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Executive Officer/Clerk of Court,
By Y. Tarasyuk, Deputy Clerk

*Attorneys for Plaintiff CALVIN PAYNE,
individually, and on behalf of Aggrieved
Employees pursuant to the California
Private Attorneys General Act*

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CALVIN PAYNE, individually, and on behalf of
Aggrieved Employees pursuant to the California
Private Attorneys General Act,

Plaintiffs,

vs.

PDM STEEL SERVICE CENTERS, INC.; and
DOES 1 through 25, inclusive,

Defendants.

Case No. **24STCV07204**

**COMPLAINT FOR ENFORCEMENT
ACTION UNDER THE PRIVATE
ATTORNEYS GENERAL ACT, CAL.
LABOR CODE §§ 2698 ET SEQ.**

1 Plaintiff CALVIN PAYNE (“Plaintiff”), individually, and on behalf of all similarly aggrieved
2 employees, alleges against defendants PDM STEEL SERVICE CENTERS, INC., and DOES 1
3 through 25 (“Defendants”) as follows:

4 **INTRODUCTION**

5 1. This is an enforcement action under the California Labor Code Private Attorneys
6 General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil penalties
7 on behalf of Plaintiff, the State of California, and all individuals who worked for Defendants in the
8 State of California as hourly-paid and/or non-exempt employees at any time from one year prior to
9 Plaintiff’s submission of written notice of Defendants’ alleged violations of the Labor Code to the
10 Labor & Workforce Development Agency (“LWDA”) through final judgment (“Aggrieved
11 Employees”).

12 2. Plaintiff alleges that Defendants hired Plaintiff and Aggrieved Employees but failed to
13 properly pay them all wages owed for all time worked (including minimum wages, straight time
14 wages, and overtime wages), failed to provide them with all meal periods and rest periods and
15 associated premium wages to which they were entitled, failed to timely pay them all wages due during
16 their employment, failed to timely pay them all wages due upon termination of their employment,
17 failed to provide them with accurate itemized wage statements, failed to maintain accurate payroll
18 records, and failed to reimburse them for necessary business expenses.

19 3. As a result, Defendants violated *inter alia* California Labor Code sections 201, 202,
20 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the
21 applicable Industrial Welfare Commission (“IWC”) Wage Order. Through this action, Plaintiff seeks
22 to recover all available remedies under PAGA including but not limited to civil penalties and
23 attorney’s fees and costs.

24 **JURISDICTION AND VENUE**

25 4. This Court has jurisdiction over this action pursuant to the California Constitution,
26 Article VI, section 10. The statutes under which this action is brought do not specify any other basis
27 for jurisdiction.

28 5. This Court has jurisdiction over all Defendants because, upon information and belief,

1 Defendants are either citizens of California, have sufficient minimum contacts in California, or
2 otherwise intentionally availed themselves of the California market to render the exercise of
3 jurisdiction over them by the California courts consistent with traditional notions of fair play and
4 substantial justice. Further, no federal question is at issue because the claims asserted herein are based
5 solely on California law.

6 6. Venue is proper in this Court because, upon information and belief, Defendants
7 maintain offices, have agents, employ individuals, and/or transact business in the State of California,
8 County of Los Angeles. Moreover, many of the acts, events, and violations alleged herein relating to
9 Plaintiff occurred in the State of California, County of Los Angeles.

10 **THE PARTIES**

11 7. At all times mentioned herein, Plaintiff CALVIN PAYNE was and is an individual
12 residing in San Joaquin in the State of California.

13 8. At all times herein mentioned, Defendant PDM STEEL SERVICE CENTERS, INC.
14 was and is, an employer organized under the laws of the state of California, who does business in
15 California, with locations throughout the state of California, and whose employees are engaged
16 throughout Los Angeles County and the State of California, including at 55 South Lake Avenue, Suite
17 500, Pasadena, California, 91101.

18 9. Plaintiff is unaware of the true names or capacities of the Defendants sued herein under
19 the fictitious names DOES 1 through 25 but will seek leave of this Court to amend the complaint and
20 serve such fictitiously named Defendants once their names and capacities become known.

