

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Padilla v. Western Traffic Control, Inc.

Padilla · No. 25-cv-07642-RS · Decided October 20, 2025

SUMMARY

The Northern District of California granted in part Western Traffic Control, Inc.’s motion to dismiss claims brought by Elizabeth Padilla and Armando Bernal under California labor law and PAGA. The court held that the plaintiffs’ overtime and meal- and rest-period claims were preempted under section 301 of the Labor Management Relations Act and dismissed them for failure to allege exhaustion of the collective bargaining agreement’s grievance procedures. The court declined to dismiss the remaining claims on preemption grounds and granted leave to amend.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Richard Seeborg
JURISDICTION	United States District Court for the Northern District of California
DECIDED	October 20, 2025
DOCKET	25-cv-07642-RS
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs filed a representative California Private Attorneys General Act action and derivative Unfair Competition Law claim in California Superior Court. Defendant removed the action to federal court and moved to dismiss under the collective bargaining agreement's federal preemption and grievance-arbitration provisions.
STANDARD OF REVIEW	On a motion to dismiss under Federal Rule of Civil Procedure 12(b) (6), the court accepts factual allegations as true and construes the pleadings in the light most favorable to the nonmoving party, while requiring sufficient factual allegations to state a plausible claim. The same standard applies to a Rule 12(c) motion for judgment on the pleadings.
PRECEDENTIAL VALUE	Unpublished district court order; persuasive but not precedential outside the case.

PARTIES

Elizabeth Padilla, Armando Bernal, Plaintiffs and similarly situated persons v. Western Traffic Control, Inc.

TOPICS

labor law

collective bargaining

wage and hour

motions to dismiss

employment law

PRACTICE AREAS

labor law

employment law

civil procedure

contracts

QUESTIONS PRESENTED

1. Whether Plaintiffs' California labor-law claims were preempted under Section 301 of the Labor Management Relations Act because they arose from or required interpretation of the collective bargaining agreement.
2. Whether the CBA satisfied California Labor Code section 514 so that the overtime and meal-and-rest-period claims were governed by the agreement and subject to Section 301 preemption.
3. Whether the CBA satisfied California Labor Code section 204 so that the timely-wage-payment claims were governed by the agreement and preempted.
4. Whether the preemption of certain PAGA claims extended to the entire PAGA action.
5. Whether the preempted overtime and meal-and-rest-period claims had to be dismissed because Plaintiffs failed to allege exhaustion of the CBA's mandatory grievance procedures.

HOLDINGS

1. The claims concerning minimum wages, accurate wage statements, indemnification for necessary expenditures, and interest on deposits were not preempted under Section 301 because they were based on rights conferred by California law and Defendant identified no interpretive dispute requiring construction of the CBA.
2. The overtime and meal-and-rest-period claims were preempted under Section 301 because the CBA expressly governed wages, hours, and working conditions, provided premium overtime rates, and provided regular hourly rates exceeding 130 percent of the state minimum wage as required by California Labor Code section 514.
3. The timely-wage-payment and related penalty claims were not preempted because the CBA permitted written alternative payment arrangements that might not satisfy California Labor Code section 204.
4. Preemption of the overtime and meal-and-rest-period claims did not extend to the remaining PAGA claims merely because all claims were brought in one PAGA action.
5. The overtime and meal-and-rest-period claims had to be dismissed because Plaintiffs did not allege that they attempted to exhaust the CBA's mandatory grievance and arbitration procedures.

KEY QUOTATIONS

“Section 301 preempts a plaintiff’s state law claim only where the claim (1) “arises entirely from” a collective bargaining agreement or (2) “requires interpretation of” the agreement.” (Section IV.A)

“Since Plaintiffs here fail to allege that they followed the required grievance procedures, their claims regarding overtime pay and meal and rest periods must be dismissed.” (Section IV.B.ii)

FACTUAL BACKGROUND

Plaintiffs were former employees of Western Traffic Control, Inc., dispatched by a union to work as journeymen and apprentices in 2024. Their employer and union were parties to a collective bargaining agreement containing wage, hour, working-condition, grievance, and binding-arbitration provisions. Plaintiffs alleged violations involving minimum and overtime wages, meal and rest periods, wage statements, timely wage payments and penalties, expense indemnification, deposit interest, and related California labor-law claims, but did not allege that they pursued the CBA's grievance procedures.

PROCEDURAL HISTORY

Plaintiffs filed suit in California Superior Court on July 8, 2025. Defendant removed the action to the Northern District of California on September 8, 2025, and moved to dismiss all claims. The court granted the motion in part, dismissing the overtime and meal-and-rest-period claims with leave to amend while declining to dismiss the remaining claims on Section 301 preemption grounds.

DISPOSITION

dismissed

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Dworkin v. Hustler Magazine, Inc., 867 F.2d 1188, 1192 (9th Cir. 1989)
- UMG Recordings, Inc. v. Shelter Capital Partners LLC, 718 F.3d 1006, 1014 (9th Cir. 2013)
- Knieval v. ESPN, 393 F.3d 1068, 1072 (9th Cir. 2005)
- Franchise Tax Board v. Construction Laborers Vacation Trust for Southern California, 463 U.S. 1, 23 (1983)
- Renteria-Hinojosa v. Sunsweet Growers, Inc., 150 F.4th 1076 (9th Cir. 2025)
- Alaska Airlines Inc. v. Schurke, 898 F.3d 904, 920-21 (9th Cir. 2018) (en banc)
- Burnside v. Kiewit Pacific Corp., 491 F.3d 1053, 1059 (9th Cir. 2007)
- Kobold v. Good Samaritan Regional Medical Center, 832 F.3d 1024, 1032 (9th Cir. 2016)
- Hernandez v. Pacific Underground Construction, Inc., No. 25-CV-00489-PCP, 2025 WL 2301747 (N.D. Cal. Aug. 11, 2025)
- Cramer v. Consolidated Freightways, Inc., 255 F.3d 683, 692 (9th Cir. 2001), as amended (Aug. 27, 2001)
- Renteria-Hinojosa v. Sunsweet Growers, Inc., No. 2:23-CV-01413-DJC-DB, 2023 WL 6519308, at *4 (E.D. Cal. Oct. 5, 2023)

- *Huffman v. Pacific Gateway Concessions LLC*, No. 19-CV-01791-PJH, 2019 WL 2563133, at *6 (N.D. Cal. June 21, 2019)
- *Viking River Cruises, Inc. v. Moriana*, 596 U.S. 639, 654 (2022), reh'g denied, 143 S. Ct. 60 (2022)
- *DelCostello v. International Brotherhood of Teamsters*, 462 U.S. 151, 163 (1983)
- *Republic Steel Corp. v. Maddox*, 379 U.S. 650, 652 (1965)
- *Allis-Chalmers Corp. v. Lueck*, 471 U.S. 202, 220-21 (1985)
- *Soremekun v. Thrifty Payless, Inc.*, 509 F.3d 978, 985-86 (9th Cir. 2007)
- *Seid v. Pacific Bell, Inc.*, 635 F. Supp. 906, 909 (S.D. Cal. 1985)

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