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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

SERGIO CHAVEZ JR, as an individual and
on behalf of all others similar situated,

Plaintiff,

vs.

DORADO HOLDINGS, LLC d.b.a.
TOOLSHED EQUIPMENT RENTAL, a
California limited liability company; and
DOES 1 through 100,

Defendants.

Case No.: 37-2023-00048229-CU-OE-CTL

*[Case assigned for all purposes to the Hon.
Gregory W. Pollack, Dept. C-71]*

**DECLARATION OF SEAN M.
BLAKELY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: September 12, 2025
Time: 9:30 a.m.
Dept: C-71

Action Filed: November 2, 2022
Case Transferred: June 12, 2023
Trial Date: None Set

1 I, SEAN M. BLAKELY, declare as follows:

2 1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiff
3 Sergio Chavez Jr. ("Plaintiff") and the proposed Settlement Class in the above-captioned matter.
4 I am a member in good standing of the bar of the State of California and am admitted to practice
5 in this Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so.

7 2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California
8 State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk
9 for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein &
10 Marias I assisted trial attorneys in employment and personal injury cases. From September 2011
11 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC
12 in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused
13 on representing employees in wage and hour class actions. My work at Mahoney Law Group,
14 APC also included representing employees in individual claims for wrongful termination,
15 harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I
16 performed at Mahoney Law Group, APC included: conducting client intakes performing pre-
17 filing research and analysis, drafting complaints, attending court hearings, corresponding with
18 opposing counsel, drafting and responding to written discovery, preparing for and taking and
19 defending depositions, analyzing payroll and timekeeping records and employee handbooks,
20 opposing motions for summary judgment, as well as a variety of other motions such as motions
21 for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to
22 quash, and motions for class certification, drafting mediation briefs, attending mediations,
23 drafting long-form settlement agreements, drafting motions for preliminary and final settlement
24 approval, and overseeing the notice process.

25 3. Since November 8, 2016, I have worked at my current firm, Haines Law Group,
26 APC, where, in 2020, I became a Partner. I am currently responsible for managing over fifty (50)
27 active wage and hour class and representative actions in both state and federal court.

28 4. The following is a non-exhaustive list of wage and hour class actions in which I

1 have been appointed as class counsel and/or played a significant role in prosecuting the litigation,
2 and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al*, Case
3 No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding
4 (granted final approval of settlement on behalf of employees at rehabilitation facility involving
5 claims for unpaid wages and meal and rest period violations, and other claims, in which I was
6 approved at an hourly rate of \$325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance*
7 *Medical Center, Inc.*, California Superior Court, Los Angeles County, Judge William F.
8 Highberger presiding (granting final approval of settlement on behalf of healthcare workers for
9 unpaid wages, meal and rest period violations, and other claims, in which I was approved at an
10 hourly rate of \$325 for work performed in 2012-2013); *Arteaga v. Command Center Security,*
11 *Inc.*, Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard
12 Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving
13 claims for unpaid overtime, meal and rest period violations, and other claims, in which I was
14 approved at an hourly rate of \$425 for work performed in 2012-2015); *Casadine v. Maxim*
15 *Healthcare Services, Inc.*, Case No. CV 12-10078-DMG (CWx), United States District Court,
16 Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement
17 on behalf of home health care employees involving claims for unpaid wages and other claims, in
18 which I was approved at an hourly rate of \$425 for work performed in 2012-2015); *Guzman v.*
19 *Andrew Lauren Interiors, Inc., et al.*, Case No. BC567757, California Superior Court, Los
20 Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf
21 of construction workers involving claims for unpaid wages, meal and rest period violation, and
22 other claims, in which I was approved at an hourly rate of \$425 for work performed in 2014-
23 2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California
24 Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of
25 settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period
26 violations, and other claims, in which I was approved at an hourly rate of \$425 for work performed
27 in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior
28 Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of

1 settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and
2 related violations, approved at hourly rate of \$475 for work performed in 2016 and 2017); *Galvan*
3 *v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California
4 Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of
5 settlement on behalf of non-exempt employees of a chemical manufacturing company involving
6 claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al.*,
7 Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge
8 Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid
9 overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et*
10 *al.*, Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F.
11 Highberger presiding (granting final approval of settlement involving claims for wage statement
12 violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al.*, Case
13 No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger
14 presiding (granting final approval of settlement on behalf of direct support professionals
15 involving claims for unpaid wages, meal and rest period violations, wage statement violations,
16 and other claims); *Aguilar v. Act Fulfillment, Inc.*, Case No. RIC1616643, California Superior
17 Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement
18 on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval*
19 *v. AMCOR Flexibles Inc.*, Case No. BC617499, California Superior Court, Los Angeles County,
20 Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of
21 manufacturing employees involving claims for unpaid wages, meal period violations, rest period
22 violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C.*, Case No.
23 RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding
24 (granting final approval of settlement on behalf of non-exempt employees of a freight railcar
25 manufacturer involving claims for unpaid overtime and minimum wages, meal period violations,
26 and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior
27 Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of
28 settlement involving claims for unpaid overtime and minimum wages, rest period violations,

wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf

1 of non-exempt commissioned salespersons and other employees involving claims for unpaid
2 wages, meal and rest period violations, unreimbursed business expenses, and other claims); and
3 *Matthew Tovar, et al. v. Rentokil North America, Inc.*, Case No. BC676386, California Superior
4 Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of
5 settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and
6 rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc.*, Case No.
7 CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman
8 presiding (granting final approval of settlement on behalf of sales development representatives
9 involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy*
10 *Aguilar, et al. v. Aero Port Services, Inc.*, Case No. BC659234, California Superior Court, Los
11 Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf
12 of non-exempt employees involving claims for meal and rest period violations, and other claims);
13 *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al.*, Case No. RIC1709905, California
14 Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of
15 settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid
16 wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive*
17 *d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court,
18 Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf
19 of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period
20 violations, unreimbursed business expenses, and penalty claims).