21 10. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts and
22 omissions alleged herein were performed by, or are attributable to Defendants, each acting as the agent,
23 employee, alter ego, and/or joint venturer of, or working in concert with, each of the other co-
24 Defendants and within the course and scope of such agency, employment, joint venture, or concerted
25 activity with legal authority to act on the others' behalf. The acts of any and all Defendants represent
26 and were in accordance with Defendants' official policy.

27 11. At all relevant times, Defendants were the employers of Plaintiff within the meaning
28 of all applicable state laws and statutes. Defendants directly or indirectly controlled or affected the

1 working conditions, wages, working hours, and conditions of employment of Plaintiff to make each
2 of said Defendants employers and employers liable under the statutory provisions set forth herein.

3 12. Defendants had the authority to hire and terminate Plaintiff and the Aggrieved
4 Employees, to set work rules and conditions governing their employment, and to supervise their
5 daily employment activities.

6 13. Defendants exercised sufficient authority over the terms and conditions of Plaintiff
7 and the Aggrieved Employees' employment for them to be their joint employers.

8 14. Defendants directly hired and paid wages and benefits to Plaintiff and the Aggrieved
9 Employees.

10 15. Defendants continue to employ hourly paid and/or non-exempt employees within the
11 State of California.

12 16. At all relevant times, Defendants, and each of them, ratified the acts and omissions
13 complained of herein. At all relevant times, Defendants, and each of them, aided and abetted the acts
14 and omissions of each and all the other Defendants in proximately causing the damages herein alleged.

15 17. Plaintiff is informed and believes, and thereon alleges, that each of said Defendants is
16 in some manner intentionally, negligently, or otherwise responsible for the acts, omissions,
17 occurrences, and transactions alleged herein.

18 **GENERAL ALLEGATIONS**

19 18. Defendants, jointly and severally, employed Plaintiff from approximately Augst 2018
20 through approximately March 2023 as a non-exempt, hourly-paid employee. During Plaintiff's
21 employment with Defendants, Plaintiff was employed as a machinery maintenance helper based out
22 of Defendants' facility located at 3535 E. Myrtle Street, Stockton, CA 95205.

23 19. Defendants hired Plaintiff and the Aggrieved Employees but failed to properly pay
24 them all overtime wages and minimum wages for all hours worked, failed to provide all meal and rest
25 breaks to which they were entitled, failed to timely pay all wages upon termination of employment,
26 failed to provide accurate wage statements, failed to keep accurate employment records, failed to
27 reimburse necessary business-related expenses, and failed to adhere to other related protections
28 afforded by the California Labor Code and applicable Industrial Welfare Commission Wage Order.

20. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew or should have known that Plaintiff and the Aggrieved Employees were entitled to the protections afforded by the Labor Code and the applicable Wage Order, yet as set forth in detail below, engaged in a systematic pattern and practice of violating the California Labor Code and the applicable Wage Order.

PAGA ALLEGATIONS

21. PAGA is and was applicable to Defendants' employment of Plaintiff and Aggrieved Employees.

22. PAGA provides that any provision of law under the California Labor Code that provides for a civil penalty, including unpaid wages and premium wages, to be assessed and collected by the LWDA for violations of the California Labor Code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to procedures outlined in California Labor Code section 2699.3.

23. Pursuant to PAGA, a civil action may be brought by an “aggrieved employee,” who is any person employed by the alleged violator and against whom one or more of the alleged violations was committed.

24. Plaintiff and the other employees are “Aggrieved Employees” as defined by California Labor Code section 2699(c) because they are current or former employees of Defendants against whom one of more of the alleged violations were committed.

25. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved employee, including Plaintiff, may pursue a civil action arising under PAGA after the following requirements have been met:

(a) The Aggrieved Employee shall give written notice by certified mail (hereinafter “Employee’s Notice”) to the LWDA and the employer of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.

(b) The LWDA shall provide notice (“LWDA Response”) to the employer and the aggrieved employee 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 Response, or if the LWDA Response is not provided within sixty-five (65) calendar days of the postmark date of the Employee's Notice, the aggrieved employee 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 employee may be entitled.

