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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

JOSE CHAVEZ, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

EQUIPMENT DEPOT CALIFORNIA,
INC., a Delaware Corporation; and DOES
1 through 20, inclusive;

Defendants.

Case No.: CVRI2300385
*[Assigned to Hon. Harold Hopp, Dept 1, for all
purposes]*

**DECLARATION OF BRIAN J. MANKIN,
ESQ., IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing

Date: January 6, 2026

Time: 8:30 a.m.

Dept.: 1

Complaint filed: June 21, 2024

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I manage the employment department within my firm where I am also a Partner. I represent Plaintiff in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

1 **COUNSEL'S EXPERIENCE**

2 2. I have been a member, in good standing, of the State Bar of California since 2001.
3 I am admitted to practice in the United States District Courts for the Central and Southern
4 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
5 courts in California.

6 3. I have handled well over 500 employee vs. employer litigation matters during my
7 23 years in practice. Over the last 18 years, my practice has almost entirely consisted of
8 representing employees, the majority of which has included class action and representative
9 action wage and hour matters. In total, I have handled well over 300 class action and
10 representative action wage/hour cases, and have been appointed by the court as class counsel and
11 have received final court approval and judgment in close to half of those actions to date, and
12 anticipate receiving final approval in many more of those in the future.

13 4. As part of these settlements and judgments, I have recovered well in excess of
14 \$250 million in damages for my clients and the class members (who often work as nurses,
15 ambulance drivers, technicians, warehouse workers, truck drivers, sales, professional
16 occupations and countless other trades). At one point, my team and I held the record for the
17 largest known PAGA-only case in California's history - a \$12.5 million-dollar court approved
18 settlement, which followed extensive litigation, summary adjudication and writs to the CA
19 Supreme Court against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior
20 Court).

21 5. I have tried two class and PAGA cases against Fortune 100 companies. In 2018, I
22 was lead counsel in a PAGA case that my firm tried to the bench in the Orange County Superior
23 Court and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case
24 against Walmart that was tried to the jury in District Court for the Central District, wherein the
25 jury awarded Plaintiffs over \$6 million. Following the successful outcome in trial, both cases
26 were appealed.

27 6. I was named by the LA Times as one "Southern California Leading Lawyers" in
28 the May 2023 issue of Consumer Attorney's of Southern California (a recognition given to 17

1 employment/labor law attorneys in 2023). Additionally, over the last five consecutive years, I
2 have been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that
3 only 5% of lawyers receive.

4 **BRIEF SUMMARY OF THE SETTLEMENT**

5 7. Following mediation and a mediator’s proposal, Plaintiff and Defendant
6 (collectively, the “Parties”) eventually entered into a Class Action and PAGA Settlement
7 Agreement and Release of Claims resolving the wage and hour claims of the putative class (the
8 “Settlement Agreement” or “S.A.”). A fully signed version is attached hereto as **Exhibit A**.

9 8. The Settlement Agreement seeks to release and discharge Defendant from the
10 claims brought against it in exchange for Defendant’s agreement to pay \$515,000 on a non-
11 reversionary, non-claims made basis (each Class Member will receive his/her share of the Net
12 Settlement Amount without having to submit a claim form or take any action, except for those
13 who opt-out).

14 9. Plaintiff seeks to represent a class of all current and former nonexempt employees
15 employed by Defendant Equipment Depot California, Inc. in California at any time during the
16 Class Period of June 21, 2020, through August 16, 2025.

17 10. Under the terms of the Settlement Agreement, Defendant will not oppose
18 Plaintiff’s Counsel’s application for a reasonable award of attorneys’ fees not to exceed one-third
19 of the Settlement Amount, litigation expenses not to exceed \$30,000, Settlement Administrator
20 Costs of \$5,950, PAGA penalties of \$25,000 (with 75% to the LWDA and 25% to the Aggrieved
21 Employees on a pro rata basis), and a Service Payment of \$10,000 to Plaintiff. After subtracting
22 these deductions from the Settlement Amount, approximately \$272,383.34 will be available to
23 pay individual settlement amounts to approximately 123 Class Members who do not opt-out of
24 the settlement, as follows:

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<i>Settlement Amount</i>	\$ 515,000.00
Attorneys' Fees (1/3)	\$ 171,666.66
Litigation Costs (not to exceed)	\$ 30,000.00
Administrator Costs	\$ 5,950.00
PAGA Penalties	\$ 25,000.00
Class Representative Service Award	\$ 10,000.00
<i>Net Settlement Amount</i>	\$ 272,383.34

11. Assuming 123 total Class Members, the average payment will be approximately \$2,214.50 (\$272,383.34 / 123). However, the actual payments will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. And each Class Member will receive the Class Notice, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of Work Weeks he/she is credited with working during the applicable periods. True and correct copies of the Class Notice, Request for Exclusion Form, Objection Form, and Dispute Form are attached hereto as **Exhibits B, C, D, and E** respectively.

PROCEDURAL BACKGROUND

12. My office has performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant settlement fund for the benefit of the Class. We efficiently communicated and exchanged information informally with Defense counsel which enabled the parties to successfully settle the case. Because of the risks involved in litigating the case and the contested legal and factual issues, my office believes this settlement to be fair, reasonable, and adequate.

13. After being retained by Plaintiff, we submitted a letter to the Labor and Workforce Development Agency ("LWDA") for civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), and simultaneously sent a letter to Defendant requesting the production of personnel and timekeeping records to further evaluate his wage and hour claims. The LWDA ultimately declined to assert jurisdiction over the PAGA, thereby giving Plaintiff the right to bring PAGA claims. A true and correct copy of Mr. Chavez's LWDA Notice Letter is attached hereto as **Exhibit F**.

1 14. On June 21, 2024, Plaintiff filed this class action, alleging that Defendant violated
2 various sections of the Labor Code. Then, on November 12, 2024, Plaintiff filed a First
3 Amended Complaint alleging putative class and corresponding representative PAGA claims,
4 including: (a) failure to pay minimum wages, (b) failure to pay overtime wages, (c) failure to
5 provide meal periods, (d) failure to provide rest breaks, (e) failure to reimburse business
6 expenses, (f) failure to timely pay wages upon separation of employment, (g) failure to provide
7 accurate itemized wage statements, (h) unfair and unlawful competition, and (i) related claims
8 under PAGA.

9 15. Defendant retained counsel and immediately began to defend the case. Plaintiff
10 immediately commenced discovery under the Court's CMO by demanding the names and
11 contact information of the putative class members pursuant to a *Belaire-West* Notice. Then,
12 after early discussions among counsel, the Parties agreed to attend private mediation in an effort
13 to avoid a contested class certification process. In preparation for mediation, the Parties
14 informally exchanged documents and information that allowed both sides to calculate the
15 potential damages and evaluate potential risk, including policies and procedures pertaining to the
16 claims, statistics relating to the number of current and former employees, number of shifts,
17 workweeks and pay periods worked and other things, and a sampling of payroll and timekeeping
18 records for Class Members. This information enabled both parties to take a deep dive into the
19 claims. Additionally, during this process, Plaintiff and his counsel analyzed, researched, and
20 investigated the potential issues, including matters related to the calculation of damages, trial,
21 and appellate issues and risks.

22 16. On June 11, 2025, Plaintiff and Defendant participated in mediation before Daniel
23 Turner, Esq. a well-respected class action wage-and-hour mediator. At the conclusion of
24 mediation and after extensive arms-length negotiations, the mediator issued a mediator's
25 proposal that the Parties eventually accepted. Thus, the matter resolved for a class-wide
26 settlement of \$515,000, and the Parties entered into the Settlement Agreement submitted
27 herewith. The Parties now seek the Court's preliminary approval of the Settlement.

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18. For instance, Plaintiff alleged that Defendant paid the Class on an hourly basis plus additional earned compensation (*e.g.*, “Road Incentive,” “Bonus,” “CA Shop Incentive,” etc.) but failed to include this compensation in the regular rate calculations, leading to a failure to pay all required overtime, sick and vacation pay, and meal premiums. However, Defendant opposed this regular rate claim, arguing that the bonus payments were properly excluded from the regular rate, and therefore these claims would lose on the merits and as to the propriety of class certification.

19. Plaintiff also alleged that he and the Class Members were often denied compliant meal and rest breaks due to the nature of the work. However, Defendant argued that it provided and made all mandated meal and rest breaks available to the Class, and any employee who did not take a break did so entirely of their own volition. Thus, Defendant argued that these claims were without merit because, for each violation, a fact-finder would have to determine why a break was noncompliant, because if it was by the employee's choice, no liability attaches to Defendant.

20. Finally, Plaintiff alleged a variety of other claims (all of which Defendant disputed), such as the failure to reimburse business expenses, failure to timely pay wages each period and upon separation of employment and failure to provide accurate itemized wage statements.

21. Despite the disputed nature of the claims, the Parties concluded that further litigation of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled to limit further risk, expense, and protracted litigation.

/ / /

1 **CMO COMPLIANCE**

2 22. In accordance with CMO ¶ G, this section will specifically identify and address
3 each CMO requirement. This information was compiled with the assistance of Kristina Bui
4 Carlson, who was responsible for preparing the pre-mediation data and calculations, and
5 primarily assisted in the preparation of the *Kullar* analysis. As such, the following is based
6 largely on information and belief, as it was largely prepared with Ms. Carlson's assistance (but I
7 reviewed all of the information).

8 **CMO ¶ G(3)(a)(i)**

9 23. Based on information obtained through informal discovery and Plaintiff's expert's
10 analysis *before mediation*, we estimated that there was approximately 119 individuals that fall
11 within the Class definition and 91 of those individuals are also PAGA "Aggrieved Employees."

12 **CMO ¶ G(3)(a)(ii), CMO ¶ G(3)(a)(iii), CMO ¶ G(9)(b)**

13 24. The following paragraphs provide the maximum and risk-adjusted value for each
14 claim, and this includes all claims on a class and PAGA basis as required by the CMO.

15 25. The calculations below are based upon data points obtained through informal
16 discovery, from which Plaintiff's counsel and expert estimated the following *through mediation*:
17 (1) 119 Class Members, (2) 38 *former* Class Members for Labor Code § 203, (3) 16,771
18 workweeks, (4) 75,175 shifts worked, and (4) approximately 3,824 wage statements during the
19 PAGA Period.