21 5. I have also moved to certify and have received an order certifying a class action in
22 *Ontiveros v. Safelite Fulfillment, Inc., et al.*, Case No. CV 15-7118-DMG (RAOx), United States
23 District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six
24 classes of employees for rest period violations, wage statement violations, meal period violations,
25 and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company*, Case No.
26 16-CV-02749-WQH (BLM), United States District Court, Southern District of California,
27 Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes,
28 wage statement class, and waiting time penalty class).

1 6. In each year from 2018-2023, Thomson Reuters recognized me as a Top Young
2 Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an
3 honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty
4 in Southern California each year.

5 7. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately
6 involved in this case, and I believe that the proposed Settlement is an excellent result for the
7 Settlement Class.

8 8. In business from approximately 2008 until December 7, 2021, Defendant Dorado
9 Holdings, LLC d.b.a. Toolshed Equipment Rental (“Dorado”) engaged in the business of renting
10 industrial construction equipment and construction tools. On December 7, 2021, Dorado was
11 acquired by Sunbelt Rentals, Inc., and Dorado ceased operating.

12 9. On November 2, 2022, Plaintiff filed his Complaint in Los Angeles County
13 Superior Court, alleging several wage and hour violations. On that same day, Plaintiff sent his
14 PAGA notice letter to the Labor and Workforce Development Agency (“LWDA”). Attached
15 hereto as **Exhibit B** is a true and correct copy of Plaintiff’s November 2, 2022 PAGA letter. On
16 January 9, 2023, Plaintiff filed the operative First Amended Class and Representative Action
17 Complaint (“FAC”) alleging that Dorado: (i) failed to pay all minimum wages; (ii) failed to pay
18 all overtime wages; (iii) failed to provide all lawful meal periods; (iv) failed to authorize and
19 permit all rest periods; (v) failed to issue accurate, itemized wage statements; (vi) failed to pay
20 all wages at the end of employment; (vii) engaged in unfair competition in violation of California
21 Business & Professions Code § 17200 *et seq.*; and (viii) is liable for civil penalties under the
22 PAGA. On June 12, 2023, by stipulation of the Parties, the case was transferred for all purposes
23 to the Superior Court of the State of California, County of San Diego.

24 10. After filing the case, Plaintiff propounded Requests for Production and Special
25 Interrogatories on Dorado. In connection with mediation, Dorado provided my office with a
26 random sampling of timekeeping and payroll records for Settlement Class members. Dorado also
27 provided Plaintiff with relevant data points, such as the total number of former employees and
28 the number of aggregate workweeks and pay periods worked by employees during the Class

Period. Dorado also produced all of its relevant written policies and/or procedures in effect during the Class Period. Plaintiff conducted a comprehensive analysis and extrapolation of the payroll and timekeeping data produced by Dorado to create a detailed exposure analysis for all claims at issue. This discovery allowed the Parties to assess the merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and Dorado's potential defenses.

11. On August 16, 2024, the Parties participated in a full-day mediation with the Hon. Joan M. Lewis (Ret.), a well-respected wage and hour class action mediator. During mediation, the Parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's claims, and the legal basis for the claims and defenses. With the assistance of Judge Lewis, the Parties agreed to a classwide settlement. During the months that followed, the Parties finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the court. A true and correct copy of the Stipulation of Settlement ("Settlement") is attached hereto as **Exhibit A**. The proposed Class Notice and Notice of Estimated Settlement Payment are attached as **Exhibits 1** and **2**, respectively, to the Settlement Agreement.

12. The monetary terms of the Settlement are summarized below:

• Maximum Settlement Amount:	\$200,000.00
• Minus Court-approved attorneys' fees:	\$66,666.67
• Minus Court-approved verified costs (up to):	\$30,000.00
• Minus Court-approved Enhancement Payment:	\$10,000.00
• Minus amount set aside as PAGA penalties:	\$5,000.00
• <u>Minus estimated settlement administration costs:</u>	<u>\$6,000.00</u>
Net Settlement Amount:	\$82,333.33
• PLUS 25% "PAGA Payment" to Settlement Class:	\$1,250.00
Total Amount Paid to Settlement Class members:	\$83,583.33

13. Based on information from Dorado, Dorado represents that there are approximately 50 Settlement Class Members. Therefore, the average Individual Settlement Payment is projected to be approximately \$1,646.67. There are approximately 26 Settlement Class members who worked during the PAGA Period. Therefore, the average PAGA Amount is estimated to be approximately \$48.08.

14. Plaintiff alleges that for a portion of the Class Period, Dorado underpaid Settlement Class members by rounding time punches, despite requiring employees to clock in on

1 a system that recorded hours worked to the minute. As a result of these policies/practices, Plaintiff
2 alleges that Dorado failed to compensate Plaintiff and other non-exempt employees for all
3 minimum and overtime wages owed. Based on Plaintiff's review of Dorado's timekeeping and
4 payroll records, Plaintiff estimates Dorado's alleged rounding practices resulted in approximately
5 296 hours of unpaid time. Therefore, Plaintiff estimates Dorado's maximum exposure for this
6 claim at approximately \$7,400 (296 unpaid hours * \$12.50 average weighted minimum wage * 2
7 for liquidated damages pursuant to Labor Code § 1194.2). Dorado counters that its timekeeping
8 policies/practices complied with California law and that it has always properly compensated
9 Settlement Class members for all hours worked throughout the Class Period. Dorado further
10 contends that it utilized an even-handed timekeeping system that, on balance, resulted in
11 employees being paid for all hours actually worked. Dorado further argues that it changed its
12 timekeeping policies in or around April 2020 and began afterwards to compensate Settlement
13 Class members to the minute, thereby cutting off any potential liability for this claim. Finally,
14 Dorado asserts that Plaintiff would be unable to certify this claim since its timekeeping
15 policies/practices are facially neutral and individualized inquiries would be necessary as to
16 whether employees were in fact underpaid for each workday in question (including whether they
17 were actually working when they were clocked in), resulting in an unmanageable series of mini-
18 trials. Given these defenses, Plaintiff discounted this maximum amount by 20% for risk of non-
19 certification and an additional 30% for a risk of being unsuccessful on the merits or of failing to
20 recover the full amount sought, to arrive at an estimated realistic exposure of approximately
21 \$4,144.