26. On January 11, 2024, Plaintiff provided notice by electronic submission to the LWDA and by certified mail to Defendants regarding the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations, pursuant to Labor Code section 2699.3. **A true and correct copy of the Employee's Notice is attached hereto as Exhibit A.**

27. Plaintiff did not receive a LWDA Response within sixty-five calendar days of providing the Employee's Notice.

28. Therefore, the administrative prerequisites under California Labor Code section 2699.3(a) to recover civil penalties against Defendants, in addition to other remedies for violations of *inter alia* California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 have been satisfied.

FIRST CAUSE OF ACTION

VIOLATION OF CALIFORNIA LABOR CODE §§ 2699, *ET SEQ.*

(Against All Defendants)

29. Plaintiff incorporates herein by specific reference, as though fully set forth, the allegations in all preceding paragraphs.

30. Plaintiff brings this action on an individual basis and on a representative basis on behalf of other Aggrieved Employees and the State of California, in Plaintiff's capacity as a private attorney general pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*

31. PAGA expressly provides for a private right of action to recover civil penalties for violations of the Labor Code as follows: "*Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or*

employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Section 2699.3.” Cal. Lab. Code § 2699(a).

32. Whenever the LWDA, or any of its departments, divisions, commissions, boards, agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

33. Plaintiff and the other hourly-paid, non-exempt employees are “Aggrieved Employees” as defined by California Labor Code section 2699(c) in that they are all current or former employees of Defendants, and one or more of the alleged violations were committed against them.

34. Defendants’ conduct, as alleged herein, violates numerous sections of the California Labor Code, including, but not limited to, the following:

- (a) Violation of California Labor Code sections 510 and 1198 for failure to pay overtime wages, as set forth more fully below;
- (b) Violation of California Labor Code sections 1194, 1197, and 1197.1 for failure to pay minimum wages, as set forth more fully below;
- (c) Violation of California Labor Code sections 226.7 and 512(a) for failure to provide legally required meal periods, as set forth more fully below;
- (d) Violation of California Labor Code sections 226.7 and 512(a) for failure to pay required meal period premiums, as set forth more fully below;
- (e) Violation of California Labor Code section 226.7 for failure to provide legally required rest periods, as set forth more fully below;
- (f) Violation of California Labor Code section 226.7 for failure to pay required rest period premiums, as set forth more fully below;
- (g) Violation of California Labor Code section 204 for failure to timely pay wages to Plaintiff and Aggrieved Employees during employment, as set forth more fully before;
- (h) Violation of California Labor Code sections 201, 202, and 203 for failure to pay all wages at time of discharge from employment, as set forth more fully below;

- 1 (i) Violation of California Labor Code section 226(a) for failure to provide accurate
2 wage statements to Plaintiff and Aggrieved Employees, as set forth more fully
3 below;
- 4 (j) Violation of California Labor Code section 1174(d) for failure to keep complete
5 and accurate payroll records relating to Plaintiff and Aggrieved Employees, as set
6 forth more fully below; and
- 7 (k) Violation of California Labor Code sections 2800 and 2802 for failure to reimburse
8 Plaintiff and Aggrieved Employees for necessary business-related expenses, as set
9 forth more fully below.

10 35. Pursuant to PAGA, and in particular Labor Code sections 2699(a), 2699.3, and 2699.5,
11 Plaintiff, acting in the public interest as a private attorney general, seek assessment and collection of
12 civil penalties for Plaintiff, all Aggrieved Employees, and the State of California against Defendants
13 for violations of Labor Code sections set forth herein, including penalties under California Labor Code
14 sections 2699, 558, 210, 1197.1, 226, 226.3, 1174.5, and 1197.1, penalties under the applicable IWC
15 Wage Order, and any and all additional penalties and remedies as provided by the California Labor
16 Code and/or other statutes.

17 36. Pursuant to California Labor Code section 2699(i), civil penalties recovered by
18 Aggrieved Employees shall be distributed as follows: seventy-five percent (75%) to the LWDA for
19 the enforcement of labor laws and education of employers and employees about their rights and
20 responsibilities and twenty-five (25%) to the Aggrieved Employees.