20 ***Unpaid Wage Claims***

21 26. Plaintiff's unpaid wage claims were based on the allegation that Defendant paid
22 Plaintiff and the Class Members on an hourly basis along with nondiscretionary bonuses, shift
23 differentials, and other earned compensation (*e.g.*, "Road Incentive," "Safety Bonus," "Bonus,"
24 "CA Shop Incentive," etc.). However, Plaintiff alleged that, on the occasions that a Class
25 Member earned additional compensation and worked overtime during the time period when such
26 compensation was earned, Defendant did not include the compensation in the regular rate (*i.e.*,
27 Defendant only paid overtime at 1.5 times the base rate). Additionally, Plaintiff's unpaid wage
28 claims also included the allegation that Defendant employed a policy and practice of rounding

1 hours worked during the pay period, which led to unpaid minimum and overtime wages when
2 Defendant recorded the actual time worked by Class Members yet illegally rounded down. Thus,
3 Plaintiff alleged that this led to a failure to pay all wages owed, including overtime, sick pay
4 (which is a PAGA-only claim under Labor Code § 246), and vested vacation under Labor Code §
5 227.3.

6 27. However, Defendant raised several defenses to this claim, including that these
7 amounts were properly excluded from the regular rate, as they did not qualify as
8 “nondiscretionary” and, thus, did not need to be included within the regular rate and overtime
9 calculations. Additionally, Defendant argued that, even if the claims had merit (which it did not
10 concede), the valuation was small, as only a small percentage of Class Members received
11 additional compensation and overtime in the same workweek. Furthermore, on the rounding
12 policy, Defendant argued that any rounding policy was neutral and there were times when Class
13 Members were overpaid.

14 28. CMO ¶ G(3)(a)(ii): Based on the pre-mediation sampling and an analysis of
15 relevant data, we calculated the maximum potential damages for the unpaid wage claims as
16 \$588,120.

17 29. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of these unpaid wage
18 claims as \$211,723. Due to the strength of these claims, and the objective nature of the alleged
19 violations, we only applied a 30% reduction at class certification and a 30% reduction on the
20 merits.

21 30. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff’s
22 expert calculated that overtime time (and/or double-time) was paid using the base rate
23 calculations when there was also additional compensation (*i.e.* bonuses) earned in the same pay
24 period in 21.9% of PAGA pay periods, meaning that that were a total of 837 allegedly violative
25 PAGA periods. As such, we estimated the maximum potential PAGA penalty as \$321,500. We
26 then applied a merits risk, similar to the above, and further recognized that there were certain
27 factors that reduce the possible value at trial. Specifically, when considering the amount of
28 discretionary reduction to apply against the maximum penalties, we believe the Court would

1 consider that: (a) if this claim succeeded, the Class would already be receiving compensation for
2 the same violations [and would thus apply a smaller penalty because otherwise it is a double
3 penalty], and (b) there were several “good faith” defenses. As a result, we calculated a PAGA
4 risk-adjusted value of \$15,000 for these unpaid wage claims.

5 ***Meal and Rest Break Claims***

6 31. Plaintiff also alleged meal and rest break claims against Defendant, and this
7 section provides CMO-compliant information as to the value and basis for such claims.

8 32. CMO ¶ G(3)(a)(ii): we calculated the maximum potential damages as follows. For
9 the meal period claims, we calculated 2,662 violations (based on 3.7% violation rate) and
10 multiplied that by an average hourly rate of \$32.64 (the applicable premium rate under Labor
11 Code § 226.7) to arrive at maximum potential damages of \$96,265. For the rest break claims,
12 utilizing a 20% violation rate and multiplied that by the average hourly rate to arrive at
13 maximum potential damages of \$517,054.

14 33. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the meal period
15 claims as \$47,170 and for the rest break claim as \$253,356. These risk-adjusted figures are based
16 on the numerous defenses and risks attached to such claims. For instance, Defendant raised
17 numerous arguments in response to this claim, including that it maintained fully compliant
18 written policies and specifically authorized the Class Members to take meal and rest breaks,
19 meaning that no one had a reason or cause to miss a break or take a short/late break. Therefore,
20 Defendant asserted that a fact-finder would have to determine for each Class Member whether a
21 break was missed and why, and why a break was noncompliant or nonexistent, because if it was
22 by the employee’s choice, no liability attaches to Defendant. These defenses are factored into
23 Plaintiff’s analysis in two ways. First, these issues raise questions regarding whether the meal
24 and rest break claims could be certified, and Plaintiff placed a 30% risk at the class certification
25 stage for meal periods and a 30% risk for rest breaks. Second, these defenses also go toward the
26 merits given the evidentiary question of proving the number of meal and rest violations. As
27 such, Plaintiff placed a 30% risk on the merits for meal breaks, and an additional 30% risk on the
28 merits for rest breaks. This returns risk-adjusted values for meal periods of \$47,170 [$\$96,265 \times$

30% class cert risk x 30% merits risk] and for rest breaks of \$253,356 [\$517,054 x 30% cert risk x 30% merits risk].

34. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated the maximum potential PAGA penalty at trial as \$53,000 for meal periods (3.7% violation rate for meal periods) and \$76,460 for rest breaks (20% violation rate), based on \$100 for each violation. But these claims faced the same merits and evidentiary risks discussed above, so we applied a 30% risk on the merits for each claim. Then we also assumed that the Court, when considering what discretionary reduction to apply, would give credit to Defendant's attempt to enact and apply a compliant written meal and rest period policy. And, as a result, we estimated that the Court would apply a discretionary reduction of 80%, leading to risk-adjusted PAGA values of \$7,420 for meal periods and \$10,704 for rest breaks.

Business Expense Claims

35. Plaintiff alleged that he and the Class Members often had to use personal cell phones to perform their work for Defendant, without reimbursement.

36. CMO ¶ G(3)(a)(ii): Plaintiff valued this claim at an estimated \$204,300 (based on this violation occurring each month for \$50 unreimbursed expenses per month).

37. CMO ¶ G(3)(a)(iii): Defendant raised many strong defenses to this claim, primarily focused on the argument that the Class Members were not required to use personal cell phones. Defendant also argued against possible certification of this claim by arguing a lack of manageability since analysis of this claim would require highly individualized testimony from Class Members about whether they had to use personal cell phones and why they did so (because if it was not "required" or "necessary" then it does not lead to liability). Further, even if the claim was certified, Defendant would argue that there was an evidentiary issue in proving the amount of expenses that were not reimbursed. As a result, for this claim, Plaintiff placed a 50% risk at class certification and another 50% on the merits, leading to a risk-adjusted value of \$51,075.

38. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff's expert calculated the maximum potential PAGA penalty at trial as \$382,400 based on a 100% violation rate for the 3,824 pay periods multiplied by \$100. However, we applied the same 30% merits

1 risk and, even though there is no requirement for “knowing and intentional” under PAGA, we
2 assumed that the Court would apply a discretionary reduction of 95% based on Defendant’s
3 likely argument (if liability was found) that they were already liable for damages to the Class and
4 for PAGA penalties for the overarching violations that triggered the derivative wage statement
5 violations. Thus, the total risk-adjusted PAGA penalties for these violations are \$13,384.

6 *Wage Statement Claims*

7 39. Plaintiff alleged that Defendant subjected the Class to “derivative” violations that
8 arise because of the failure to accurately state all wages owed (and other items) because of the
9 unpaid wages and meal/rest violations above.

10 40. CMO ¶ G(3)(a)(ii): based on the formula under Labor Code § 226(e) (\$50 for
11 initial violation and \$100 for subsequent violations and a cap of \$4,000 per employee), we
12 calculated the maximum class wage statement penalties as \$294,550.

13 41. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the class wage
14 statement claims as \$144,330. This analysis incorporated Defendant’s arguments and defenses
15 from above, and also accounted for the fact that violations were “derivative” as opposed to
16 “direct” wage statement violations (*i.e.*, because these claims were entirely derivative of the
17 claims above, they only had merit if the claims for unpaid wages or meal/rest breaks were
18 successful). Moreover, Defendant argued that “derivative” violations cannot trigger liability
19 under § 226 and, even if there was a “technical” violation, Plaintiff would be unable to prove the
20 required “knowing and intentional” and “injury” elements. Based on these facts and defenses,
21 we placed a 30% risk at class certification (in line with the claims on which the derivative wage
22 statement claim was based) and estimated another 30% risk on the merits, leading to a risk-
23 adjusted value for the claims of \$144,330 [$\$294,550 \times 30\% \text{ cert risk} \times 30\% \text{ merits risk}$].

24 42. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff
25 calculated the maximum potential PAGA penalty at trial as \$382,400 for wage statement claims
26 based on a 100% violation rate for the 3,824 wage statements issued during the period multiplied
27 by \$100. However, like above, the risk-adjusted value must consider the difference between the
28 direct and derivative claims. Thus, we applied the same 30% merits risk and, even though there

1 is no requirement for “knowing and intentional” under PAGA, we assumed that the Court would
2 apply a discretionary reduction of 80% based on Defendant’s likely argument (if liability was
3 found) that it was already liable for damages to the Class and for PAGA penalties for the
4 overarching violations that triggered the derivative wage statement violations. Thus, the total
5 risk-adjusted PAGA penalties for wage statement violations are \$53,536.

6 ***Waiting Time Penalty Claims***

7 43. Plaintiff’s claim for failure to timely pay final wages (and for waiting time
8 penalties under Labor Code § 203) was entirely derivative of the claims above (*e.g.*, because
9 Defendant failed to pay all wages and premiums owed, Defendant did not timely pay all final
10 wages owed because there are still amounts due and payable).

11 44. CMO ¶ G(3)(a)(ii): we calculated the maximum potential value of this claim as
12 \$313,218 based on 38 *former* employees who were paid \$274.75 per day (38 employees x
13 \$274.75 daily pay x 30-day penalty = \$313,218).

14 45. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the waiting time
15 penalty claim as \$153,477. The valuation had to account for the fact that this claim was
16 derivative of the unpaid wages and meal/rest break claims and, if those claims failed at
17 certification or on the merits, there would be no waiting time penalties owed, so the same risks
18 for those claims applied to this claim. Furthermore, even if the unpaid wage and/or meal/rest
19 claims succeeded at certification and on the merits, Plaintiff would have to prove that the
20 violations (if any existed) were “willful” under the meaning of Labor Code § 203. And, here,
21 Defendant argued there was no “willful” violation since it had compliant written policies and any
22 deviations therefrom were inadvertent and unintentional. Additionally, Defendant argued that it
23 had a “good faith” defense that prevents imposition of the waiting time penalties. As a result of
24 this analysis, Plaintiff’s counsel applied a 30% risk at class certification and a 30% risk on the
25 merits, setting a risk-adjusted value of \$153,477.

26 46. CMO ¶ G(9)(b): as for the PAGA penalty claims, Plaintiff calculated the
27 maximum potential PAGA penalty at trial as \$1,500 based on an estimated 15 Aggrieved
28 Employees that were terminated within the PAGA Period. But we had to incorporate the same

risks as above (30% on the merits) and also assumed that, given Defendant's good faith attempts at compliance with California law, that the Court would also apply a 50% discretionary reduction in PAGA penalties, setting the risk-adjusted PAGA penalty value at \$525.

Failure to Timely Pay Wages Each Period

47. This claim is pursued on a PAGA basis (the remedy for a violation is enforceable either through PAGA or the Labor Commissioner); thus, the analysis here focuses on PAGA.