22 15. Plaintiff alleges that Dorado failed to provide legally compliant first meal periods
23 because Dorado's policies/practices failed to provide Plaintiff and other non-exempt employees
24 with a timely, duty-free, and uninterrupted 30-minute meal period commencing before the end of
25 the fifth hour of work. Based on Plaintiff's review and extrapolation of Dorado's timekeeping
26 records, there are approximately 21,693 shifts that reflected a potential first meal period violation.
27 Therefore, Plaintiff estimates Dorado's maximum exposure for first meal period violations at
28 approximately \$444,707 (21,693 non-compliant first meal periods * \$20.50 average meal period

premium). Dorado counters it has maintained compliant written meal period policies throughout the Class Period and has always provided compliant meal periods in line with those policies. Dorado further contends that it always *provides* employees with the opportunity to take meal periods and is not required to *ensure* they are taken. Thus, Dorado argues that any missed, late or short meal periods resulted from lawful employee choice rather than any policy and/or practice of Dorado. Dorado also argues that these claims are not suited for class treatment, as individual inquiries would be needed to assess which employees took non-compliant meal periods or missed meal periods, how many meal periods were non-compliant or missed, and the reasons why a particular employee did not take a compliant meal period on a particular shift. Based on these defenses, Plaintiff discounted the maximum amount by 45% for risk of non-certification, and an additional 55% for risk of losing on the merits or failing to recover the full amount sought, to arrive at an estimated exposure of approximately \$110,065.

16. Plaintiff further alleges that Settlement Class members were not provided with second meal periods when they worked shifts in excess of 10.0 hours in a workday. Plaintiff's analysis of the timekeeping data showed that during the Class Period, there were approximately 8,726 shifts worked in excess of 10.0 hours with a second meal period violation. Therefore, Plaintiff calculates Dorado's maximum exposure for second meal period violations at approximately \$178,883 (8,726 second meal period violations * \$20.50 meal period premium). However, Plaintiff's theory of liability carried significant risks of both non-certification and on the merits if Plaintiff was able to certify this claim, based on, *inter alia*, Dorado's argument that it has maintained compliant written meal period policies throughout the Class Period, and Settlement Class members voluntarily waived their second meal period on shifts in excess of 10.0 hours but less than 12.0 hours per Labor Code § 512. In light of these risks, Plaintiff discounted the maximum amount that the class could potentially recover by 55% for a risk of non-certification, and an additional 75% for a risk of losing on the merits, or having exposure reduced due to Dorado's waiver arguments, to arrive at estimated exposure of approximately \$20,124.

17. Plaintiff alleges that Dorado failed to authorize and permit all required off-duty rest periods. Specifically, Plaintiff alleges he was not authorized or permitted to take any off-duty

1 rest period during his shifts due to work demands imposed by Dorado. Based on Plaintiff's
2 analysis and extrapolation of Dorado's timekeeping records, Plaintiff estimates there were
3 approximately 25,356 shifts in excess of 3.5 hours during the Class Period, entitling employees
4 to at least one (1) rest period. Therefore, Plaintiff estimates Dorado's maximum potential
5 exposure for rest period violations at approximately \$519,798 (25,356 rest period violations *
6 \$20.50 average premium). Dorado counters that it has maintained compliant written rest period
7 policies throughout the Class Period and has always authorized and permitted employees a 10-
8 minute rest period for each four (4) hours worked, or major fraction thereof, as required under the
9 Wage Order, and that any failure to take rest periods was a result of employee choice rather than
10 any Dorado policy and/or practice. Dorado also argues that Plaintiff's claims are unique to his
11 position as "Driver," and that this claim is not amenable to class treatment, since individual
12 inquiries would be required to determine which employees failed to take rest periods, how many
13 rest periods they failed to take, and the reasons why each employee failed to take rest period(s)
14 on a particular shift. These manageability concerns are especially present with respect to rest
15 period claims, Dorado argues, given that rest periods are not recorded. Given these defenses,
16 Plaintiff discounted this maximum amount by 65% for risk of non-certification, and an additional
17 65% for a risk of being unsuccessful on the merits or of failing to recover the full amount sought,
18 to arrive at an estimated realistic exposure of approximately \$63,675.

19 18. As a result of the unpaid wages and unpaid meal and rest period premium wages
20 described above, Plaintiff alleges that Dorado is liable for wage statement penalties. Those
21 penalties are calculated as \$50 for each "initial" violation and \$100 for each "subsequent"
22 violation, with a maximum of \$4,000 per employee. Plaintiff's analysis reflected that there were
23 approximately 28 unique employees and approximately 56 pay periods worked during the liability
24 period applicable to Plaintiff's wage statement claim. Therefore, Plaintiff calculated Dorado's
25 maximum wage statement exposure at approximately \$4,200 ([28 "initial" violations * \$50] + [28
26 "subsequent" violations * \$100]). However, Dorado argues that any alleged wage statement
27 violations were not "knowing and intentional," and that Plaintiff cannot show he or other
28 employees "suffer[ed] injury" due to the alleged wage statement violations, as required by Labor

1 Code § 226(e) for the imposition of penalties. Further, Dorado contends its wage statements
2 always accurately reflected hours worked and amounts paid as well as all other required
3 information, precluding liability for wage statement penalties. Given these defenses, Plaintiff
4 discounted the maximum exposure by 50% for risk of non-certification, and by an additional 65%
5 for risk of being unsuccessful on the merits, for an estimated realistic exposure of approximately
6 \$735.