21 37. Plaintiff retained counsel to file this court action, and to assess and collect the civil
22 penalties owed by Defendants. Plaintiff therefore seeks an award of reasonable attorney's fees and
23 costs pursuant to Labor Code §§ 210, 218.5, 2699(g)(1), and any other applicable statute.

24 **Failure to Pay Minimum Wages**

25 38. California Labor Code sections 1194, 1197 and 1197.1 provide that the minimum wage
26 for employees fixed by the IWC is the minimum wage to be paid to employees, and the payment of a
27 wage less than the minimum so fixed is unlawful.

28 39. The IWC set the minimum wage for Plaintiff and the Aggrieved Employees in the

1 applicable IWC Wage Order.

2 40. Defendants failed to pay minimum wage to Plaintiff and the Aggrieved Employees for
3 a wide range of off-the-clock work performed, including, *inter alia*: working off-the-clock prior to
4 clocking-in and/or after clocking-out for their shifts. In addition, Defendants utilized time rounding
5 practices that resulted in the systematic underpayment of wages (including minimum wages, regular
6 rate/straight time wages and overtime wages) to Plaintiff and Aggrieved Employees.

7 41. Accordingly, Defendants regularly failed to pay at least minimum wages to Plaintiff
8 and the Aggrieved Employees for all hours they worked in violation of California Labor Code sections
9 1194, 1197, and 1197.1.

10 **Failure to Pay Proper Overtime Wages**

11 42. Labor Code section 510 and the applicable IWC Wage Order require Defendants to pay
12 Plaintiff and Aggrieved Employees who worked more than eight (8) hours in a day; more than forty
13 (40) hours in a workweek, and/or seven (7) consecutive days, at the rate of one-and-a-half times their
14 regular rate for all such hours worked.

15 43. Labor Code section 510 and the applicable IWC Wage Order further requires
16 Defendants to pay Plaintiff and Aggrieved Employees who worked more than twelve (12) hours in a
17 day or more than eight (8) hours on the seventh consecutive day, overtime compensation at a rate of
18 two (2) times their regular rate of pay for all such hours worked.

19 44. During the relevant time period, Plaintiff and Aggrieved Employees regularly worked
20 in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, in excess of forty (40)
21 hours in a workweek and/or for seven (7) or more consecutive days, but Defendants routinely failed
22 to properly account for all such overtime hours and further failed to compensate Plaintiff and
23 Aggrieved Employees at the correct overtime rates.

24 45. Defendants' failure to pay correct overtime wages included, *inter alia*: (a) when the
25 combined total of the off-the-clock work discussed *supra* and the on-the-clock work exceed the
26 number of hours that trigger the payment of overtime wages under Labor Code sections 510 and/or
27 the applicable Wage Order; (b) when Defendants intentionally, willfully and/or negligently
28 mischaracterized overtime as straight time, or double time as time-and-a-half; (c) when Defendants

1 assigned more work than could reasonably be completed in a workday or workweek to Plaintiff and
2 Aggrieved Employees, but refused to authorize the overtime necessary for them to complete the
3 assigned work; and (d) when Defendants failed to include all required wages and remuneration when
4 calculating the overtime rate.

5 46. Defendants' failure to pay Plaintiff and Aggrieved Employees proper overtime
6 compensation, as required by California law, violates the provisions of California Labor Code section
7 510, and is therefore unlawful.

8 **Failure to Provide Meal Periods**

9 47. California Labor Code section 226.7 provides that no employer shall require an
10 employee to work during any meal period mandated by an applicable IWC Order.

11 48. California Labor Code section 512(a) provides that an employer may not require, cause,
12 or permit an employee to work for a period of more than five (5) hours per day without providing the
13 employee with a meal period of not less than thirty (30) minutes, except that if the total work period
14 per day of the employee is not more than six (6) hours, the meal period may be waived by mutual
15 consent of both the employer and the employee.