48. CMO ¶ G(9)(b): Plaintiff calculated the maximum potential PAGA penalty at trial as \$382,400 for Labor Code § 204 claims based on a 100% violation rate for the 3,8240 wage statements issued during the period multiplied by \$100. This claim is based on the allegation that Defendant did not pay all wages and wage premiums (for meal/rest violations) timely each period, which violated Labor Code § 204. However, because these claims were entirely derivative of the claims above, they only had merit if the claims for unpaid wages or meal/rest breaks were successful. And, as such, we had applied a 30% risk on the merits to align with the merits risk of the claims above. Additionally, we assumed that the Court would apply a discretionary reduction of 95% based on Defendant's likely argument (if liability was found) that PAGA penalties for § 204 violations should be greatly reduced because these are "derivative" and were already liable for damages to the Class and for PAGA penalties for the overarching violations. Thus, the risk-adjusted PAGA penalties under § 204 are \$13,384.

Collective Maximum and Risk-Adjusted Class Damages/Penalties and PAGA Penalties

CMO ¶¶ G(3)(a)(ii)(C), CMO G(3)(a)(iii)(C), and CMO ¶ G(9)(b)(iii and iv)

49. The table below provides the total sums (for all claims) of the maximum and risk-adjusted class damages and penalties and the total maximum and risk-adjusted PAGA penalties.

Claim	Class Values		PAGA Values	
	Maximum	Risk-Adjusted	Maximum	Risk-Adjusted
Unpaid Wages	\$588,120	\$288,179	\$31,500	\$15,000
Meal Periods	\$96,265	\$47,170	\$53,000	\$7,420
Rest Breaks	\$517,054	\$253,356	\$76,460	\$10,704
Business Expenses	\$204,300	\$51,075	\$382,400	\$13,384
Wage Statement	\$294,550	\$144,330	\$382,400	\$53,536

Waiting Time Penalties	\$313,218	\$153,477	\$1,500	\$525
Labor Code § 204	n/a	n/a	\$382,400	\$13,384
Totals	\$2,013,507	\$937,586	\$1,309,660	\$113,953

CMO ¶ G(3)(a)(iv)

50. Based on an assumed Net Settlement Amount of \$272,383.34, and an estimated 123 Class Members, the average payment will be \$2,214.50. However, the actual amounts payable to the Class will be based on a guaranteed minimum payment plus an allocation based on each individual's weeks worked compared to the total Class weeks worked. While we cannot generate an exact "range of recoveries" right now since the Class Data will not be provided to the Settlement Administrator until after Preliminary Approval, I can provide reasonable estimates of the high and low payments as follows.

51. Based on our analysis, we estimate that there 123 Class Members participating in the Settlement, who will reach receive a share of the settlement based on weeks worked. Based on an estimate 17,000 workweeks during this period, we can assume an average per-workweek value of \$16.02 (\$272,383.34 / 17,000). Thus, on the low end, a Class Member that worked only 2 weeks during the Class Period will receive \$32.04 (\$16.02 x 2). And, at the high end, a Class Member that worked for the entire Class Period (217 calendar weeks) will receive an estimated high payment of \$3,476.34 (\$16.02 x 217).

52. Given that these are only preliminary estimates, the Settlement Administrator will fill in the average, high, and low payments in the Class Notice (if necessary) after Preliminary Approval and after calculating those figures from the Class Data.

CMO ¶ G(3)(a)(v)

53. From the data and analysis conducted prior to mediation, derived through informal discovery, we estimated the following recoveries by the Aggrieved Employees. First, given that we estimate 91 Aggrieved Employees, those individuals will receive an estimated average share of \$68.68 (\$6,250 / 91). Then, based on an estimated 7,439 Work Weeks during the PAGA Period and 3,824 PAGA Pay Periods, we estimate the value of each PAGA Work

1 Week as \$.84 (\$6,250 / 7,439; if an Aggrieved Employee worked only 2 weeks in the PAGA
2 Period, the low payment would be \$1.68 and, if an Aggrieved Employee worked the maximum
3 weeks during the PAGA Period (112), then the maximum PAGA payment will be \$94.08.

4 CMO ¶ G(3)(a)(vi)

5 54. My office conducted substantial informal discovery to investigate the size of the
6 class and strength of the claims. Specifically, in preparation for mediation, we demanded and
7 received informal discovery, including documents and information that allowed us calculate the
8 potential damages and evaluate potential risk, including policies and procedures pertaining to the
9 claims, statistics relating to the number of current and former employees, number of shifts, pay
10 periods worked and other things, and a sampling of payroll and time records for Class Members.

11 CMO ¶ G(3)(a)(vii)

12 55. I am not aware of any other class, representative, or collective action in this or
13 any other court that asserts claims similar to those asserted in this action or behalf of a class or
14 group of individuals, some or all of whom would also be members of this Class. I have also
15 made reasonable inquiry of other members of my firm and none of the other attorneys are aware
16 of any such similar actions.

17 CMO ¶ G(3)(c)(i)

18 56. The Court, at CMO ¶ G(C)(i), states that it “believes that redistribution of the
19 value of uncashed settlement check(s) to those class members who have cashed their checks will
20 better serve the public interest and the interest of the class than distribution in the manner
21 otherwise prescribed by [CCP § 384(b)]” (*i.e.*, payments to a *cy pres*).

22 57. Here, the Parties are not sending the value of uncashed checks to a *cy pres*.
23 Instead, any uncashed checks will be sent to the California State Controller in the name of the
24 Class Member (or Aggrieved Employee). Thus, those funds are – and always will be – paid to
25 and available for collection by the Class Member (or Aggrieved Employee) at any point in the
26 future. This does not fall under the umbrella of CCP § 384(b), as that section only relates to
27 payment of residue to “nonprofit organizations or foundations to support projects that will
28 benefit the class or similarly situated persons, or that promote the law consistent with the

objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent.”

58. I do not believe there is a need for the Parties to “explain[] the factual basis for the disagreement” with the Court’s proposed method of redistributing funds, because the Court’s proposal is, by its plain language, only applicable in lieu of a *cy pres* (not where the uncashed funds are still paid to the Class Member, essentially held in trust by the State Controller).

59. However, in an abundance of caution and to prevent a delay, I want to explain why we do not want to redistribute uncashed checks to class members that did cash checks.

60. First, the process to carry out the Court’s proposed redistribution is not as simple as it sounds. Under the CMO’s proposed method, after 180 days have passed, the uncashed funds would be redistributed to Class Members that cashed their checks. That step, on a standalone basis, is not concerning. However, that is nowhere near the end of the process. Indeed, after the second checks are issued, there will be another batch of checks that go uncashed, as there always are in these class actions. What, then, happens to the funds from the uncashed second checks? Are those amounts redistributed again? And to whom? Should the third round of checks only go to those who cashed the first and second checks? Regardless of the answer to these questions, the problem will continue because some of the third checks will likely go uncashed as well, meaning that this process can repeat over and over – each time with a 180-day check cashing period.

61. Second, the Court’s proposal to redistribute uncashed checks to class members is also problematic because it will greatly increase the cost of settlement administration. After all, the administrator will have to keep banking and taxing accounts open for a much longer period, possibly for multiple years, and will have to issue multiple tax forms with each new payment. But how much extra will the Administrator charge to be exact? And how many additional checks will be mailed a second and third time? How will this be priced? And once the court has approved a specific amount of money for the Settlement Administrator, who will pay for the increased costs, and who will be responsible for ensuring that the increased costs are fair, reasonable and adequate - because after all, this entire process is occurring after the Court has

1 entered judgment.

2 CMO ¶ G(3)(d)

3 62. In accordance with CMO ¶ G(3)(d), we requested bids from four different
4 settlement administrators, which resulted in the following bids: CPT Group (\$8,500), Xpand
5 (\$6,500), Phoenix (\$6,500) and ILYM (\$5,950). ILYM was the lowest bid, so the Parties agreed
6 to retain ILYM based on its all-in (fixed) fee to administer the settlement for \$5,950. The
7 concurrently filed Declaration of Lisa Mullins of ILYM Group, Inc. covers the other information
8 required in CMO ¶ G(3)(d)(ii).

9 CMO ¶ G(9)(b)

10 63. The paragraphs above provide the information requested in CMO ¶ G(9)(b)(i-iv);
11 this section addresses the remaining requests under CMO ¶ G(9)(b)(v-viii).

12 64. CMO ¶ G(9)(b)(v): I'd first like to point out that a finding of "knowing and
13 intentional" is not necessary under claims for PAGA penalties; that is a required element of wage
14 statement violations (on a class, not PAGA, basis) under Labor Code § 226(e). However, with
15 that said, we believe there is an argument that Defendant's unpaid wage claims would not be
16 found "knowing and intentional" (for purposes of Labor Code § 203, for instance). Additionally,
17 we believed that Defendant had a good argument that the derivative wage statement violations
18 were not "knowing and intentional."

19 65. CMO ¶ G(9)(b)(vi): If this action proceeded to trial, Defendant would have
20 argued for a discretionary reduction in PAGA penalties because the assessment of significant
21 PAGA penalties would be "unjust, arbitrary and oppressive, or confiscatory" in light of "the facts
22 and circumstances of [this] case." *See* Labor Code § 2699(h). Defendant's reliance on several
23 Labor Code exemptions presents a "mistake of law" fact pattern, and similar cases have applied
24 large reductions in PAGA penalties in such situations. *See, e.g., Cotter v. Lyft, Inc.* (N.D. Cal.
25 2016) 193 F.Supp.3d 1030, 1037 (97.5% reduction in PAGA penalties "appropriate" based on
26 the "unjust, arbitrary and oppressive, or confiscatory" factors because (i) the employer did not
27 "deliberately evad[e] a clear obligation to provide legally required pay and benefits to
28 employees," (ii) the employer did not "negligently fail to learn about its obligations under the

wage and hour laws,” and (iii) the employer’s obligations were “genuinely unclear” because “there is no straight answer to the question”).

66. CMO ¶ G(9)(b)(vii): The parties only reached settlement and the agreed-upon PAGA penalties after extensive informal discovery and arms-length negotiation between the parties and through an experienced mediator. Notably, Defendant raised many defenses which, if accepted by the Court, could result in a significant reduction of penalties, or the elimination of penalties altogether through dispositive motions. As such, an assessment of penalties greater than those agreed-upon would be unjust at this stage because this settlement reflects an informed, fundamentally fair, and reasonable settlement of the PAGA claims herein based on the unique facts, defenses, and risks in this case.