7 19. As a further result of the unpaid wages and unpaid meal and rest period premium
8 wages described above, Plaintiff alleges that Dorado failed to comply with its final pay
9 obligations set forth in Labor Code §§ 201-203. Dorado's records reflected approximately 50
10 former Settlement Class members who are eligible for waiting time penalties. Based on an hourly
11 rate of \$20.50, Plaintiff estimated the average waiting time penalty per former employee to be
12 approximately \$4,920 ($\$20.50 \times 8 \text{ hours per day} \times 30 \text{ days}$). Therefore, Plaintiff calculated
13 Dorado's maximum exposure for potential waiting time penalties to be approximately \$246,000
14 ($50 \text{ former employees} \times \$4,920 \text{ average penalty}$). Dorado argues that it possesses strong, good-
15 faith defenses to Plaintiff's underlying claims, thus precluding recovery of waiting time penalties,
16 which are only available for the "willful" failure to pay wages. Dorado further asserts that
17 Plaintiff's waiting time penalty exposure was grossly inflated as not every former employee
18 experienced the alleged Labor Code violations. To account for Dorado's defenses, Plaintiff
19 discounted the maximum exposure by 50% for the risk of non-certification, and an additional
20 75% for the risk of losing on the merits and/or not receiving the maximum penalties sought, to
21 arrive at an estimated exposure of approximately \$30,750.

22 20. As a result of the foregoing Labor Code violations, Plaintiff alleges that Dorado is
23 liable for civil penalties under the PAGA. Plaintiff estimated a maximum total PAGA exposure
24 of approximately \$5,600 ($56 \text{ pay periods} \times \$100 \text{ "initial" penalty}$). Since Plaintiff's PAGA claim
25 is derivative of Plaintiff's underlying wage claims, Dorado asserts the PAGA claim would fail
26 with those claims. Dorado further maintains that, given its good-faith defenses, this Court would
27 exercise its discretion to substantially reduce any PAGA penalties if it were to find Dorado liable
28 for any of Plaintiff's claims.

1 21. Using these estimated figures for each of the claims described above, Plaintiff
2 predicted that the potential recovery for the Settlement Class would be approximately \$235,093.
3 The proposed Settlement of \$200,000 represents approximately 85% of the reasonably forecasted
4 recovery for the Settlement Class.

5 22. Although the parties engaged in significant informal discovery prior to mediation,
6 the parties still had additional formal discovery to complete had the matter not been settled. This
7 would have required the expenditure of substantial time and resources by both Parties that would
8 have very likely spanned several years. Even if Plaintiff were to certify the proposed classes, the
9 parties would incur considerably more attorneys' fees and costs through a possible decertification
10 motion, trial, and possible appeal. The Settlement avoids those risks and the accompanying delay
11 and expense, and thus this factor supports preliminary approval.

12 23. Class Counsel will also apply for an attorneys' fees award of one-third of the
13 Maximum Settlement Amount, which is currently estimated to be \$66,666.67, and up to
14 \$30,000.00 in verified costs reimbursement. Plaintiff submits the requested fee is fair
15 compensation for undertaking complex, risky, expensive, and time-consuming litigation on a
16 purely contingent fee basis. Class Counsel has incurred substantial attorneys' fees conducting
17 pre-filing investigation, analyzing Plaintiff's claims, conducting legal research, propounding
18 formal discovery, meeting and conferring with Dorado's counsel regarding purported deficiencies
19 in Dorado's discovery responses, conducting extensive informal discovery, analyzing Settlement
20 Class members' timekeeping and payroll records, creating a comprehensive damages model,
21 preparing for and attending mediation, negotiating and preparing the long-form Settlement
22 Agreement, preparing this Motion, and otherwise litigating the case. Class Counsel expects to
23 expend additional attorney time in attending the hearing on this Motion, overseeing the Notice
24 process and fielding questions from Settlement Class members, preparing the final approval
25 papers, and attending the Final Approval hearing.

26 24. Plaintiff will apply for Class Representative Enhancement Payment at the time of
27 seeking final approval of the proposed class action settlement in the amount of \$10,000.00 for his
28 service to the Settlement Class. As will be fully briefed at the time of final approval, Plaintiff's

1 requested Enhancement Payment is intended to recognize the time and effort Plaintiff expended
2 on behalf of the Settlement Class, including providing substantial factual information and
3 documents to Class Counsel, discussing the claims and theories at issue in the litigation, actively
4 participating in the prosecution of his claims, as well as the significant risks Plaintiff undertook
5 by agreeing to serve as the named plaintiff in this case, and the fact that Plaintiff agreed to a
6 general release of all claims subject to a waiver of Civil Code § 1542.

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct. Executed on February 10, 2025, at El Segundo, California.

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11 Sean M. Blakely
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EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Sergio Chavez Jr. (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental (hereinafter “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties,” or individually as “Party.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Nadia P. Bermudez of Meyers Nave.

On November 2, 2022, Plaintiff filed a class action complaint against Defendant in Los Angeles County Superior Court, in the matter entitled *Sergio Chavez Jr. v. Dorado Holdings, LLC d.b.a Toolshed Equipment Rental*, Case No. 22STCV34965 (the “Action”). On January 9, 2023, Plaintiff filed the operative First Amended Class and Representative Action Complaint (“FAC”). The FAC alleges the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) waiting time penalties; (7) unfair competition in violation of Cal. Business & Professions Code § 17200, *et seq.*; and (8) civil penalties under the Private Attorneys General Act, Cal. Labor Code § 2698 *et seq* (“PAGA”). On June 12, 2023, by stipulation of the Parties, and the Action was transferred to San Diego County Superior Court, Case No. 37-2023-00048229-CU-OE-CTL.

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees who worked for Dorado Holdings, LLC d.b.a Toolshed Equipment Rental in California from November 2, 2018, until December 31, 2021 (the “Class Period”).

