written notice by online filing ("Employee's Notice") to the LWDA and by certified mail to the employer of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations;
- b. The Employee's Notice filed with the LWDA is accompanied by a seventy-five-dollar (\$75) filing fee; and
- c. The employer may cure the alleged violation within thirty-three (33) calendar days of the postmark date of the Employee's Notice. The employer shall give written notice by certified mail within that period of time to the aggrieved employees or representatives and the agency if the alleged violation is cured, including a description of actions taken, and no civil action pursuant to Section 2699 may commence. If the alleged violation is not cured within the 33-day period, the employees may commence a civil action pursuant to Section 2699.

94. On November 15, 2023, Plaintiff provided written notice by online filing to the LWDA and by certified mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including facts and theories to support the alleged violations, in accordance with California Labor Code section 2699.3. Plaintiff's notice to the LWDA was accompanied by the \$75 filing fee. A true and correct copy of Plaintiff's written notice to the LWDA and Defendants dated November 15, 2023 is attached hereto as "**Exhibit 1.**"

1 95. As of the filing date of the initial complaint, over sixty-five (65) days have passed since
2 Plaintiff sent the LWDA Notice described above, and the LWDA has not responded that it intends to
3 investigate Plaintiff's claims. Defendants have not given notice that it has cured the alleged violations
4 set forth in this Complaint. Thus, Plaintiff has satisfied the administrative prerequisites under
5 California Labor Code section 2699.3(a) and (c) to recover civil penalties against all defendants, in
6 addition to other remedies, for violations of California Labor Code sections 201, 202, 203, 221, 226(a),
7 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

8 96. Labor Code section 558(a) provides that "[a]ny employer or other person acting on behalf
9 of an employer who violates, or causes to be violated, a section of this chapter or any provision
10 regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to
11 a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee
12 for each pay period for which the employee was underpaid in addition to an amount sufficient to
13 recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each
14 underpaid employee for each pay period for which the employee was underpaid in addition to an
15 amount sufficient to recover underpaid wages." Labor Code section 558(c) provides that "[t]he civil
16 penalties provided for in this section are in addition to any other civil or criminal penalty provided by
17 law."

18 97. Defendants, at all times relevant herein, were employers or persons acting on behalf of an
19 employer(s) who violated Plaintiff's and other non-party aggrieved employees' rights by violating
20 various sections of the California Labor Code as set forth above.

21 98. As set forth below, Defendants have violated numerous provisions of both the Labor Code
22 sections regulating hours and days of work as well as the applicable IWC Wage Order(s), including:

- 23 a. Violations of Labor Code sections 1182.12, 1194, 1197, 1197.1, 1198, and the applicable
24 IWC Wage Order(s) for Defendants' failure to compensate Plaintiff and other Class
25 Members with at least minimum wages for all hours worked as set forth above;
- 26 b. Violations of Labor Code sections 226(a), 1198, and the applicable IWC Wage Order(s)
27 for failure to provide accurate and complete wage statements to Plaintiff and other Class
28 Members as set forth above;

- 1 c. Violations of Labor Code section 2802 for failure to reimburse Plaintiff and other Class
2 Members for all necessary, business-related expenses incurred during employment as set
3 forth above;
- 4 d. Violations of Labor Code sections 1174(d), 1198, and the applicable IWC Wage Order(s)
5 for failure to maintain payroll records. California Labor Code section 1198 provides that
6 the maximum hours of work and the standard conditions of labor shall be those fixed by
7 the Labor Commissioner and as set forth in the applicable IWC Wage Order(s). Section
8 1198 further provides that “[t]he employment of any employees for longer hours than
9 those fixed by the order or under conditions of labor prohibited by the order is unlawful.”
10 Pursuant to the applicable IWC Wage Order(s), employers are required to keep accurate
11 time records showing when the employee begins and ends each work period. During the
12 relevant time period, Defendants failed, on a companywide basis, to keep records of
13 accurate start and stop times for Plaintiff and other non-party aggrieved employees in
14 violation of section 1198. California Labor Code section 1174(d) provides that “[e]very
15 person employing labor in this state shall . . . [k]eep a record showing the names and
16 addresses of all employees employed and the ages of all minors” and “[k]eep, at a central
17 location in the state or at the plants or establishments at which employees are employed,
18 payroll records showing the hours worked daily by and the wages paid to, and the number
19 of piece-rate units earned by and any applicable piece rate paid to, employees employed
20 at the respective plants or establishments” During the relevant time period, and in
21 violation of Labor Code section 1174(d), Defendants willfully failed to maintain accurate
22 payroll records for Plaintiff and other non-party aggrieved employees showing the daily
23 hours they actually worked and the wages paid thereto as a result of failing to record the
24 off-the-clock hours that they worked;
- 25 e. Violations of Labor Code sections 201, 202, and 203 for failure to pay all earned wages
26 upon termination as set forth above;
- 27 f. Violation of Labor Code section 221 for unlawful deductions from wages;
- 28 g. Violation of Labor Code section 2802 for failure to reimburse all necessary, business-