67. CMO ¶ G(9)(b)(viii): the sections above show that the amount of the agreed-upon penalties is fair.

THE SETTLEMENT IS FAIR, JUST, AND REASONABLE

68. The settlement was the product of extensive arm’s length negotiations, facilitated by an experienced mediator and the eventual resolution was reached through the mediator’s proposal. Though cordial and professional, the settlement negotiations were adversarial and non-collusive in nature. The settlement reached is the product of substantial effort by the parties and their counsel. Although we believed that there was a possibility of certifying the claims, we recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate.

69. The settlement will result in a fair payment to each class member based on the number of weeks worked. Plaintiff and my firm have diligently investigated the claims and defenses on behalf of the Class Members and worked to achieve a resolution of the claims to maximize the recovery by avoiding further expenditure of attorneys’ fees and costs. After evaluating the significant risks attendant with further litigation described above and weighing them against the benefits of a known compromise and settlement as set forth in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best interest of Plaintiff and

1 the Class, and is a fair and reasonable resolution of the claims alleged.

2 70. My firm brought to bear a great deal of experience in negotiating the settlement of
3 this case. We engaged in the necessary discovery and investigation, making it possible to
4 exercise informed judgment throughout the settlement process, including significant document
5 review (*e.g.*, documents pertaining to Defendant's policies and procedures, personnel documents,
6 among others), and conducted an extensive analysis of the detailed class-wide data provided by
7 Defendant.

8 71. Based on my experience in other cases, including wage and hour matters, I
9 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
10 In this case, the recovery for each class member is reasonable, fair, and adequate, and this
11 settlement is in the best interests of the class. The settlement provides each class member with
12 compensation for the alleged violations when viewed in relation to the costs and risks inherent in
13 obtaining class certification and proceeding to trial.

14 72. My firm, as well as defense counsel, fully endorse the terms and conditions of the
15 settlement as set forth in the abovementioned Settlement Agreement.

16 73. Of course, the settlement amount represents a compromise figure, taking into
17 account the various risks surrounding class certification and the merits of Defendant's asserted
18 defense. Nevertheless, the settlement provides for fair and adequate payments to the class
19 members, with no reversion to Defendant.

20 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

21 74. Plaintiff seeks an enhancement payment of \$10,000 for his service to the Class.
22 Plaintiff came forward and brought this case in an effort to effectuate a policy and practice
23 change that benefitted all other Class Members (and to recover unpaid wages and other
24 damages). He ultimately succeeded despite significant risk.

25 75. Plaintiff provided invaluable assistance to my office and the Class in this case,
26 including providing factual background; reviewing the litigation documents; providing
27 information and documents about Defendant's policies and practices; participating in phone calls
28 to discuss litigation and settlement strategy; making himself available throughout the litigation to

1 assist with analyzing the claims and defenses; helping Class Counsel prepare for the mediation;
2 making himself available for a full-day mediation, and reviewing the settlement documents.
3 Plaintiff agreed to participate in this case with no guarantee of personal benefit.

4 76. The Class Representative also assumed significant risk in bringing this
5 litigation—namely, had he lost, he would have been ordered to pay Defendant’s costs. And, as
6 part of the negotiations, Plaintiff put the interests of the class ahead of his interests and agreed to
7 a general release as part of the settlement (whereas the Class will only release the claims
8 alleged).

9 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
10 **REQUESTED FEES AND COSTS**

11 77. As set forth above, I have handled over 300 class and representative actions, have
12 been appointed as class counsel and have successfully resolved over half of those cases, and
13 many others remain pending and will successfully resolve in the future.

14 78. When this case was taken on a contingency fee basis, with my firm agreeing to
15 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
16 course of this litigation, my firm paid all costs including filing fees, court costs, research fees,
17 and mediation costs. There was never a guarantee that we would recoup those expenditures.

18 79. It is my experience that attorney fee awards of one-third of a common fund
19 settlement is the standard in California. In this case, my firm agreed to seek one-third of the
20 Settlement Amount for attorneys’ fees. Defendant does not oppose this fee request. The fee is
21 further warranted because it is within the range of reasonableness typically awarded in class
22 actions. The litigation costs are reasonably capped at \$30,000 and will be based on the actual
23 amount of costs incurred at the time of final approval.

24 **SETTLEMENT ADMINISTRATOR**

25 80. The Parties request that the Court appoint ILYM Group, Inc. as the Settlement
26 Administrator. In accordance with CMO ¶ G(3)(d), we requested bids from six different
27 settlement administrators, which resulted in the following bids: CPT Group (\$8,500), Xpand
28 (\$6,500), Phoenix (\$6,500) and ILYM (\$5,950). ILYM was the lowest bid, so the Parties agreed

1 to retain ILYM based on its all-in (fixed) fee to administer the settlement for \$5,950. The
2 concurrently filed Declaration of Lisa Mullins of ILYM Group, Inc. covers the other information
3 required in CMO ¶ G(3)(d)(ii).

4 **SUBMISSION TO THE LWDA**

5 81. Plaintiff has concurrently submitted the settlement and all moving papers to the
6 LWDA in accordance with Labor Code § 2699(1)(2). The proof of submission is attached hereto
7 as **Exhibit G**.

8 **EXHIBITS AND CONCLUSION**

9 82. A true and correct copy of the Settlement Agreement is attached as **Exhibit A**.

10 83. The proposed Class Notice is attached as **Exhibit B**.

11 84. The proposed Request for Exclusion Form is attached as **Exhibit C**.

12 85. The proposed Objection Form is attached as **Exhibit D**.

13 86. The proposed Dispute Form is attached as **Exhibit E**.

14 87. A true and correct copy of the notice letter we submitted on behalf of Plaintiff to
15 the LWDA is attached as **Exhibit F**.

16 88. The LWDA's confirmation of receipt of this Motion and Declarations is attached
17 hereto as **Exhibit G**.

18 89. Counsel has reviewed both the terms and the terminology of the order and the
19 accompanying forms (notice, objection form, exclusion form and dispute form) to confirm that
20 the various documents are internally consistent, consistent with each other, and consistent with
21 the settlement agreement.

22 90. For the foregoing reasons, it is respectfully requested that the Court grant
23 preliminary approval of the settlement as being fair, reasonable, and in the best interests of the
24 class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement
25 payment to the Class Representative.

26 I declare under penalty of perjury under the laws of the State of California that the
27 foregoing is true and correct. Executed on December 11, 2025, at Riverside, California.

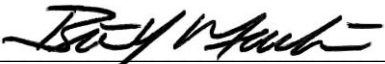
28 By: 
Brian J. Mankin, Esq.

EXHIBIT “A”

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

JOSE CHAVEZ, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

EQUIPMENT DEPOT CALIFORNIA, INC.,
a Delaware Corporation; and DOES 1 through
20, inclusive;

Defendant.

Case No.: CVRI2403491
*[Assigned to Hon. Harold Hopp, Dept 1, for
all purposes]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

This Class Action and PAGA Settlement Agreement and Release of Claims is entered
into by and between Plaintiff Jose Chavez, individually and on behalf of all others similarly
situated, and on behalf of the State of California, and Defendant Equipment Depot California,

Inc. (“Equipment Depot” or “Defendant”), and is approved by their respective counsel of record, subject to the terms and conditions hereof and the Court’s approval.

A. Definitions

1. “Action” or “Lawsuit” means and refers to the class action and PAGA case entitled *Jose Chavez v. Equipment Depot California, Inc.*, Riverside County Superior Court, Case No. CVRI2403491, which commenced on June 21, 2024.

2. “Aggrieved Employee(s)” means all current and former nonexempt employees employed by Defendant in California during the PAGA Period.

3. “Agreement” or “Settlement Agreement” or “Settlement” shall mean this Class Action and PAGA Settlement Agreement and Release of Claims.

4. “Class” is defined all current and former nonexempt employees employed by Defendant Equipment Depot California, Inc. in California during the Class Period.

5. “Class Member(s)” refers to individual members of the Class.

6. “Class Counsel” refers to Brian Mankin and Kristina Bui Carlson of Lauby, Mankin & Lauby LLP.

7. “Class Data” means a complete list that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator on one spreadsheet which shall include, for each Class Member: the individual’s full name; last known address; Social Security Number; and total Weeks Worked during the PAGA Period and the Class Period. Additionally, Defendant will provide two sets of Class Data to the Settlement Administrator for the following two time periods: (1) the Class Period and (2) the period of June 21, 2020, through June 11, 2025, in order to determine if the Escalator Clause, further discussed in Paragraph 14 below, has been triggered.

8. “Class Period” is deemed to be any time during the period of June 21, 2020, through August 16, 2025 (60 days after mediation), or, if applicable, the Alternative End Date.

9. “Class Representative” or “Plaintiff” means and refers to Plaintiff Jose Chavez.

10. “Court” (or “Judge”) means the California Superior Court, County of Riverside.

11. “Defendant” means and refers to Defendant Equipment Depot California, Inc.

12. “Defendant’s Counsel” or “Defense Counsel” means and refers to Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

13. “Effective Date” is defined as the latest of the following dates: (i) if no Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure § 663, then the date the Court enters an order granting Final Approval of the Settlement; (ii) if a Class Member intervenes or files a motion to vacate the Judgment, then sixty-one (61) calendar days following the date the Court enters an order granting Final Approval, assuming no appeal is filed; or (iii) if a Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure § 663 or initiates another collateral attack, and if a timely appeal is filed, then the date of final resolution of that appeal or other collateral attack (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

14. “Escalator Clause”: Defendant represents that there are 123 Class Members who worked approximately 14,678 Workweeks during the period of June 21, 2020, through June 11, 2025 (date of mediation). Should the total Workweeks worked by all Class Members during the period of June 21, 2020, through June 11, 2025 exceed 16,146 Workweeks (which is 10% more than Defendant’s representation), then Defendant shall, in its sole discretion, have the option to either: (a) increase the Gross Settlement Amount on a proportional basis equal to the percentage increase in number of Workweeks worked by the Class Members above the 10% threshold (i.e., if there is an 11% increase in the number of Workweeks worked from June 21, 2020, through June 11, 2025, Defendant would agree to increase the Gross Settlement Amount by 1%); or (b) shorten the Class Period so that no more than 16,146 Workweeks are worked by all Class Members (the “Alternative End Date”). But in no event may the Class Period end prior to June 11, 2025 (the date of mediation).

15. “Final Approval” refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as may be modified by subsequent agreement of the Parties.

16. “Gross Settlement Amount” or “GSA” is \$515,000.00, subject to the Escalator

Clause, as further discussed in Paragraph 47(a) below.

17. “Individual Class Payment” refers to each Participating Class Members share of the Net Settlement Amount, as further discussed in Paragraph 47(c) below.

18. “Individual PAGA Payment” refers to each Aggrieved Employee’s share of the PAGA Penalties, as further discussed in Paragraph 47(h) below.

19. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 47(b) below.

20. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699, subd. (m).

21. “Notice” means the notice of proposed class settlement that will be sent to the Class Members, and which will advise each Class Member of the settlement and his or her estimated Individual Class Payment and Individual PAGA Payment and will further advise of the setting of a Final Approval Hearing.