16 49. California Labor Code section 512(a) further provides that an employer may not
17 employ an employee for a work period of more than 10 hours per day without providing the employee
18 with a second meal period of not less than 30 minutes, except that if the total hours worked is no more
19 than 12 hours, the second meal period may be waived by mutual consent of the employer and the
20 employee only if the first meal period was not waived.

21 50. The applicable IWC Wage Order sets forth the same requirements for meal breaks.

22 51. Plaintiff and Aggrieved Employees who were scheduled to work for no longer than six
23 (6) hours, and who did not waive their legally mandated meal periods by mutual consent, were required
24 to work for periods longer than five (5) hours without a meal period of not less than thirty (30) minutes.

25 52. Plaintiff and the Aggrieved Employees who were scheduled to work for more than six
26 (6) hours were required to work for periods longer than five (5) hours without an uninterrupted meal
27 period of not less than thirty (30) minutes.

28 53. Plaintiff and the Aggrieved Employees, who were scheduled to work for more than ten

1 (10) hours but no longer than twelve (12) hours, and who did not waive their legally mandated meal
2 periods by mutual consent, were required to work in excess of ten (10) hours without receiving a
3 second uninterrupted meal period of not less than thirty (30) minutes.

4 54. Plaintiff and the Aggrieved Employees, who were scheduled to work for more than
5 twelve (12) hours, were required to work for periods longer than ten (10) hours without a second
6 uninterrupted meal period of not less than thirty (30) minutes.

7 55. Moreover, when meal breaks were provided, they were often interrupted, cut short,
8 and/or Plaintiff and the Aggrieved Employees were not relieved of all duties as required by law.

9 56. Such conduct violates California Labor Code sections 226.7 and 512(a) and the
10 applicable IWC Wage Order.

11 **Failure to Pay Compliant Meal Break Premiums**

12 57. California Labor Code section 226.7 provides: “[i]f an employer fails to provide an
13 employee a [meal] period in accordance with a state law, including, but not limited to, an applicable
14 statute or applicable regulation, standard, or order of the Industrial Welfare Commission... the
15 employer shall pay the employee one additional hour of pay at the employee's regular rate of
16 compensation for each workday that the [meal] period is not provided.

17 58. The applicable IWC Wage Order provides: “[i]f an employer fails to provide an
18 employee a meal period in accordance with the applicable provisions of this Order, the employer shall
19 pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday
20 that the meal period is not provided.”

21 59. Defendants failed to pay Plaintiff and Aggrieved Employees meal period premiums
22 due in violation of California Labor Code sections 226.7 and 512 on each day when a complete, timely,
23 and uninterrupted meal period of at least thirty (30) minutes was not provided.

24 60. Moreover, if and when meal break premiums were provided, Defendants failed to
25 incorporate all nondiscretionary payments for work performed by Plaintiff and the Aggrieved
26 Employees in the regular rate of compensation for purposes of such premiums.

27 61. Defendants’ conduct violates the applicable IWC Wage Order and California Labor
28 Code section 226.7.

1 **Failure to Provide Rest Periods**

2 62. California Labor Code section 226.7 provides that no employer shall require an
3 employee to work during any rest period mandated by an applicable order of the California IWC.

4 63. The applicable IWC Wage Order provides that “[e]very employer shall authorize and
5 permit all employees to take rest periods, which insofar as practicable shall be in the middle of each
6 work period” and that the “rest period time shall be based on the total hours worked daily at the rate
7 of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily
8 work time is less than three and one-half (3½) hours.

9 64. Defendants required Plaintiff and the Aggrieved Employees to work four (4) or more
10 hours without authorizing or permitting a timely ten (10) minute uninterrupted rest period during
11 which time they were relieved of their duties per each four (4) hour period, or major fraction thereof
12 worked.

13 65. Defendants’ conduct therefore violates the applicable IWC Wage Order and California
14 Labor Code section 226.7.

15 **Failure to Pay Rest Break Premiums**

16 66. California Labor Code section 226.7 provides: “[i]f an employer fails to provide an
17 employee a meal or rest or recovery period in accordance with a state law, including, but not limited
18 to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare
19 Commission,... the employer shall pay the employee one additional hour of pay at the employee's
20 regular rate of compensation for each workday that the [rest] period is not provided.

