

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Picou v. Tracy Logistics LLC

No. 2:24-cv-00526-DC-JDP (E.D. Cal. Apr. 29, 2025) · No. No. 2:24-cv-00526-DC-JDP · Decided April 30,
2025

SUMMARY

The United States District Court for the Eastern District of California grants Tracy Logistics LLC’s motion to dismiss Donte Picou’s first amended wage-and-hour class action complaint and denies the motion to strike. The court concludes that California Labor Code exemptions for employees covered by qualifying collective bargaining agreements do not apply because the agreement did not satisfy the required wage threshold for all covered employees. The court also concludes that the asserted claims are not preempted under § 301 of the Labor Management Relations Act based on the record presented.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Dena Coggins
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	April 30, 2025
DOCKET	No. 2:24-cv-00526-DC-JDP
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the first amended complaint and alternatively moved under Rule 12(f) to strike the proposed class definitions. The court granted the motion to dismiss with leave to amend and denied the motion to strike.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts material factual allegations as true and construes them in the plaintiff’s favor, but the complaint must contain sufficient factual matter to state a facially plausible claim for relief. Leave to amend is required unless the pleading cannot possibly be cured by additional facts. A Rule 12(f) motion to strike is generally disfavored and is appropriate only for redundant, immaterial, impertinent, or scandalous matter.
PRECEDENTIAL VALUE	nonprecedential

PARTIES

Donte Picou v. Tracy Logistics LLC

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QUESTIONS PRESENTED

1. Whether the 2021 collective bargaining agreement satisfied the California Labor Code exemptions from overtime and paid-sick-leave requirements.
2. Whether Picou's wage-and-hour claims were preempted under section 301 of the Labor Management Relations Act.
3. Whether the first amended complaint plausibly stated claims for minimum wages, overtime, reporting-time pay, meal and rest breaks, vacation wages, paid sick leave, wage statements, payroll records, final wages, expense reimbursement, UCL violations, and PAGA penalties.
4. Whether the proposed class definitions should be stricken as improper fail-safe definitions under Federal Rule of Civil Procedure 12(f).

HOLDINGS

1. The section 514 exemption did not apply because the collective bargaining agreement did not provide a regular hourly rate at least 30 percent above the California minimum wage for all employees covered by the agreement during the relevant period.
2. The section 245.5(a)(1) exemption did not apply because the collective bargaining agreement did not provide the required enhanced regular rate of pay for all employees covered by the agreement.
3. The challenged claims were not preempted under section 301 because neither the statutory exemptions nor the asserted wage-and-hour rights required interpretation of the collective bargaining agreement.
4. The first amended complaint failed to state cognizable claims for minimum wages, overtime, reporting-time pay, meal and rest breaks, vacation wages, paid sick leave, wage statements, payroll records, final wages, expense reimbursement, UCL violations, and PAGA penalties.
5. The motion to strike the proposed class definitions was denied as premature and procedurally improper.

KEY QUOTATIONS

“But calculating an employees’ straight-time rate because they worked in a freezer coupled with “other forms of incentive compensation” doesn’t require interpretation of the 2021 CBA. Rather, this would require the court to engage in simple math to determine the straight-time rate.” (at 13)

“dismissal of class allegations at the pleading stage should be done rarely and [] the better course is to deny such a motion because the shape and form of a class action evolves only through the process of discovery.”

FACTUAL BACKGROUND

Picou was formerly employed by Tracy Logistics as a non-exempt hourly employee at facilities in California. He alleged that Tracy Logistics engaged in various wage-and-hour practices, including off-the-clock work, unpaid overtime and minimum wages, missed meal and rest breaks, inaccurate wage statements, unpaid vacation and sick leave, unreimbursed business expenses, and untimely final wage payments. Tracy Logistics had entered into a 2021 collective bargaining agreement with General Teamsters Local #439 covering employees from June 1, 2021, through May 31, 2028. The agreement provided wage rates below the statutory 130-percent-of-minimum-wage threshold for some covered employee categories during part of the relevant period.

PROCEDURAL HISTORY

Picou filed a putative class action in San Joaquin County Superior Court alleging California wage-and-hour and unfair-competition violations. After Picou filed a first amended complaint, Tracy Logistics removed the action to the Eastern District of California and moved to dismiss or strike. The court took the motion under submission, dismissed the first amended complaint with leave to amend, denied the motion to strike, and gave Picou fourteen days to file a second amended complaint or notify the court that he would not do so.

DISPOSITION

other

CASES CITED

- Tellabs, Inc. v. Makor Issues & Rights, Ltd., 551 U.S. 308, 322 (2007)
- Caterpillar Inc. v. Williams, 482 U.S. 386, 393 (1987)
- McCray v. Marriott Hotel Servs., Inc., 902 F.3d 1005, 1009, 1011 (9th Cir. 2018)
- Burnside v. Kiewit Pac. Corp., 491 F.3d 1053, 1059 (9th Cir. 2007)
- Curtis v. Irwin Indus., Inc., 913 F.3d 1146, 1151-55 (9th Cir. 2019)
- Allis-Chalmers Corp. v. Lueck, 471 U.S. 202, 210 (1985)
- Teamsters v. Lucas Flour Co., 369 U.S. 95, 103-04 (1962)
- Livadas v. Bradshaw, 512 U.S. 107, 123-25 (1994)
- Cramer v. Consol. Freightways, Inc., 255 F.3d 683, 691 (9th Cir. 2001)
- Kobold v. Good Samaritan Reg'l Med. Ctr., 832 F.3d 1024, 1032-33 (9th Cir. 2016)
- Vasserman v. Henry Mayo Newhall Mem'l Hosp., 65 F. Supp. 3d 932, 956 (C.D. Cal. 2014)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Landers v. Quality Commc'ns, Inc., 771 F.3d 638, 645-46 (9th Cir. 2014)
- Brinker Rest. Corp. v. Superior Court, 53 Cal. 4th 1004, 1034 (2012)
- Augustus v. ABM Sec. Servs., Inc., 2 Cal. 5th 257, 270 (2016)

- Navarro v. Block, 250 F.3d 729, 732 (9th Cir. 2001)
- Balistreri v. Pacifica Police Dep't, 901 F.2d 696, 699 (9th Cir. 1990)
- Lopez v. Smith, 203 F.3d 1122, 1127, 1129 (9th Cir. 2000) (en banc)
- Whittlestone, Inc. v. Handi-Craft Co., 618 F.3d 970, 973 (9th Cir. 2010)
- In re Wal-Mart Stores, Inc. Wage & Hour Litig., 505 F. Supp. 2d 609, 615 (N.D. Cal. 2007)

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