22. “Notice Packet” means the Notice, “Request for Exclusion Form”, the “Objection Form”, and the “Dispute Form” to be sent to all Class Members.

23. “Objecting Class Member” means a Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 70 (c) below.

24. “Operative Complaint” refers to the First Amended Complaint filed by Plaintiff on November 12, 2024, in Riverside County Superior Court.

25. “PAGA Penalties” means means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$6,250.00) and the 75% to LWDA (\$18,750.00) in settlement of PAGA claims.

26. “PAGA Period” is deemed to be any time during the period of June 20, 2023, through August 16, 2025, or, if applicable, the Alternative End Date.

27. “Participating Class Member” means any and all Class Members who are deemed to participate and receive an Individual Class Payment and do not opt-out by submitting timely valid Requests for Exclusion.

28. “Parties” or “Settling Parties” mean Plaintiff and Defendant, collectively.

29. “Preliminary Approval Date” means the date the Court approves the Settlement Agreement and enters the Preliminary Approval Order.

30. “Preliminary Approval Order” means the judicial order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and providing for the issuance of the Notice Packet to the Class, an opportunity to opt out of the Settlement, an opportunity to submit timely objections to the Settlement, and setting a final approval hearing on the fairness of the terms of Settlement, including approval of attorneys’ fees and costs. Provided that the motion is consistent with the terms herein, Defendant will not object to Plaintiff’s motion for preliminary approval but will be provided with an opportunity to review and comment upon the motion before it is filed.

31. “QSF” means the “Qualified Settlement Fund” set up by the Settlement Administrator for the benefit of the Participating Class Members and Aggrieved Employees, and from which the settlement payments shall be made.

32. “Released Class Claims” or “Class Claims” means all causes of action based solely on the facts that were alleged in the Operative Complaint, including all of the following claims for relief: (a) failure to pay or correctly pay/calculate all wages due (including minimum wages, overtime wages, time-and-a-half wages, double-time wages, sick pay, vacation pay, premiums wages, off the clock work, unpaid time, unpaid time due to rounding time, and all other forms of compensation); (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to reimburse business expenses, such as work tools and cellular phones; (e) waiting time penalties; (f) failure to provide complete, accurate or properly formatted wage statements; (g) failure to timely pay wages/waiting time penalties; (h) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaint; (i) any other claims or penalties under the wage and hour laws pleaded in the Action; and (j) all damages, penalties, interest and other amounts recoverable

1 under said claims, causes of action or legal theories of relief. The time period governing the
2 Released Class Claims shall be the Class Period. The res judicata effect of the Judgment will be
3 the same as that of the Release.

4 33. “Released PAGA Claims” means all PAGA claims that Plaintiff alleged against
5 the Released Parties, based on the facts stated in the relevant LWDA notice letter dated June 20,
6 2024, and only to the extent that they are alleged in the Operative Complaint including, but not
7 limited to, all PAGA claims seeking civil penalties premised upon: a) failure to pay or correctly
8 pay/calculate all wages due (including minimum wages, overtime wages, time-and-a-half wages,
9 double-time wages, sick pay, vacation pay, premiums wages, off the clock work, unpaid time,
10 unpaid time due to rounding time, and all other forms of compensation); (b) failure to provide
11 proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide
12 proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to reimburse
13 business expenses, such as work tools and cellular phones; (e) waiting time penalties; (f) failure
14 to provide complete, accurate or properly formatted wage statements; (g) failure to timely pay
15 wages/waiting time penalties; (h) failure to timely pay wages during employment/failure to pay
16 wages at least two times per month; and (i) all claims under the California Labor Code Private
17 Attorneys General Act of 2004 that could have been premised on the claims, causes of action or
18 legal theories described above or any of the claims, causes of action or legal theories of relief
19 pleaded in the LWDA notice letter dated June 20, 2024, and the Operative Complaint. The time
20 period governing the PAGA Released Claims shall be the PAGA Period. The PAGA Released
21 Claims do not release any Aggrieved Employees’ claims for wages or statutory penalties.

22 34. “Released Parties” means Defendant, together with its officers, directors,
23 employees, and agents.

24 35. “Response Deadline” is 30 calendar days from the date the Notice is mailed to the
25 Class Members.

26 36. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 70(a)
27 below.

28 37. “Service Payment” or “Service Award” means the amount approved by the Court

1 to be paid to Class Representative Jose Chavez in addition to his Individual Class Payment as a
2 Participating Class Member and Individual PAGA Payment as an Aggrieved Employee.

3 38. "Settlement Administrator" or Administrator" means and refers to ILYM Group,
4 Inc., the third-party class action settlement administrator agreed to by the Parties, that will
5 provide the Notice Packet to the Class Members and distribute the settlement amounts as
6 described in this Agreement.

7 39. "Settlement Administration Costs" means the costs payable from the Gross
8 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
9 but not limited to, printing, distributing, and tracking documents for this Settlement, tax
10 reporting, and deposit of the employee and employer share of payroll taxes, unclaimed property
11 due diligence, reporting and remittance obligations, distributing the Gross Settlement Amount
12 and the Net Settlement Amount, and providing necessary reports and declarations, as requested
13 by the Parties. The Settlement Administration Costs shall be paid from the Gross Settlement
14 Amount, and shall not exceed the amount approved by the Court, regardless of any additional
15 costs that the Settlement Administrator may request or feel is necessary to administer the
16 Settlement.

17 40. "Workweeks" or "Weeks Worked" in the context of a Class Members means any
18 and all workweeks during the Class Period during which the Class Member performed work for
19 Defendant in California. Likewise, in the context of Aggrieved Employees, it means any and all
20 Weeks Worked during the PAGA Period during which the Aggrieved Employee performed work
21 for Defendant in California.

22 **B. General Terms**

23 41. On June 20, 2024, Plaintiff gave written notice by online filing to the Labor and
24 Workforce Development Agency ("LWDA") and by certified mail to Defendant of the specific
25 provisions of the Labor Code alleged to have been violated, including the facts and theories to
26 support the alleged violations (the "PAGA Notice Letter"). Then on June 21, 2024, Plaintiff
27 filed the class action Lawsuit, alleging that Defendant violated various sections of the Labor
28 Code. Defendant answered the complaint on August 26, 2024. Plaintiff then filed his First

Amended Complaint (“FAC”) to add corresponding causes of action under PAGA on November 12, 2024. Defendant then filed an answer to the FAC on December 18, 2024.

42. Defendant denies Plaintiff’s claims and allegations and contends that the Action is not suitable for class certification.

43. The Class Representative believes he can proceed with the Action, that contends that the actions are meritorious, and that class certification is appropriate.

44. The Parties have conducted a thorough investigation into the facts of the Action. This includes conducting an extensive exchange of informal discovery. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Class. Class Counsel has diligently pursued an investigation of the Class Members’ claims against Defendant. Based on the foregoing data and on their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential appellate issues.

45. On June 11, 2025, the Parties attended mediation session with Daniel Turner, Esq., a well-respected and experienced wage and hour mediator. At the conclusion of the mediation, and after extensive arms-length negotiations, the mediator issued a mediator’s proposal that the Parties eventually accepted and reached the Settlement detailed herein.

46. The Parties agree that neither the Settlement nor the acts to be performed or judgment to be entered pursuant to the terms of the Settlement shall not be construed as an admission of liability by Defendant of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action. Additionally, this Agreement shall not confirm the accuracy of nor validate any allegation made by Plaintiff or his counsel.

47. Agreement to Class Certification for Settlement Purposes Only. The Parties agree to certification of the class for settlement purposes only. If for any reason the Settlement does

not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in this Action. Defendant expressly reserves their rights and declares that they would continue to oppose class certification and the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to pursue class certification and a trial should the Court fail to issue Final Approval.

C. Terms of Settlement

48. The financial terms of the Settlement are as follows:

(a) Settlement Amount: The Parties agree to settle this Action for the Gross Settlement Amount, subject to the Escalator Clause and Defendant's obligation to separately pay its share of employer-side payroll taxes owed on the wage portion of Individual Class Payments. The Gross Settlement Amount includes payments to the Participating Class Members, PAGA Penalties (to the Aggrieved Employees and LWDA), Attorneys' Fees and Costs Award, the Service Payment to the Class Representative, and Settlement Administration Costs.

(b) Net Settlement Amount: The "Net Settlement Amount" is defined as the Gross Settlement Amount less the Attorney's' Fees and Costs Award, the Service Payments to the Class Representative as awarded by the Court, the Settlement Administration Costs, and PAGA Penalties. If the Court reduces the Attorneys' Fees and Costs Award, Service Payments, or Settlement Administrator Costs, or decreases the amount allocated to the PAGA Penalties, the difference shall be placed in the Net Settlement Amount and allocated to the Participating Class Members.

(c) Individual Class Payments: The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, i.e., Class Members who do not opt out of the Settlement, during the Class Period, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period. The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the

1 Individual Class Payment for each Participating Class Member according to the number of
2 Weeks Worked, so that the amount actually distributed to Participating Class Members equals
3 one hundred percent (100%) of the Net Settlement Amount.

4 (d) Allocation of Individual Class Payments: The Individual Class Payments
5 to Participating Class Members shall be allocated as twenty percent (20%) as IRS form W-2
6 wages subject to withholding of all applicable local, state and federal taxes, and eighty percent
7 (80%) for interest and statutory penalties (pursuant to, *e.g.*, California Labor Code sections 203,
8 210, 226) reportable on IRS form 1099 from which no taxes will be withheld. The Settlement
9 Administrator will issue to each Participating Class Member (as applicable) an Internal Revenue
10 Service Form W-2 and comparable state forms with respect to the wage allocation and/or a Form
11 1099 with respect to the penalties and interest allocations. The Participating Class Members are
12 responsible for taxes (other than employer-paid taxes) on their payments received.

13 (e) Service Payment to Class Representative: The amount, if any, awarded to
14 the Class Representative as a Service Payment will be set by the Court in its discretion, not to
15 exceed \$10,000, in exchange for the service that Plaintiff performed on behalf of the Class.
16 Defendant agrees not to oppose this request. The Service Payment to Plaintiff will be paid out of
17 the Gross Settlement Amount. The Class Representative will be issued an IRS Form 1099 in
18 connection with this payment. Plaintiff shall be solely and legally responsible to pay any and all
19 applicable taxes on this payment. The Parties agree that if the Court does not approve the
20 requested Service Payment or reduces any amount awarded as the Service Payment to Plaintiff,
21 then such action on behalf of the Court shall not be a basis for Class Counsel to revoke or void
22 this Settlement Agreement and the Settlement Agreement will remain binding. Should the Court
23 approve a lesser amount for the Service Payment, the difference shall be added to the Net
24 Settlement Amount to be distributed to the Participating Class Members.