related expenses incurred during employment;

a. Plaintiff and other non-party aggrieved employees are therefore entitled to recover penalties, attorneys' fees, costs, and interest thereupon, pursuant to Labor Code section 2699(f)-(g); and

b. Any and all additional applicable civil penalties and sums as provided by the California Labor Code and/or other relevant statutes.

99. Pursuant to California Labor Code sections 2699(a), 2699.3, 2699.5, and section 558, Plaintiff, acting in the public interest as private attorney generals, seeks assessment and collection of civil penalties for themselves, all other non-party aggrieved employees, and the State of California against all defendants, in addition to other remedies, for violations of California Labor Code sections 201, 202, 203, 204, 221, 226(a), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

100. In addition, Plaintiff seeks and are entitled to seventy-five percent (75%) of all penalties obtained under California Labor Code section 2699 to be allocated to the LWDA, for education of employers and employees about their rights and responsibilities under the California Labor Code, and twenty-five percent (25%) to all aggrieved employees.

101. Further, Plaintiff is entitled to recover reasonable attorneys' fees and costs pursuant to California Labor Code sections 2699(g)(1), 218.5, 1194(a) and any other applicable statute.

XIV. PRAYER

WHEREFORE, Plaintiff, on behalf of himself and all others similarly situated and also on behalf of the general public, pray for judgment against Defendants as follows:

- A. An order that this action may proceed and be maintained as a class action;
- B. For all unpaid minimum wages and liquidated damages due to Plaintiff and each Class Member on their minimum wage claim;
- C. For continuation wages under California Labor Code section 203;
- D. For statutory penalties under California Labor Code section 226(e);
- E. An order requiring Defendants to comply with California Labor Code section 226(a) with respect to all currently employed Class Members;
- F. For reimbursement of unlawful deductions of wages under California Labor Code

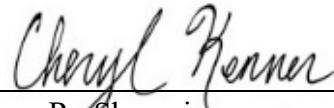
section 221;

- G. For reimbursement of business expenses under California Labor Code section 2802;
- H. For all available civil penalties pursuant to California Labor Code sections 210, 225.5, 226.3, 558, 1174.5, 1197.1 and for violations of California Labor Code sections 201, 202, 203, 221, 226, 1194, 1197, 1198, and 2802;
- I. For restitutionary disgorgement pursuant to the UCL;
- J. An order enjoining Defendants from further unfair and unlawful business practices in violation of Business & Professions Code sections 17200; *et seq.*;
- K. Prejudgment interest at the maximum legal rate;
- L. Reasonable attorneys' fees;
- M. Costs of suit; and
- N. Such other relief as the Court may deem just and proper.

Dated: March 14, 2024

SHEGERIAN & ASSOCIATES, INC.

By:



Carney R. Shegerian
Anthony Nguyen
Cheryl A. Kenner

Attorneys for Plaintiff MARIO HARO,
individually, and on behalf of all others
similarly situated and aggrieved

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Dated: March 14, 2024

By:

Attorneys for Plaintiff MARIO HARO,
individually, and on behalf of all others similarly
situated and aggrieved

EXHIBIT 1

November 14, 2023

VIA ONLINE SUBMISSION

Stewart Knox, Secretary
California Labor & Workforce
Development Agency
800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

VIA CERTIFIED MAIL

RTS Holdings, LLC
Attn: Legal Department
1 Kellaway Drive
Randolph, MA 02368

RoadOne Intermodalogistics, LLC
Attn: Legal Department
One Kellaway Drive
Randolph, MA 02368

RTS Holdings, LLC
Attn: Human Resources
336 E D Street
Wilmington, CA 90744

Crown Intermodalogistics
Attn: Legal Department
One Kellaway Drive
Randolph, MA 02368

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CALIFORNIA LABOR
CODE SECTION 2698, ET SEQ.**

To: The California Labor and Workforce Development Agency; RTS Holdings, LLC; RoadOne Intermodalogistics, LLC; and Crown Intermodalogistics

From: Mario Haro, on behalf of himself and all other current and former hourly nonexempt employees for violations of the California Labor Code