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** Upon the Effective Date (as defined below) and the complete funding of the Maximum Settlement Amount (defined below), Plaintiff and every member of the Settlement Class (except those who opt out) will fully release and discharge Defendant, and all of its past and present officers, directors, shareholders, direct and/or indirect owners, members, parents, trustees, fiduciaries, beneficiaries, subrogees, executors, partners, joint employers, employees, predecessors, successors, assigns, affiliates, brother and sister corporations, agents, principals, heirs, representatives, attorneys, insurers, accountants,

administrators, auditors, consultants, divisions, related companies, related entities, and all of their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, and any individual or entity which could be liable for any of the Class Released Claims and/or PAGA Released Claims, (collectively the “Released Parties”), as follows:

- A. Settlement Class members who do not opt out will release all claims, demands, rights, liabilities and causes of action that were pled in the operative FAC, or that could have been pled in the operative FAC in the Action based on the factual allegations therein, that arose during the Class Period, including claims for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide meal periods as required by law; (d) failure to authorize rest periods as required by law; (e) failure to provide accurate, itemized wage statements; (f) failure to pay all wages upon separation of employment or all final wages due; and (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.
- B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt-out) who worked for Defendant at any time from November 2, 2021, to December 31, 2021 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff’s Notification Letter to the Labor and Workforce Development Agency (“LWDA”) dated November 2, 2022 (“the PAGA Released Claims”).
- C. **Release by Plaintiff.** As a condition of receiving the Class Representative Enhancement Payment, and upon Defendant’s complete funding of the Maximum Settlement Amount, Plaintiff has agreed to release, individually and in addition to the Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers’ compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

3. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary “Maximum Settlement Amount” of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) and no more in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.
- B. The Maximum Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days of the Effective Date (which, for this purpose, shall be defined as the later of the time when: (i) the date of final affirmance of the Judgment on an appeal of the Judgment, the expiration of the time for, or the denial of, a petition to review the Judgment, or if review is granted, the date of final affirmance of the Judgment following review pursuant to that grant, (ii) the date of final dismissal of any appeal from the Judgment is affirmed and/or not reversed in any party, (iii) the final resolution (or withdrawal) of any filed appeal in a way that affirms the Final Approval Order and Judgement in a form substantially identical to the form of the Final Approval Order entered by the Court, and the time to petition for review with respect to any appellate decision affirming the Final Approval Order has expired; or (iv) if no appeal is filed, the sixty-first (61st) day after the Court enters final approval of the settlement and the Judgment approving this Agreement (“Effective Settlement Date”).
- C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Six Thousand Dollars and Zero Cents (\$6,000.00);
 - (3) Up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for Plaintiff’s Class Representative Enhancement Payment, in recognition of his contributions to the Action and his service to the Settlement Class. Even in the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke this Settlement Agreement, and it will remain binding;
 - (4) Up to one-third of the Maximum Settlement Amount in Class Counsel’s attorneys’ fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Zero Cents (\$30,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys’ fees and/or costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and
 - (5) Five Thousand Dollars and Zero Cents (\$5,000.00) of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil

penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Three Thousand Seven Hundred-Fifty Dollars and Zero Cents (\$3,750.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or One Thousand Two Hundred Fifty Dollars and Zero Cents (\$1,250.00), will be payable to certain Settlement Class members as the “PAGA Amount,” which PAGA Amount will be distributed as described below; and

- (6) Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the Settlement Class members who do not opt out.

- D. Defendant’s share of payroll taxes owed on the wage portions of the Individual Settlement Payments shall be paid by Defendant separately from, and in addition to, the Maximum Settlement Amount.

- E. **Escalator Clause.** This settlement was entered into based on Defendant’s representation that there were an estimated 50 Class Members who worked for Defendant during the Class Period. If the number of employees employed during the Class Period exceeds this figure by more than 15% (i.e., if there are 58 or more employees), Defendant shall increase the Maximum Settlement Amount on a proportional basis (i.e., if there was a 17% increase in the number of employees, Defendant shall increase the Maximum Settlement Amount by 17%).

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the Settlement. Individual Settlement Payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, Plaintiff’s Class Representative Enhancement Payment, the Settlement Administrator’s fees and expenses for administration, and the total amount designated as PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount.”

- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Payment based on the following formula:

- i. The Net Settlement Amount shall be allocated among Settlement Class members (except those who submit a timely and valid Request for Exclusion) based on each participating Settlement Class members proportionate workweeks worked during the Class Period, which will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member’s number of workweeks worked during the Class Period, and the denominator of

which is the total workweeks worked by all participating Settlement Class members during the Class Period.

- C. PAGA Amount: In addition to the Net Settlement Amount, the PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's gross number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all participating Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.
- D. Within ten (10) calendar days following Defendant's deposit of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Payment amounts and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days of approval by the Parties' counsel, the Settlement Administrator will prepare and mail Individual Settlement Payments, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- E. For purposes of calculating applicable taxes and withholdings, each Individual Settlement Payment shall be allocated as follows: Any payment from the Net Settlement Amount shall be allocated as 80% as penalties and interest; and 20% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- F. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

- G. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Maximum Settlement Amount, which is currently estimated to be Sixty-Six Thousand Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$66,666.67). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with the Action, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for a Class Representative Enhancement Payment of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for Plaintiff, for his time and risk in prosecuting this case, and his service to the Settlement Class. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class member, and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendant will not object to Plaintiff's request to the Court to pay up to Six Thousand Dollars and Zero Cents (\$6,000.00) for the Settlement Administrator's services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, which shall be deducted from the Maximum Settlement Amount, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount by Class Counsel only after Individual Settlement Payments have been mailed to all participating Settlement Class members. The Settlement Administrator shall also be responsible for posting the Final Judgment to its website.

8. **Preliminary Approval.** Within 30 days after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC as Class Counsel;

- C. Appointing Plaintiff Sergio Chavez Jr. as Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Payment, drafts of which are attached hereto as **Exhibits A** and **B**, respectively), and directing the mailing of same to the Settlement Class in English with a Spanish translation; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Settlement, Defendant will provide the Settlement Administrator with the names, addresses, phone numbers, social security numbers, positions held, and workweek information of each Settlement Class member while employed by Defendant during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of the Class Data, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response

Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release all PAGA Released Claims, whether they submit a valid and timely Request for Exclusion or not.