25 (f) Attorneys' Fees and Costs Award: Defendant agrees to not oppose a
26 request by Class Counsel to the Court for an award of attorneys' fees of one-third of the Gross
27 Settlement Amount, plus reasonable litigation costs not to exceed \$30,000, which is supported by
28 declaration ("Attorney's Fees and Cost Award"). Defendant agrees not to oppose any contention

by Class Counsel that attorneys' fees should be based on the common fund theory. The Attorneys' Fee and Cost Award shall be paid from the Gross Settlement Amount, and, except for this award, Defendant shall have no further obligation to pay any attorneys' fees, costs, or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. The Parties agree that if the Court does not approve the requested attorneys' fees and/or costs or reduces any amount awarded as attorneys' fees and/or costs, then such action on behalf of the Court shall not be a basis for Class Counsel to revoke or void this Settlement Agreement and the Settlement Agreement will remain binding. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

(g) Settlement Administration Costs: The fees and other charges of the Settlement Administrator will be paid from the Gross Settlement Amount, not to exceed \$5,950, unless (1) the Escalator Clause is triggered (whereby any reasonable increase in Settlement Administration Costs shall be paid from the increased Gross Settlement Amount, subject to Court approval), or (2) as otherwise approved by all Parties and the Court.

(h) PAGA Penalties: The Parties agree that \$25,000 is allocated to PAGA Penalties, and is to be paid from the Gross Settlement Amount, subject to Court approval. Of this amount, \$18,750 (75%) shall be paid to the LWDA in satisfaction of civil penalties under PAGA and \$6,250 (25%) will form the Individual PAGA Payments to the Aggrieved Employees, which shall be calculated and allocated pro-rata on a Workweek basis, which will be treated as civil penalties and shall be reported as required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the Settlement.

(i) Tax Liability: Class Counsel and Defendant make no representations as to the tax treatment or legal effect of settlement amounts called for hereunder, and Plaintiff and the Class Members are not relying on any statement or representation by Class Counsel or Defendant in this regard. Plaintiff, Participating Class Members, and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on

1 their respective Individual Class Payments and Individual PAGA Payments, described herein.
2 Forms 1099 will be distributed in the manner required by the Internal Revenue Code of 1986 (the
3 “Code”) and consistent with this Agreement. Plaintiff, Participating Class Members, and
4 Aggrieved Employees understand and agree that they will be solely responsible for the payment
5 of any taxes and penalties assessed on their respective payments described herein.

6 (j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
7 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
8 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
9 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO
10 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR
11 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
12 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
13 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
14 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
15 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
16 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
17 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
18 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
19 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
20 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
21 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
22 ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
23 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
24 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
25 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR
26 ADVISOR’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
27 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
28 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING

ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

(k) “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under no circumstances will any portion of the Gross Settlement Amount revert to Defendant. Participating Class Members and Aggrieved Employees will not have to make a claim to receive an Individual Class Payment or Individual PAGA Payment. Distributions, in the form of Individual Class Payment or Individual PAGA Payments will be made directly to each Participating Class Member and Aggrieved Employee. The Settlement Administrator shall be responsible for accurately and timely reporting and remittance obligations with respect to unclaimed funds as a result of a Participating Class Member and/or Aggrieved Employee not cashing any checks delivered pursuant to the Settlement by the check cashing deadline, as set forth herein.

(l) Class Counsel and Plaintiff believe that the Settlement is fair and reasonable and will so represent same to the Court.

D. Release by the Participating Class Members

49. Upon entry of the Final Approval Order and Defendant’s funding of the Gross Settlement Amount, and except as to such rights or claims as may be created by this Agreement, Plaintiff and the Participating Class Members will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Period.

50. Each Participating Class Member will be deemed to have made the foregoing release of the Released Class Claims as if by manually signing it.

51. Class Representative, on behalf of himself and the Class, acknowledges and agrees that the claims for unpaid wages and untimely payment of wages in the Action are disputed, and that the payments set forth herein constitute payment of all sums allegedly due to them. Class Representative, on behalf of himself and the Class, acknowledges and agrees that California Labor Code Section 206.5 is not applicable to the Parties or Settlement. Labor Code § 206.5 provides in pertinent part as follows: “An employer shall not require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

1 **E. Release of PAGA Claims**

2 52. Upon entry of the Final Approval Order and Defendant's funding of the Gross
3 Settlement Amount, Plaintiff – in his individual capacity and on behalf of the State of California
4 and LWDA – shall completely release and discharge the Released Parties from the Released
5 PAGA Claims for the PAGA Period.

6 53. Regardless of submitting a valid Request for Exclusion, neither Plaintiff nor any
7 Aggrieved Employee shall have the right to opt-out or otherwise exclude themselves from
8 releasing the Released PAGA Claims. Any Class Member who submits a timely and valid optout
9 will only be excluded from the class portion of the settlement. Thus, if any person who submits
10 an opt-out also qualifies as an Aggrieved Employee, that person will receive his/her share of the
11 PAGA Penalties and will be bound by the Released PAGA Claims.

12 54. It is the intent of the Parties that the Final Approval Order shall have full
13 equitable and collateral estoppel and res judicata effect to the fullest extent permitted by law.

14 **F. Release by Plaintiff and Class Representative**

15 55. Class Representative does hereby, for himself and his spouses, heirs, successors,
16 beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians,
17 personal representatives, and assigns forever and completely release and discharge the Released
18 Parties from any and all charges, complaints, claims, liabilities, obligations, promises,
19 agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs,
20 losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated
21 damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever,
22 from the beginning of time through the execution of this Agreement, whether known or
23 unknown, suspected or unsuspected, including but not limited to all claims arising out of, based
24 upon, or relating to Class Representative's employment with Defendant or the remuneration for
25 or termination of such employment (the "Class Representative's Claims").

26 56. Without limiting the generality of the foregoing, this general release by Plaintiff
27 includes all federal, state, and local statutory claims, federal and state common law claims
28 (including but not limited to those for contract, tort and equity), including without limitation the

1 Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil
2 Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair Labor
3 Standards Act, the Employment Retirement Security Income Act of 1974, the California
4 Constitution, the California Fair Employment and Housing Act, the California Unfair
5 Competition Act (California Business and Professions Code section 17200 et seq.), and the
6 California Labor Code.

7 57. Plaintiff agrees that there is a risk that any injury that he may have suffered by
8 reason of the Released Parties' relationship with him might not now be known, and there is a
9 further risk that said injuries, whether known or unknown at the date of this Settlement
10 Agreement, might possibly become progressively worse, and that as a result thereof further
11 damages may be sustained. Nevertheless, Plaintiff agrees to forever and fully release and
12 discharge the Released Parties and understands that by the execution of this Settlement
13 Agreement no further claims for any such injuries that existed at the time of the execution of this
14 Settlement Agreement may ever be asserted by Plaintiff with respect to claims arising in the time
15 period from the beginning of time to the execution of this Settlement Agreement.

16 58. Plaintiff expressly waives and relinquishes all rights and benefits afforded by
17 Section 1542 of the Civil Code of the State of California and does so understanding and
18 acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code
19 of the State of California states:

20 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
21 THAT THE CREDITOR OR RELEASING PARTY DOES NOT
22 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
23 THE TIME OF EXECUTING THE RELEASE AND THAT, IF
24 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
OR RELEASED PARTY.

25 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
26 full and complete release and discharge of all parties, Class Representative expressly
27 acknowledges that this Settlement Agreement is intended to include in its effect, without
28 limitation, all claims that Class Representative knew of, as well as all claims that he does not

1 know or suspect to exist in his favor against the Released Parties, or any of them, for the time
2 period from the beginning of time to the execution of this Settlement Agreement, and that this
3 Settlement Agreement contemplates the extinguishment of any such Class Representative's
4 Claims. Notwithstanding the above, the general release by Class Representative shall not extend
5 to claims for workers' compensation benefits, claims for unemployment benefits, claims for state
6 disability benefits, or other claims that may not be released by law.

7 59. It is the intent of the Parties that the Final Approval Order shall have full
8 equitable and collateral estoppel and res judicata effect to the fullest extent permitted by law with
9 regard to the Release by Participating Class Members, the Release of PAGA Claims and the
10 Release by Plaintiff and Class Representative.

11 **G. Interim Stay of Proceedings**

12 60. Pending completion of all prerequisites necessary to effectuate this Settlement,
13 the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such
14 as are necessary to effectuate the Settlement.

15 **H. Notice Process**

16 61. Appointment of Settlement Administrator. Plaintiff will obtain bids from several
17 settlement administrators. The selected settlement administrator shall provide a fixed (not to
18 exceed) bid, which will be the amount that the Parties seek in costs for the Settlement
19 Administrator, subject to Court approval. The Parties have agreed to the appointment of the
20 Settlement Administrator to perform the duties of a settlement administrator, including mailing
21 the Notice Packet, using standard devices to obtain forwarding addresses, independently
22 reviewing and verifying documentation associated with any claims or opt-out requests, resolving
23 any disputes regarding the calculation or application of the formula for determining the
24 Individual Class Payments and Individual PAGA Payments, drafting and mailing the settlement
25 checks to Participating Class Members and Aggrieved Employees, issuing all necessary tax
26 forms, and performing such other tasks as set forth herein or as the Parties mutually agree or that
27 the Court orders. Counsel shall not enter into any contractual relationship with the Settlement
28 Administrator.

62. Disputes Regarding Settlement Administration. Any and all disputes relating to administration of the Settlement by the Settlement Administrator (except for disputes regarding Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until Plaintiff and Defendant notify the Court that all payments and obligations contemplated by this Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Settlement Administrator shall also be responsible for issuing to Plaintiff, Participating Class Members, and Aggrieved Employees, and Class Counsel any tax forms as may be required by law for all amounts paid pursuant to this Agreement.

63. Class Data. Within thirty (30) calendar days after entry of the Preliminary Approval Order, Defendant shall provide the Class Data to the Settlement Administrator. The Settlement Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's "National Change of Address List". The Class Data provided to the Settlement Administrator will remain confidential and will not be used or disclosed to anyone, except as required by applicable tax authorities, pursuant to Defendant' express written consent, or by order of the Court. Although Class Counsel will not be provided with the list of Class Data, nothing herein shall prevent Class Counsel from communicating with Class Members regarding the Action and Settlement.

64. Total Class Members and Workweeks. At least 10 calendar days prior to mailing the Notice Packet, the Settlement Administrator shall advise Class Counsel and Defense Counsel if the Escalator Clause has been triggered and to provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary calculation of all payments to be paid from the Gross Settlement Amount and the Net Settlement Amount, including the estimated Individual Class Payments to each Class Member and Individual PAGA Payments to each Aggrieved Employee (a person's name shall be redacted and a control number used in place of the name). In the event that the total number of Class Members triggers the Escalator Clause, the Settlement Administrator shall notify the Parties of the increased Gross Settlement Amount. Defendant

shall then have three days to make their selection and notify the Settlement Administrator as to whether they will increase the Gross Settlement Amount or shorten the Class and PAGA Periods to the Alternative End Date. The Settlement Administrator shall modify the Notice (where needed) to reflect the increased Gross Settlement Amount and Net Settlement Amount and related increased payments or the shorten periods, all of which shall be subject to Court approval.