To Whom It May Concern:

Shegerian & Associates, Inc. has been retained by current employee Mario Haro (“Mr. Haro”) to seek compensation and all other available relief, including civil penalties on his behalf and on the behalf of all those similarly aggrieved (collectively, with Mr. Haro, “Claimants”) who have been injured by violations of the California Labor Code. Mr. Haro, on behalf of himself and all other similarly aggrieved current and former hourly nonexempt employees of RTS Holdings, LLC dba RoadOne Intermodalogistics, LLC and Crown Intermodalogistics (collectively, “RTS Holdings”), intends to seek civil penalties, attorneys’ fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.* of the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

145 S Spring Street, Suite 400
Los Angeles, California 90012

11520 San Vicente Boulevard
Los Angeles, California 90049

6205 Lusk Boulevard, Suite 200
San Diego, California 92121

650 California Street, Suite 4-137
San Francisco, California 94108

90 Broad Street, Suite 804
New York, New York 10004

3764 Elizabeth Street
Riverside, California 92506

Factual Statement:

RTS Holdings is a 24/7 drayage trucking company that delivers cargo to and from ports in California. RTS Holdings relies on its employee drivers to transport cargo from RTS Holdings' locations to the ports and from the ports to other RTS Holdings' locations.

Claimant Mr. Haro works for RTS Holdings as an hourly, nonexempt employee in the position of driver, earning \$30 per hour, paid on a weekly basis. Mr. Haro's routes involve driving in California, including in Los Angeles County. Mr. Haro, on behalf of himself and all other similarly aggrieved current and former employees of RTS Holdings are or were non-exempt, hourly truck driver employees who are or were engaged in providing transportation/delivery services for RTS Holdings throughout California. As part of their employment with RTS Holdings, Claimant and other hourly, nonexempt employees, collectively, "hourly nonexempt employees," are or were assigned to and required to suffer and permitted to work without pay, while performing tasks collectively, including, but not limited to: conducting pre- and post-trip inspections and driving to the company's locations to pick up tractors and containers that they then delivered to the ports or else other RTS Holdings locations.

Claimant Mr. Haro regularly works 7 days per week for 7-8 hours or more per day and 50-60 or more hours per week. During the entire course of his employment, RTS Holdings has failed to pay Claimants all minimum wages for all non-productive time spent working during rest breaks and before and after shifts for pre- and post-trip inspections performed off the clock. Likewise, during the entire course of his employment, RTS Holdings has failed and continues to fail to provide Mr. Haro and those similarly aggrieved with all overtime pay and compliant meal periods and rest breaks. As a consequence, RTS Holdings has failed to comply with Labor Code sections 226.7, 510, and 512, and sections 3, 11, and 12 of all applicable Industrial Welfare Commission ("IWC") Wage Orders, including but not limited to, IWC Wage Order No. 9-2001. RTS Holdings has also failed to pay minimum wages to Mr. Haro and other hourly nonexempt employees in violation of Labor Code sections 510, 1194, 1197, and 1182.12, and section 4 of IWC Wage Order No. 9-2001. In violation of Labor Code sections 510, 1194, 1197, and 1182.12, RTS Holdings has failed to compensate Claimants at a rate of one and one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek.

RTS Holdings failed and continues to fail to pay all wages owed every pay period in violation of Labor Code section 204. Likewise, RTS Holdings has failed to provide timely, accurate wage statements to Mr. Haro and continues to do so as to other aggrieved persons in violation of Labor Code section 226(a). With regard to those no longer employed by RTS Holdings, RTS Holdings violated Labor Code section 203 by failing to pay all wages due upon separation. Mr. Haro is informed and believes that such violations are ongoing, systematic, and continuous. Mr. Haro intends to bring an action against RTS Holdings under the Private Attorneys

General Act (“PAGA”) to recover wages and penalties as provided by California law.¹

Theories of Labor Code Violations and Remedies:

Claimant Mr. Haro has been continuously employed by RTS Holdings since approximately August 8, 2022 through the present as an employee driver. The position of driver generally entails: driving to the company’s locations to pick up tractors and containers, which they then dropped off at the ports or else another RTS Holdings location; and also conducting pre- and post-trip inspections. For a period of at least four (4) years prior to November 2023, but for our purposes here, one (1) year prior, RTS Holdings has failed and continues to fail to pay such employees all overtime wages, yet regularly requires and has required hourly, nonexempt employees to work in excess of eight (8) hours per workday and/or forty (40) hours per workweek without adequate pay under Labor Code section 1194.