- D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from receipt of the objections to file a response to the objections. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing. Members of the Settlement class who request exclusion *may not* object to the Settlement.
- E. Notice of Estimated Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used from Defendant's records in order to calculate the Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will

consult with the Parties to determine whether an adjustment is warranted. In the absence of any contrary documentation, the Settlement Administrator is entitled to presume that the workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Settlement Class member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

- G. Weekly Reports. The Settlement Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to workweeks and/or PAGA pay periods received and/or resolved, and checks mailed for Individual Settlement Payments ("Weekly Report"). The Weekly Reports must include the Settlement Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

10. **Final Approval.** Following preliminary approval and the close of the period for filing Requests for Exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval of this Settlement Agreement, adjudging the terms thereof to be fair, adequate, and reasonable, and directing consummation of its terms and provisions;
- B. Approving the Maximum Settlement Amount, the PAGA Amount, Plaintiff's and Class Counsel's request for attorneys' fees and reimbursement of costs, Class Representative Enhancement Payment, and settlement administration costs; and
- C. Entering Final Judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator's website.

Settlement Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Settlement Administrator will provide to Class Counsel and Defendant's Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of the Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Settlement Class members, the total number of Requests for Exclusion it received (both valid or invalid), the number of written objections and attach the list of names and other identifying information of Settlement Class members who have timely submitted valid Requests for Exclusion. The Settlement Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Settlement Administrator's declaration(s) in Court.

- 11. **Final Report by Settlement Administrator.** Within 10 days after the Settlement Administrator disburses all funds in the Maximum Settlement, the Settlement Administrator will provide Class Counsel and Defendant's Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 14 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defendant's Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Settlement Administrator's declaration in Court.
- 12. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability by Defendant or that class certification and/or representative treatment is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by the California Evidence Code Section 1152.
- 13. **Non-disclosure and Non-publication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as

shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other lawsuits, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel

14. **No Solicitation.** The Parties separately agree that they and their respective counsel and employees will not solicit any Settlement Class member to opt out of or object to the Settlement, or appeal from the Final Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Settlement Class members in accordance with Class Counsel's ethical obligations owed to Settlement Class members.

15. **No Prior Assignments.** The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

16. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

17. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Nadia P. Bermudez, of Meyers Nave, 600 B Street, Suite 1650, San Diego, CA 92101; nbermudez@meyersnave.com

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

18. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

19. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the Action contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Further, all terms of this Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

20. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

21. **Enforcement Action.** Consistent with the class action procedure, the Parties agree that the San Diego County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: _____, 2024

DEFENDANT DORADO HOLDINGS, LLC

By: _____
Title:

DATED: Sep 12, 2024, 2024

PLAINTIFF SERGIO CHAVEZ JR.

Sergio Chavez
Sergio Chavez (Sep 12, 2024 11:25 PDT)
By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: _____, 2024

MEYERS NAVE

By: _____
Nadia P. Bermudez
Attorneys for Defendant

DATED: September 12, 2024

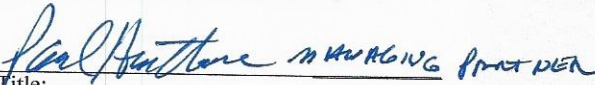
HAINES LAW GROUP, APC

By: *Sean Blakely*
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

21. **Enforcement Action.** Consistent with the class action procedure, the Parties agree that the San Diego County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: 9/10, 2024

DEFENDANT DORADO HOLDINGS, LLC

By: 
Title: MANAGING PARTNER

DATED: _____, 2024

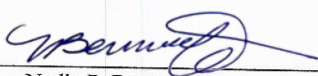
PLAINTIFF SERGIO CHAVEZ JR.

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: 9/10, 2024

MEYERS NAVE

By: 
Nadia P. Bermudez
Attorneys for Defendant

DATED: _____, 2024

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

SERGIO CHAVEZ JR., as an individual and on behalf
of all others similarly situated,

Plaintiff,

vs.

DORADO HOLDINGS, LLC d.b.a TOOLSHED
EQUIPMENT RENTALS, a limited liability company;
and DOES 1 through 100,

Defendants.

Case No. 37-2023-00048229-CU-OE-CTL

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees who worked for Defendant Dorado Holdings, LLC d.b.a Toolshed Equipment Rental in California from November 2, 2018 until December 31, 2021. Collectively, these employees will be referred to as "Settlement Class members."

**PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The San Diego County Superior Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the case of *Sergio Chavez Jr. v Dorado Holdings, LLC d.b.a Toolshed Equipment Rental*, San Diego Superior Court Case No. 37-2023-00048229-CU-OE-CTL (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental's ("Dorado Holdings") records show that you were employed at Dorado Holdings in California as a non-exempt employee between November 2, 2018 until December 31, 2021 (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Sergio Chavez Jr. ("Plaintiff") brought this Action against Dorado Holdings, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Dorado Holdings in California at any time during the Class Period. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

Plaintiff alleges that Dorado Holdings failed to provide Settlement Class members with all required meal and rest periods and that it failed to pay all minimum and overtime wages due to regular rate miscalculations and/or timekeeping policies and practices. The Action also alleges that as a result of these alleged violations, Dorado Holdings failed to provide Settlement Class members with accurate and complete wage statements and failed to timely pay all final wages at the time of separation of employment. As a result of the foregoing

alleged violations, Plaintiff alleges that Dorado Holdings engaged in unfair business practices and is liable for civil penalties under the Private Attorneys General Act (“PAGA”).

Dorado Holdings denies that it has done anything wrong. Dorado Holdings denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Dorado Holdings, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Dorado Holdings has concluded that it is in its best interests and the interests of Settlement Class members to settle the Action on the terms summarized in this Notice. After Dorado Holdings provided relevant information to Class Counsel, the Settlement was reached after mediation and arm’s-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Dorado Holdings, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class members:	Attorneys for Defendant Dorado Holdings:
HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com Joel M. Gordon jgordon@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	MEYERS NAVE Nadia P. Bermudez nbermudez@meyersnave.com 660 B Street, Suite 1650 San Diego, CA 92101 Tel: (619) 330-1700 Fax: (619) 330-1701 meyersnave.com

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for Dorado Holdings in California during the Class Period. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Dorado Holdings as described below.

Dorado Holdings has agreed to pay \$200,000.00 (the “Maximum Settlement Amount”) to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys’ fees and expenses, settlement administration costs, the amount designated as PAGA civil penalties, and the Class Representative’s Enhancement Payment.