65. Notice Packet. The Notice Packet, as approved by the Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail, in English and Spanish, within 14 calendar days following the Settlement Administrator's receipt of the Class Data. For all Class Members, the Notice Packet will include the Notice, a Request for Exclusion Form, an Objection Form, and a Dispute Form. The Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses of Class Members if any envelopes are returned.

66. Returned Notice Packets. The Settlement Administrator will take steps to ensure that the Notice Packet is received by all Class Members, including utilization of the "National Change of Address Database" maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any Class Member for whom an updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The Notice Packet shall be identical to the original Notice Packet, except that it shall notify the Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Response Deadline or fifteen (15) calendar days after the remailing of the Notice Packet.

67. Presumption Regarding Receipt of Notice Packet. It will be conclusively presumed that if an envelope has not been returned to Settlement Administrator by the Response Deadline that the Class Member received the Notice Packet.

68. Disputes Regarding Class Data. Class Members are deemed to participate in the Settlement unless they opt-out, and Aggrieved Employees may not opt out of the Released PAGA Claims. The Notice will inform Class Members of his/her estimated Individual Class

Payment and Individual PAGA Payment, as well as the number of Weeks Worked during the Class Period and the PAGA Period. Class Members may dispute their Weeks Worked by timely submitting evidence to the Settlement Administrator. Defendant's records will be presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Workweeks, and estimated Individual Class Payment and Individual PAGA Payment. If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the Court to render a final decision. Class Members and Aggrieved Employees will have until the Response Deadline to dispute Weeks Worked, object or opt out, unless extended by the Court.

69. Declaration of Due Diligence. The Settlement Administrator shall provide counsel for the Parties, at least five (5) days after the initial Response Deadline, a declaration of due diligence and proof of mailing with regard to the mailing of the Notice Packet.

70. Class Members' Rights. Each Class Member will be fully advised of the Settlement, the ability to object to the Class Settlement, and the ability to opt-out or request exclusion from the Class portion of the Settlement. The Notice Packet will inform the Class Members of the Court-established deadlines for filing objections or requesting exclusion from the Settlement in accordance with the following guidelines:

(a) Requests for Exclusion from Class. Any Class Member, other than Plaintiff, may request to be excluded from the Class by completing the Request for Exclusion Form provided within the Notice Packet. The Request for Exclusion Form must be mailed to the Settlement Administrator and postmarked on or before the Response Deadline in order to be timely, unless the Parties otherwise agree in writing. Any such request must be made in accordance with the terms set forth in the Notice Packet. The Settlement Administrator shall attach each Request for Exclusion to its declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any Class Member who timely requests exclusion in compliance with these requirements: (i) will not have any rights under the Class portion of this Agreement,

1 including the right to object, appeal or comment on the Class Settlement; (ii) will not be entitled
2 to receive any payments under the Class portion of this Agreement; and (iii) will not be bound by
3 the Class portion of this Agreement, or the judgment. Any Class Member who is an Aggrieved
4 Employee who requests timely exclusion will still be subject to the Released PAGA Claims to
5 the fullest extent permitted by law and receive an Individual PAGA Payment. All Parties and
6 their counsel, including Defendant and their agents and employees, shall not encourage or solicit
7 opt-outs or objections, directly or indirectly, through any means. All Class Members who have
8 not validly opted out by the later of the Response Deadline or fifteen (15) days after the
9 remailing of the Notice Packet (pursuant to Paragraph 66 above) will be subject to the Released
10 Class Claims.

11 (b) Binding Effect on Participating Class Members. All Participating Class
12 Members will: (i) be bound by the terms and conditions of this Agreement, the judgment, and the
13 releases set forth herein; and (ii) except as otherwise provided herein, will be deemed to have
14 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
15 Settlement.

16 (c) Objections to Settlement. Any Class Member, other than Plaintiff, who
17 does not submit a valid and timely Request for Exclusion may object to the Class terms of this
18 Agreement by completing the Objection Form provided within the Notice Packet. Any Class
19 Member that intends to object must mail the Objection Form to the Settlement Administrator.
20 The Objection Form must be postmarked on or before the Response Deadline in order to be
21 timely, unless the Parties otherwise agree in writing. Additionally, any objection must be made
22 in accordance with the terms set forth in the Notice Packet. The Settlement Administrator shall
23 provide any objections, regardless of manner, to Class Counsel and Defense Counsel within
24 three (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration
25 of due diligence and file with the Court prior to the Final Approval Hearing. Any Participating
26 Class Member who submits an Objection Form remains eligible to receive monetary
27 compensation from the Settlement. Plaintiff and Defendant shall not be responsible for any fees,
28 costs, or expenses incurred by any Class Member and/or his or her counsel related to any

1 objections to the Settlement. Submitting an Objection Form does not preserve the right to appeal
2 a final judgment. Rather, the right to appeal is preserved by becoming a party of record by
3 timely and properly intervening or filing a motion to vacate the judgment under Code of Civil
4 Procedure § 663.

5 (d) Failure to Object. Any Class Member who does not timely and properly
6 become a party of record by intervening or filing a motion to vacate the judgment waives any
7 and all rights to appeal from the judgment, including all rights to any post-judgment proceeding
8 and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion
9 under California Code of Civil Procedure § 473, and extraordinary writs.

10 (e) Responses to Objections. Class Counsel and Defense Counsel Parties may
11 file a response to any objections submitted by objecting Class Members at least five (5) court
12 days before the date of the Final Approval Hearing.

13 (f) Class Members will have until the Response Deadline to object or submit
14 a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement
15 Administrator shall disclose jointly to Class Counsel and Defense Counsel what objections or
16 Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class
17 Counsel or Defense Counsel.

18 71. Funding of the Settlement Amount. Defendant shall deposit the Gross Settlement
19 Amount, plus Defendant share of payroll taxes on the wage portion of the Individual Class
20 Payment, with the Settlement Administrator within thirty (30) calendar days after the Effective
21 Date. Payment of the Gross Settlement Amount is contingent upon the Court granting final
22 approval of the class action and PAGA settlement. Defendant shall pay the Gross Settlement
23 Amount, plus Defendant's share of payroll taxes, in full and complete settlement of this matter.

24 72. Distribution of Funds. No later than ten (10) calendar days after the deposit of the
25 Gross Settlement Amount by Defendant, the Settlement Administrator shall mail the Individual
26 Class Payments to the Participating Class Members, the Individual PAGA Payments to the
27 Aggrieved Employees, the payment to Class Counsel for the Attorneys' Fees and Costs Award,
28 any Service Payment to the Class Representatives, the payment to the LWDA for PAGA

1 Penalties, mail to the Aggrieved Employees their portion of the PAGA Penalties, and will pay
2 itself the Settlement Administration Costs. Plaintiff, Plaintiff's counsel, Defendants, and
3 Defendants' counsel shall not bear any responsibility for errors or omissions in the calculation or
4 distribution of the settlement payments or development of the list of recipients of settlement
5 payments.

6 73. Deadline for Cashing Settlement Checks. Participating Class Members and
7 Aggrieved Employees shall have 180 calendar days after mailing by the Settlement
8 Administrator to cash their settlement checks. The release will be binding upon all Participating
9 Class Members who do not cash their checks within the 180-day period. In the event that any
10 settlement check is returned to the Settlement Administrator within 180 days of mailing, the
11 Settlement Administrator will, within five (5) business days of receipt of the returned settlement
12 check, perform a skip trace to locate the individual, and notify Defense Counsel and Class
13 Counsel of the results. If a new address is located by these means, the Administrator will have
14 ten (10) business days to re-issue the check. Neither Defendant, Defense Counsel, Class
15 Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen
16 settlement checks, forged signatures on settlement checks, or unauthorized negotiation of
17 settlement checks. Without limiting the foregoing, in the event a Participating Class Member
18 and/or Aggrieved Employee notifies the Settlement Administrator that he or she believes that a
19 settlement check has been lost or stolen, the Settlement Administrator shall immediately stop
20 payment on such check. If the check in question has not been negotiated prior to the stop
21 payment order, the Settlement Administrator will issue a replacement check.

22 a. If any Participating Class Member's check is not cashed within the time periods
23 noted above, the check will be void and a stop-payment will be issued, and the Settlement
24 Administrator shall issue the unclaimed funds to the California State Controller's Office in the
25 name of the Class Member to be held pursuant to the Unclaimed Property Law, California Civil
26 Code § 1500 et seq., for the benefit of those Settlement Class members who did not cash their
27 checks until such time that they claim their property. The Parties agree that this disposition
28 results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net

Settlement Amount will be paid out to Participating Class members, whether or not they all cash their Settlement Checks. Therefore, Defendant will not be required to pay any interest on said amounts.

b. If any Aggrieved Employee's check is not cashed within the time periods noted above, the check will be void and a stop-payment will be issued, and the Settlement Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the Aggrieved Employee to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Class members who did not cash their checks until such time that they claim their property.

I. Duties of the Parties Prior to the Court's Approval

74. Promptly after execution of this Agreement, Plaintiff will move the Court for preliminary approval of this Settlement and entry of the "Preliminary Approval Order" accomplishing the following:

(a) Scheduling the "Final Approval Hearing" on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on fees, costs and the Service Payments;

(b) Approving as to form and content the proposed Notice Packet;

(c) Directing the mailing of the Notice Packet by first class mail to the Class Members;

(d) Preliminarily approving this Settlement; and

(e) Advising the LWDA of the proposed Settlement.

J. Duties of the Parties Following Court's Final Approval

75. In connection with the Final Approval Hearing provided for in this Agreement, Class Counsel shall submit a proposed "Final Approval Order":

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an Attorneys' Fees and Costs Award, the Service Payments to the Class Representatives, and payment of Settlement

Administration Costs to the Settlement Administrator for costs of administering the settlement;
and

(c) Entering judgment approving Settlement.

K. Voiding the Agreement

76. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Agreement which effects a fundamental change of the Settlement, the entire Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

77. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

78. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise specified in this Agreement.

L. Other Terms

79. Defendant's Right to Revoke Settlement. Defendant maintain the right, in their sole discretion, to revoke the settlement and its stipulation to class certification prior to the final fairness hearing in the event that ten percent (10%) or more of Settlement Class Members opt out of the settlement.