Claimants also were at all times entitled to payment of minimum wages. RTS Holdings has failed and continues to fail to pay Claimants minimum wages for all hours worked as required by Labor Code sections 510, 1194, and 1194.2 and section 4 of IWC Wage Order No. 9-2001. For instance, Defendant implemented policies and enforced practices requiring Claimants to perform pre- and post-trip inspections—which is compensable work—while off the clock. Claimants worked a substantial amount of time while off-the-clock, meaning they were not punched in for work, and therefore, those working hours were not recorded and then compensated. Claimants’ off-the-clock time was never subsequently added and, therefore, remains uncompensated. Accordingly, Claimants were not paid for that time spent working off the clock, which occurred twice per shift. That is, this uncompensated time occurred both before and after their shifts started and ended. Additionally, Defendant did not separately compensate Claimants for other non-productive time such as for paid rest breaks. Moreover, Claimants are and were unable to take compliant meal periods and rest breaks as a result of time-sensitive nature of cargo pick-ups and deliveries requiring Claimants to perform work and make pick-ups/deliveries within certain timeframes—combined with RTS Holdings’ corresponding failure to pay Claimants their meal

¹ Without limitation, Mr. Haro, if permitted, will seek any and all penalties otherwise capable of being collected by the Commission. This includes each provision as set forth in Labor Code section 2699.5 as follows:

The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: 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, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230A, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 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, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 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, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651., and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

period and rest break premiums for those noncompliant meal periods and rest breaks. Additionally, RTS Holdings' corresponding failure to provide premium pay for missed meal periods and rest breaks at the correct regular rate, if any premiums were paid at all, in lieu of compliant meal periods and rest breaks constitutes RTS Holdings' failure to pay minimum wages and all hours worked every pay period and upon separation in violation of Labor Code sections 201, 202, 203, 204, 226(a), 510, 1182.12, 1194, and 1197. As explained in further detail below, this failure also constitutes a failure to pay minimum wages to Claimants. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 1197.1 and section 20 of IWC Wage Order No. 9-2001.

At all times relevant herein, Claimants were entitled to the payment of overtime. That is, pursuant to Labor Code sections 510, 1194, 1197, and 1182.12, RTS Holdings was required to compensate Claimants at a rate of one-and-one-half (1.5) times their regular rate for all hours worked over eight (8) hours per workday and the first eight (8) hours worked on the seventh day of a workweek and at two (2) times their regular rate for hours worked over twelve (12) hours per workday and eight (8) hours on the seventh day of a workweek. RTS Holdings has failed to and continues to fail to pay Claimants overtime wages owed for off-the-clock time worked that would have been eligible for overtime, yet regularly required them to work these overtime hours without premium pay under Labor Code section 1194. In short, during the entire course of their employment, RTS Holdings failed to provide Claimants with all overtime pay in violation of 226.7, 510, and 512 and all applicable IWC Wage Orders, including but not limited to IWC Wage Order 9-2001, section 3.

Pursuant to IWC Wage Order No. 9-2001, employers are required to keep accurate time records showing when employees begin and end each work period and each meal period. During the relevant time period, RTS Holdings had a company-wide policy and practice of failing to record actual hours worked (because of all the off-the-clock work performed), thereby failing to keep accurate records of work periods and meal period start and stop times for Claimants, in violation of section 1198. Because RTS Holdings failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on Claimants' wage statements, Claimants have been prevented from verifying—solely from information on the wage statements themselves—that they were paid correctly and in full. Instead, Claimants have had to refer to other sources beyond their wage statements and reconstruct time records to determine whether in fact they were paid correctly and the extent to which they were underpaid, thereby causing them injury. Accordingly, Claimants are entitled to recover civil penalties, attorney's fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)–(g).

Claimants were at all times entitled to unpaid off-duty, uninterrupted meal periods. As explained in the preceding paragraph, RTS Holdings failed to authorize and permit meal periods for Mr. Haro, and all other similarly aggrieved employees as required by Labor Code sections 226.7 and 512 and section 11 of IWC Wage Order No. 9-2001. Mr. Haro and all similarly aggrieved persons were required to perform work during their meal periods. RTS Holdings did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant meal periods for each workday on which they occurred. Accordingly, since RTS Holdings required Mr. Haro and others similarly situated to work during their meal periods in violation of Labor Code

sections 226.7(a) and 512, Claimants seek all available penalties as set forth in Labor Code sections 558, section 20 of IWC Wage Order No. 9-2001, and 2699(f).