21 67. The applicable IWC Wage Order provides: “[i]f an employer fails to provide an
22 employee a rest period in accordance with the applicable provisions of this Order, the employer shall
23 pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday
24 that the rest period is not provided.

25 68. Defendants failed to pay Plaintiff and Aggrieved Employees required rest break
26 premiums due when compliant rest periods were not provided.

27 69. Such conduct is in direct violation of California Labor Code section 226.7.

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1 **Failure to Timely Pay Wages During Employment**

2 70. California Labor Code section 204 provides that all wages earned by any person in any
3 employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages
4 due upon termination of an employee, are due and payable between the 16th and the 26th day of the
5 month during which the labor was performed. It further provides all wages earned by any person in
6 any employment between the 16th and the last day, inclusive, of any calendar month, other than those
7 wages due upon termination of an employee, are due and payable between the 1st and the 10th day of
8 the following month.

9 71. California Labor Code section 204 provides that all wages earned for labor in excess
10 of the normal work period shall be paid no later than the payday for the next regular payroll period.

11 72. During the relevant time period, Defendants intentionally and willfully failed to pay
12 Plaintiff and the Aggrieved Employees all wages due to them, within any time period permissible
13 under California Labor Code section 204, including wages for overtime compensation, minimum wage
14 compensation, meal period premiums, and rest period premiums.

15 73. Such conduct violates Labor Code section 204.

16 **Failure to Timely Pay Wages Upon Termination**

17 74. Pursuant to California Labor Code sections 201, 202, and 203, Defendants are required
18 to timely pay all earned and unpaid wages to an employee who is discharged.

19 75. California Labor Code section 201 mandates that if an employer discharges an
20 employee, the employee's wages accrued and unpaid at the time of discharge are due and payable
21 immediately.

22 76. California Labor Code section 202 mandates that if an employee quits, his or her wages
23 shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee
24 has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee
25 is entitled to his or her wages at the time of quitting.

26 77. California Labor Code section 203 provides that if an employer willfully fails to pay,
27 in accordance with California Labor Code sections 201 and 202, any wages of an employee who is
28 discharged or who quits, the wages of the employee shall continue as a penalty from the due date

thereof at the same rate until paid or until an action therefore is commenced; but the wages shall not continue for more than thirty (30) days.

78. At the time that Plaintiff and Aggrieved Employees' employment with Defendants ended, Defendants knowingly and willfully failed to pay Plaintiff and the Aggrieved Employees all wages owed to them pursuant to California Labor Code sections 201 and 202, including, without limitation, overtime wages, minimum wages, and meal and rest period premium wages.

79. Such conduct violates Labor Code sections 201, 202 and 203.

Failure to Provide Compliant Wage Statements

80. California Labor Code section 226(a) provides that every employer shall furnish each of its employees an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and his or her social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

81. Defendants intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to state all correct rates of pay, all hours worked, all meal period premium wages earned, all rest period premium wages earned, and the name of the legal entity that is the employer.

82. Such conduct violates Labor Code section 226.

Failure to Keep Requisite Payroll Records

83. California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by

1 the commission, but in any case, shall be kept on file for not less than three years.

2 84. Defendants intentionally and willfully failed to keep accurate and complete payroll
3 records showing the hours worked daily and the wages paid to Plaintiff and the Aggrieved Employees.

4 85. As a result of Defendants' violation of California Labor Code section 1174(d), Plaintiff
5 and the Aggrieved Employees have suffered injury and damage to their statutorily protected rights.

6 86. More specifically, Plaintiff and the Aggrieved Employees have been injured by
7 Defendants' intentional and willful violation of California Labor Code section 1174(d) because they
8 were denied both their legal right and protected interest, in having available, accurate and complete
9 payroll records pursuant to California Labor Code section 1174(d).

10 **Failure to Reimburse Necessary Business Expenses**

11 87. Pursuant to California Labor Code sections 2800 and 2802, an employer must
12 reimburse its employees for all necessary expenditures incurred by the employee in direct consequence
13 of the discharge of his or her job duties or in direct consequence of his or her job duties or in direct
14 consequence of his or her obedience to the directions of the employer.