The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$6,000.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date)

and have been paying all litigation costs and expenses. The Court will determine the actual amount paid to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be \$66,666.67, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$30,000.00 for verified costs Class Counsel incurred in connection with the Action.

Enhancement Payment to Class Representative. Class Counsel will ask the Court to pay the Class Representative an Enhancement Payment in the amount of \$10,000.00 to compensate him for his service and extra work provided on behalf of the Settlement Class members.

PAGA Payment to State of California. \$3,750.00 will be paid to the California Labor & Workforce Development Agency ("LWDA"), representing 75% of the \$5,000.00 the parties have agreed to allocate to the settlement of Plaintiff's claim on behalf of the Settlement Class members under the PAGA. The remaining \$1,250.00 will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$82,332.33 and will be divided as follows:

- (i) The NSA shall be allocated among Settlement Class members (except those who submit a timely and valid Request for Exclusion) based on each participating Settlement Class members proportionate workweeks worked during the Class Period, which will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period
- (ii) PAGA Amount: In addition to the NSA, the \$2,250.00 PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by Dorado Holdings at any time from November 2, 2021 through December 31, 2021 ("PAGA Period") (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's gross number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be treated as follows: Any payment from the NSA shall be allocated as 80% as penalties and interest; and 20% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed

“wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

Release. If the Court approves the Settlement, and upon the complete funding of the Maximum Settlement Amount, all Settlement Class members who did not submit a timely and valid Request for Exclusion, will release Dorado Holdings, and all of its past and present officers, directors, shareholders, direct and/or indirect owners, members, parents, trustees, fiduciaries, beneficiaries, subrogees, executors, partners, joint employers, employees, predecessors, successors, assigns, affiliates, brother and sister corporations, agents, principals, heirs, representatives, attorneys, insurers, accountants, administrators, auditors, consultants, divisions, related companies, related entities, and all of their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, and any individual or entity which could be liable for any of the Class Released Claims and/or PAGA Released Claims (collectively, the “Released Parties”) from all claims, rights, demands, liabilities, and causes of actions that were pled in the First Amended Class and Representative Action Complaint (“FAC”) that arose during the Class Period, including: claims for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide meal periods as required by law; (d) failure to authorize rest periods as required by law; (e) failure to provide accurate, itemized wage statements; (f) failure to pay all wages upon separation of employment or all final wages due; and (h) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.

In addition, all Settlement Class members (regardless of whether they opt-out) who worked for Dorado Holdings at any time during the PAGA Period are “Aggrieved Employees” and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff’s Notification Letter to the LWDA dated November 2, 2022 (“the PAGA Released Claims”).

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period, as well as the proportionate number of pay periods you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Payment. Your payment is based on the proportionate number of workweeks you worked during the Class Period, as well as the proportionate number of pay periods you worked during the PAGA Period. The information contained in Dorado Holdings’ records regarding each of these factors, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Estimated Settlement Payment. If you disagree with the information in your Notice of Estimated Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Payment. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this

Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payments will be binding on the Settlement Class member and the Parties.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Settlement Class members who worked for Dorado Holdings during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you should mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department C-71 of the San Diego County Superior Court, located at 330 West Broadway San Diego, CA 92101. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Sergio Chavez Jr. v. Dorado Holdings, LLC d.b.a Toolshed Equipment Rental*, San Diego Superior Court Case No. 37-2023-00048229-CU-OE-CTL. You do not need to object in writing to be heard at the Final Approval Hearing.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department C-71 of the San Diego County Superior Court, located at 330 West Broadway San Diego, CA 92101. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Payment to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Diego County Superior

Court, located at 330 West Broadway San Diego, CA 92101, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DORADO HOLDINGS, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT 2

NOTICE OF ESTIMATED SETTLEMENT PAYMENT

Sergio Chavez Jr. v. Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental
SAN DIEGO COUNTY SUPERIOR COURT CASE NO. 37-2023-00048229-CU-OE-CTL

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Settlement Payment:

According to Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental ("Dorado Holdings") records:

- (a) you worked for Dorado Holdings in California as a non-exempt employee from _____ until _____;
- (b) you worked _____ workweeks for Dorado Holdings in California between November 2, 2018 and December 31, 2021;
- (c) you worked _____ pay periods for Dorado Holdings in California between November 2, 2021 and December 31, 2021; and

Based on the above, your Settlement Payment is estimated at \$ _____.

(IV) If you disagree with items (a), (b), (c) and/or (d) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from Dorado Holdings' records, Dorado Holdings' records will control unless you are able to provide documentation that establishes otherwise, and that Dorado Holdings' records are mistaken. If there is a dispute about whether Dorado Holdings' information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

Signature: _____

Date: _____

EXHIBIT B

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

November 2, 2022

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Sergio Chavez Jr. v. Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental*

To Whom It May Concern:

Please be advised that this law firm represents Sergio Chavez Jr. (“Mr. Chavez”) in claims arising from his employment with Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental and Does 1 through 100 (collectively “Toolshed”). Mr. Chavez is an “aggrieved employee” as defined by Labor Code Section 2698, *et seq.*, due to Toolshed’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

Mr. Chavez was employed by Toolshed as a non-exempt employee in California from approximately October 2019 until the date Toolshed was acquired by Sunbelt Rentals, Inc.

Throughout Mr. Chavez’s employment with Toolshed, Toolshed’s timekeeping policies and/or practices resulted in Mr. Chavez and other aggrieved employees not being compensated for all hours worked, whether by rounding, time-shaving, or otherwise. Toolshed required Mr. Chavez and other aggrieved employees to clock in and out through an electronic timeclock app, which records employees’ hours worked to the minute, on the cellphones provided by Toolshed. However, upon information and belief, during at least a portion of the putative class period, Toolshed rounded Mr. Chavez’s and other aggrieved employees’ timekeeping entries in an uneven manner to a quarter of an hour increment, so that, over a period of time, Mr. Chavez and other aggrieved employees were deprived of all earned minimum and overtime wages. Upon information and belief, Toolshed’s timekeeping system regularly, systematically, and impermissibly rounded the hours worked by Mr. Chavez and aggrieved employees in Toolshed’s favor, resulting, over a period of time, in the failure to compensate Mr. Chavez and other aggrieved employees for all hours worked. As a result, Mr. Chavez and other aggrieved employees were not compensated for all required minimum and overtime wages.