Claimants were at all times entitled to take paid, off duty 10-minute rest breaks. However, for the same reasons cited in the preceding paragraph regarding meal periods, RTS Holdings likewise failed to authorize and permit Mr. Haro and all other similarly aggrieved employees to take off duty rest breaks as required by Labor Code sections 226.7 and section 12 of IWC Wage Order No. 9-2001. RTS Holdings did not compensate Claimants with an extra hour of pay at the regular rate for noncompliant rest breaks for each workday on which they occurred. Therefore, Claimants are entitled to recover wages and/or penalties as provided by Labor Code section 558 and section 20 of IWC Wage Order No. 9-2001. Furthermore, since RTS Holdings required their hourly nonexempt employees to work during rest periods in violation of Labor Code section 226.7(b), Claimants seek all available penalties set forth in Labor Code sections 558 and 2699.

Claimants were at all times entitled to be provided timely and accurate wage statements from RTS Holdings pursuant to Labor Code section 226. Because RTS Holdings failed to pay Claimants all of their meal period and rest break premiums for noncompliant meal periods and rest breaks and failed to pay Claimants minimum wages for all hours worked before, during, and after their shifts and for all overtime wages due, Claimants' wage statements were inaccurate in reflecting meal period and rest break premiums owed, overtime and minimum wages, and all hours worked every pay period. As a consequence, Claimants' wage statements also do not reflect the accurate amount of net and gross wages owed. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

Pursuant to Labor Code sections 201–203, Claimants who have since separated from RTS Holdings, were entitled to be paid all wages owed upon separation within the statutorily allotted time—immediately (resignation with notice and termination) or within seventy-two (72) hours (resignation without notice). Claimants did not receive all wages owed upon separation based on RTS Holdings' prior failings to pay all wages owed every pay period, as explained above.

Claimants were at all times entitled to be provided timely and accurate wage statements from RTS Holdings pursuant to Labor Code section 226. Because RTS Holdings failed to pay Claimants all of their meal period and rest break premiums for noncompliant meal periods and rest breaks and failed to pay Claimants minimum wages for all hours worked, including, all overtime wages, Claimants' wage statements were inaccurate in reflecting meal period and rest break premiums owed, overtime and minimum wages, and all hours worked every pay period. As a consequence, Claimants' wage statements also do not reflect the accurate amount of net and gross wages owed. Accordingly, Claimants seek all available penalties as set forth in Labor Code sections 226(e) and 2699.

California Labor Code section 221 provides that, "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." RTS Holdings has deducted amounts from Mr. Haro and other drivers' compensation for costs associated with occupational accident insurance, which RTS Holdings required for use

on the job. Therefore, Claimants are entitled to recover amounts RTS Holdings deducted from their wages pursuant to Labor Code section 221.

Finally, Claimants were entitled to be reimbursed by RTS Holdings for all necessary, business-related expenses they incurred in executing their duties for RTS Holdings. California Labor Code section 2802 provides that “An employer shall indemnify his or her employee 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, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” RTS Holdings, however, has failed to fully reimburse Claimants for all necessary, business-related expenses and losses they incurred, including, but not limited to, all costs incurred for the expense of the cell phones required to clock in and out, navigate to each delivery location, and to remain in contact with dispatch. Accordingly, Claimants are entitled to recover their unreimbursed expenditures and losses pursuant to Labor Code section 2802.

RTS Holdings’ uniform failure to pay minimum wages—including failure to pay Claimants adequate premium compensation at the regular rate and for time worked off the clock—failure to reimburse all necessary, business-related expenses, unlawful deductions from pay, failure to furnish timely and accurate wage statements violate Labor Code sections 201, 202, 203, 204, 221, 226(a), 226.7, 510, 512, 1182.12, 1194, 1197, and 2802, and as such, penalties are recoverable as set forth in Labor Code sections 210, 1194, *et seq.*, and 2699.

Claimants are entitled to recover unpaid wages, with interest, and are entitled to an award of attorneys’ fees as permitted by Labor Code section 1194, other penalties as permitted by Labor Code sections 210 and 2699 and waiting time penalties for former employees pursuant to Labor Code section 203.

Accordingly, Claimants seek the remedies set forth in the above-referenced Labor Code sections for themselves, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, Mr. Haro, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against RTS Holdings for violations of California Labor Code sections 201, 202, 203, 204, 221, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Should you require any additional information, please feel free to contact me.

Sincerely,

SHEGERIAN & ASSOCIATES, INC.

A handwritten signature in cursive script that reads "Cheryl A. Kenner".

Cheryl A. Kenner