15 88. Plaintiff and the Aggrieved Employees incurred necessary business-related expenses
16 and costs that were not fully reimbursed by Defendants, including but not limited to the usage of
17 personal cell phones and related internet usage for work-related purposes.

18 89. Defendants intentionally and willfully failed to reimburse Plaintiff and the Aggrieved
19 Employees for all necessary business-related expenses and costs.

20 90. Such conduct violates Labor Code sections 2802.

21 **PRAYER FOR RELIEF**

22 Plaintiff prays for relief and judgment against Defendants, jointly and severally, as follows:

23 1. For the imposition of civil penalties pursuant to California Labor Code §§ 2699, 210,
24 558, 226, 226.3, 1174.5, 1197.1 and all other penalties allowed by the California Labor Code and/or
25 other applicable statutes;

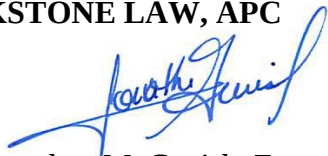
26 2. For statutory attorneys' fees and costs pursuant to sections 210, 218.5 and 2699(g)(1)
27 of California Labor Code; and

28 3. For such other and further relief as the Court may deem proper.

1
2 March 21, 2024

BLACKSTONE LAW, APC

3
4 By:


Jonathan M. Genish, Esq.
Barbara DuVan-Clarke, Esq.
Alexander K. Spellman, Esq.
P.J. Van Ert, Esq.
Annabel Blanchard, Esq

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7
8 *Attorneys for Plaintiff Calvin Payne,*
9 *individually, and on behalf of Aggrieved*
10 *Employees pursuant to the California Private*
11 *Attorneys General Act*
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Exhibit A

January 11, 2024

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Calvin Payne v. PDM Steel Service Centers, Inc.*

Dear Representative:

This office represents Calvin Payne (“Claimant”) with respect to his claims under the California Labor Code against PDM Steel Service Centers, Inc. (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employer”). This letter is being sent simultaneously to Employer by certified mail.

Employer employed Claimant from approximately August 2018 through approximately March 2023 as a non-exempt, hourly-paid employee. During his employment with Employer, Claimant was employed as a machinery maintenance helper at Employer’s location at 3535 E. Myrtle Street, Stockton, CA 95205. Employer is a steel manufacturer and distributor and maintains employees throughout the state of California.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of Claimant and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employer in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employer violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Orders”). The claims made on behalf of Claimant

and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employer engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time/regular rate wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employer required Claimant and other Aggrieved Employees to perform work off-the-clock. Employer failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employer utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, regular rate/straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employer also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employer failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employer failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time/regular rate wages, and overtime compensation. Accordingly, Employer violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employer failed to provide Claimant and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employer to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employer regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employer's management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employer failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employer failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employer failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employer required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employer's policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law. Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes rest for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employer failed to authorize and permit Claimant and other Aggrieved Employees to take legally compliant 10-minute rest periods. Employer required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employer's management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employer failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employer failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employer failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employer required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employer's policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their

regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employer failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, straight time/regular rate wages, minimum wages, overtime wages, meal and rest period premiums, or any other wages as they came due (*e.g.*, gratuities, bonuses, commissions, etc.). Accordingly, Employer violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the

clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employer violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employer failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employer violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employer. These costs include but are not limited to the usage of personal cell phones and related internet usage for work-related purposes.

Accordingly, Employer violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employer's practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employer failed to pay Aggrieved Employees for all regular rate/straight time wages, minimum wages and overtime compensation owed to them upon termination of their employment. Employer also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst any other wages due (*e.g.*, gratuities, bonuses, commissions, etc.). Accordingly, Employer violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

9. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimant has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimant, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

Employer is in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically ask for an investigation, or if the agency does not intend to investigate the alleged

violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employer for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employer's alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

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cc: By U.S. Certified Mail, Return Receipt Requested

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