Toolshed failed to provide Mr. Chavez and other aggrieved employees with all legally compliant meal periods due to Toolshed's meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Mr. Chavez's and other aggrieved employees' meal periods frequently commenced after the completion of five hours of work. Specifically, Mr. Chavez and other aggrieved employees begin their workday at 4:00 a.m., however, Mr. Chavez and other aggrieved employees were not provided with a first meal period until approximately 2:00 p.m., which is after the completion of the fifth hour of work. Additionally, Toolshed's meal period policies/practices do not provide for a second meal period for shifts in excess of 10.0 hours, nor were Mr. Chavez and other aggrieved employees provided with a second meal period for shifts over 10.0 hours. Instead, upon information and belief, Toolshed automatically deducted 30-minutes from employee time records for each work shift over 10.0 hours regardless of whether an employee took a second 30-minute compliant meal period. As a result, Mr. Chavez and other aggrieved employees were not compensated for all required minimum and overtime wages for time worked. Furthermore, on those occasions when Mr. Chavez was not provided with all legally compliant meal periods to which he was entitled, Toolshed failed to compensate Mr. Chavez with the required meal period premium(s) for each workday there was a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, Toolshed maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7, in the event that a legally compliant meal period was not provided to their non-exempt employees.

Mr. Chavez and other aggrieved employees were not authorized and permitted to take all required rest periods due to Toolshed's unlawful rest period policies/practices, which failed to authorize and permit a net 10-minute rest period for every four hours worked, or major fraction thereof. Specifically, rather than authorize and permit two separate 10-minute rest periods – one during the work period before the meal period and one during the work period after the meal period – Toolshed combined the meal period and rest periods such that Mr. Chavez and other aggrieved employees only received one break throughout their entire shift. Moreover, although Mr. Chavez and other aggrieved employees regularly worked shifts in excess of 10.0 hours, Mr. Chavez and other aggrieved employees were not authorized and permitted a third rest period during shifts in excess of 10.0 hours. On those occasions when Mr. Chavez was not authorized and permitted to take all legally compliant rest periods to which he was entitled, Toolshed failed to compensate Mr. Chavez with the required rest period premium(s) for each workday there was a rest period violation as mandated by Labor Code § 226.7. Upon information and belief, Toolshed maintained no mechanism for the payment of rest period premium payments as required by Labor Code § 226.7, in the event that a legally compliant rest period was not authorized and permitted to their non-exempt employees.

As a result of Toolshed's failure to pay all minimum and overtime wages and failure to pay all meal and rest period premium wages, Toolshed maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Chavez and other aggrieved employees. Additionally, Toolshed issued facially deficient wage statements to Mr.

Chavez and other aggrieved employees which fail to list the address of the legal entity of the employer in violation of Labor Code § 226(a)(8). As a further result of Toolshed's failure to pay all minimum and overtime wages and failure to pay all meal and rest period premium wages, Toolshed failed to timely pay all final wages to Mr. Chavez and other former employees upon their separation of employment from Toolshed.

As described above, Toolshed committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 7 ("Wage Order 7"):

Minimum Wage Violations

Toolshed was required to pay Mr. Chavez and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 7, § 4. As alleged above, Toolshed failed to conform its pay practices to the requirements of the law by failing to pay Mr. Chavez and other aggrieved employees for all hours worked, including, but not limited to, all hours they were subject to the control of Toolshed and/or suffered or permitted to work under the California Labor Code and Wage Order 7. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Chavez and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Toolshed was required to properly pay Mr. Chavez and other aggrieved employees for all overtime hours worked pursuant to Labor Code § 1194 and Wage Order 7 § 3. As alleged above, Toolshed caused Mr. Chavez and other aggrieved employees to work overtime hours but failed to credit these employees with all overtime hours actually worked. As a result of these policies/practices, Mr. Chavez and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, Toolshed failed to provide Mr. Chavez and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 7, § 11. As a result, Mr. Chavez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As alleged above, Toolshed also failed to authorize and permit Mr. Chavez and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 7, § 12. As a result, Mr. Chavez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Wage Statement Violations

Toolshed was required to furnish Mr. Chavez and aggrieved employees with complete and accurate itemized wage statements that accurately show, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 7, § 7. As a result of Toolshed’s failure to pay all minimum and overtime wages, meal period premiums wages, and rest period premium wages, Toolshed maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Chavez and aggrieved employees in violation of Labor Code § 226. Toolshed’s failure to comply with its wage statement obligations was knowing and intentional, and Mr. Chavez and aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Toolshed failed to timely pay Mr. Chavez and other aggrieved employees all of their final wages at the time of separation, which included all overtime, double-time, and minimum wages, as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Toolshed’s failure to pay all final wages due to Mr. Chavez and other aggrieved employees was willful and, consequently, entitles Mr. Chavez and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Toolshed failed to pay their final wages after their separation, up to a maximum of thirty days.

As an “aggrieved employee,” Mr. Chavez will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein.

Based on Mr. Chavez's own investigation, and on information and belief, Toolshed committed and continues to commit the following Labor Code violations:

- a. Toolshed violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Chavez and other aggrieved employees the statutory minimum wage for all hours worked;
- b. Toolshed violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Mr. Chavez and other aggrieved employees all overtime compensation earned;
- c. Toolshed violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Chavez and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Toolshed violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Chavez and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Chavez and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- e. Toolshed violated Labor Code § 226 by failing to furnish Mr. Chavez and other aggrieved employees with accurate and compliant itemized wage statements;
- f. Toolshed violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Chavez and other aggrieved employees;
- g. Toolshed violated Labor Code § 204 by failing to pay Mr. Chavez and other aggrieved employees all wages earned at least twice during each calendar month; and
- h. Toolshed violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Chavez and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Toolshed if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Dorado Holdings, LLC d.b.a. Toolshed Equipment Rental (via certified mail)