80. Plaintiff and Plaintiff Counsel's Representations. Plaintiff and Plaintiff's Counsel are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the Operative Complaint in this Action. Plaintiff and Plaintiff's Counsel will further represent that, other than the instant Action, they have no current intention of asserting any other claims against Defendant in any judicial or administrative forum. Plaintiff and Plaintiff's Counsel will further represent

1 that they do not currently know of or represent any persons who have expressed any interest in
2 pursuing litigation or seeking any recovery against Defendant. The Parties acknowledge,
3 understand and agree that the representations described in this paragraph are essential to the
4 Agreement and that this Agreement would not have been entered into were it not for this
5 representation.

6 81. Waiver. The waiver by one Party of any breach of this Agreement by another
7 Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

8 82. Parties' Authority. The signatories hereto represent that they are fully authorized
9 to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

10 83. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
11 accomplish the terms of this Agreement, including but not limited to, execution of such
12 documents and to take such other action as may reasonably be necessary to implement the terms
13 of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts
14 contemplated by this Agreement and any other efforts that may become necessary by order of the
15 Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as
16 practicable after execution of this Agreement, Class Counsel shall, with the assistance and
17 cooperation of Defendant and Defense Counsel, take all necessary steps to secure the Court's
18 preliminary and final approval of the Settlement, and the final entry of judgment.

19 84. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
20 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
21 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
22 cause of action or rights released and discharged by this Agreement.

23 85. No Admission. Defendant denies any and all liability to Plaintiff and/or any Class
24 Member and/or Aggrieved Employee in this Action, as to any and all causes of action that were
25 asserted or that might have been asserted in this Action. Nonetheless, Defendant wishes to settle
26 and compromise the matters at issue in the Complaint to avoid further substantial expense and
27 the inconvenience and distraction of protracted and burdensome litigation. Defendant have taken
28 into account the uncertainty and risks inherent in litigation, and without conceding any infirmity

1 in the defenses that they have asserted or could assert against Plaintiff, have determined that it is
2 desirable and beneficial that the Action's claims be settled in the manner and upon the terms and
3 conditions set forth in this Agreement.

4 86. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
5 Order, nothing contained herein, nor the consummation of this Agreement, is to be construed or
6 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
7 Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
8 Agreement with the intention of avoiding further disputes and litigation with the attendant
9 inconvenience and expenses. This Agreement is a settlement document, and it, along with all
10 related documents such as the notices, and motions for preliminary and final approval, shall,
11 pursuant to California Evidence Code § 1152 and/or Federal Rule of Evidence 408, be
12 inadmissible in evidence in any proceeding, except an action or proceeding to approve the
13 settlement, and/or interpret or enforce this Agreement. The stipulation for class certification as
14 part of this Agreement is for settlement purposes only and if, for any reason the settlement is not
15 approved, the stipulation will be of no force or effect.

16 87. No Publicity. The Parties will not publicize the Settlement or disclose it to third
17 parties prior to the Court granting preliminary approval, except as required or necessary to
18 effectuate its terms and comply with law. After the Final Approval Order, Class Counsel and
19 Plaintiff agree that they will not discuss the Settlement with the media, any settlement and
20 verdict reporting service, any social media postings or other Internet postings. Nothing herein
21 shall be construed to prevent Class Counsel from the public filing of motions or other case
22 materials in the Action related to seeking and obtaining Court approval of this Settlement and the
23 related awards of attorneys' fees and costs, or to communications with Class Members or their
24 representatives about this Settlement, or for the purpose of establishing adequacy or competency
25 in other actions, or to prevent the Parties or their representatives from communicating with
26 financial or legal advisors regarding the Settlement. In response to any media inquiry, Class
27 Counsel may state only that the Action has been settled on terms mutually agreeable to the
28 Parties.

88. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To the Class:

Brian J. Mankin
brian@lmlfirm.com
Lauby, Mankin & Lauby LLP
5198 Arlington Ave, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

To Defendant:

Aaron H. Cole
aaron.cole@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
400 South Hope Street, Suite 1200
Los Angeles, CA 90071
Tel: (213) 239-9800

89. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Agreement. Plaintiff and Defendant expressly waives the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

90. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

91. Modification. This Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement

Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

92. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and Plaintiff and Defendant may agree to seek the help of the mediator, Judge Walsh, to resolve any dispute they are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other proceeding instituted by any person or entity other than Plaintiff or Defendant.

93. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

94. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

95. Binding On Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

96. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Class are numerous, it is impossible or impractical to have each Class Member execute this Agreement. The Notice Packet will advise all Class Members of the binding nature of the release provided herein. The Agreement shall have the same force and effect as if this Agreement were executed by each Class Member.

97. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully

1 96. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
2 because the members of the Class are numerous, it is impossible or impractical to have each
3 Class Member execute this Agreement. The Notice Packet will advise all Class Members of the
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5 effect as if this Agreement were executed by each Class Member.

6 97. Counterparts. This Agreement may be executed in counterparts, and when each
7 Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an
8 original, and, when taken together with other signed counterparts, shall constitute one fully
9 signed Agreement, which shall be binding upon and effective as to all Parties. Electronic
10 signatures shall have the same force and effect as an original.

11 98. Invalidity of Any Provision. Before declaring any provision of this Agreement
12 invalid, the Parties request that the Court first attempt to construe the provisions valid to the
13 fullest extent possible consistent with applicable precedents, so as to define all provisions of this
14 Agreement valid and enforceable.

15 99. Severability. In the event that one or more of the provisions contained in this
16 Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such
17 invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense
18 Counsel and Class Counsel, on behalf of the Parties, the Class, and the Aggrieved Employees,
19 mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had
20 never been included in this Agreement.

21 Dated: Sep 12, 2025

PLAINTIFF AND CLASS REPRESENTATIVE



Jose Chavez (Sep 12, 2025 12:01:32 PDT)

Jose Chavez

25 Dated: _____

DEFENDANT EQUIPMENT DEPOT CALIFORNIA, INC.

By: Anthony Garcia
Title: President

signed Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

98. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable.

99. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties, the Class, and the Aggrieved Employees, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

Dated: _____ **PLAINTIFF AND CLASS REPRESENTATIVE**

Jose Chavez

Dated: 03-Sep-2025 **DEFENDANT EQUIPMENT DEPOT CALIFORNIA, INC.**

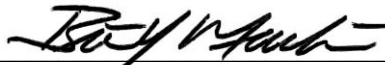
Signed by:

DE5078AF043047B...

By: Anthony Garcia
Title: President

APPROVED AS TO FORM:

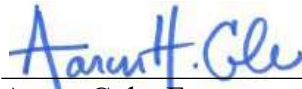
Dated: 9/12/2025 **CLASS COUNSEL**
LAUBY, MANKIN & LAUBY LLP



Brian J. Mankin, Esq.
Attorneys for Plaintiff

Dated: September 9, 2025

DEFENSE COUNSEL:
OGLETREE, DEAKINS, NASH, SMOAK & STEWART PC



Aaron Cole, Esq.
Attorneys for Defendant

EXHIBIT “B”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Jose Chavez v. Equipment Depot California, Inc.
(Riverside Superior Court, Case No. CVRI2403491)

***The Riverside Superior Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from a class action lawsuit (“Action”) filed by Plaintiff Jose Chavez against Defendant Equipment Depot California, Inc. (“Equipment Depot” or “Defendant”) for alleged violations of the California Labor Code. In the Action, Plaintiff pursues claims against Defendant and seeks payment of:

- (1) Unpaid wages, statutory damages and penalties, interest, and attorneys’ fees on behalf of the “Class Members” who are defined as “all current and former nonexempt employees employed by Defendant in California during the Class Period of June 21, 2020, through August 16, 2025.
- (2) Penalties under the California Private Attorneys General Act of 2004 (“PAGA”) for the “Aggrieved Employees” who are defined as “all current and former nonexempt employees employed by Defendant in California during the PAGA Period of June 20, 2023, through, August 16, 2025.” PAGA is a California law that allows employees to bring claims for civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and all Aggrieved Employees for alleged violations of the Labor Code, and any payment for PAGA penalties shall be paid 75% to the LWDA and 25% to all Aggrieved Employees as civil penalties (rather than wages).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the LWDA. Based on Defendant’s records, and the Parties’ current assumptions, your estimated Individual Class and PAGA Payments are shown in the charts below, along with the applicable data points from which these estimates are derived.

[CLASS MEMBER NAME] [ID/CONTROL NUMBER]

	Weeks Worked	Your Estimated Share
Class Member	INSERT (During Class Period)	\$INSERT (Individual Class Payment)
Aggrieved Employee	INSERT (During PAGA Period)	\$INSERT (Individual PAGA Payment)

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated for your Individual PAGA Payment then, according to Defendant’s records, you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.) Also, while the range of recovery will differ for Class Members, it is estimated that the average payment will be **\$XXXX**, the high payment will be **\$XXXX**, and the low payment will be **\$XXXX**. If you believe that you worked more weeks during the periods discussed above, you can submit a challenge by **DATE**, 2025 (“**Response Deadline**”). See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have a few options as shown in

the Chart below:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will be a “Participating Class Member” (<i>i.e.</i> , a Class Member that did not request exclusion from the Settlement) and will automatically receive a settlement payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described in Section 3 .
EXCLUDE YOURSELF	If you do not wish to participate in the settlement of the Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion Form by [REDACTED], 2025 (see Section 6 for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) <u>not</u> receive an Individual Class Payment, but you will preserve your right to pursue the Released Class Claims described below subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims. See Section 6 of this Notice.
OBJECT	If you decide to object to the settlement with respect to the Class Claims because you find it unfair or unreasonable, you must submit an Objection Form stating why you object to the settlement by [REDACTED], 2025 (see Section 7 for more details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED	If you believe the number of workweeks that you were credited with working in the chart above is incorrect, you may submit the enclosed Dispute Form with any supporting evidence to XX (the “Settlement Administrator”), a third party that is responsible for sending this Notice) (see Section 4 for more details on how to submit a Dispute Form). Defendant’s records will be presumed correct, but you may provide evidence to the Settlement Administrator showing how many Work Weeks you believe you should be credited.

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT’S NOT REQUIRED	
DATE: DATE , 2026 TIME: 8:30 A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. See Section 8 of this Notice.

1. WHAT IS THE ACTION ABOUT?

In the Action, Plaintiff alleged that Defendant violated California labor laws, including the alleged failure to pay proper minimum and overtime wages, failure to provide proper meal and rest breaks, failure to reimburse business expenses, failure to timely pay wages each period and upon separation of employment, and failure to provide accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the PAGA.

Defendant strongly denies violating any laws or failing to pay any wages. Defendant further contends that it complied with all applicable laws.

Both Parties are represented by attorneys in the Action. See Section 9 below for their contact information.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”), Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits, and has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at final hearing. The Court preliminarily approved the proposed Settlement, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$515,000.00 as the “Settlement Amount.” Defendant has agreed to pay a Gross Settlement Amount of \$515,000.00 (the “Settlement Amount”), and will deposit the Settlement Amount into an account controlled by Settlement Administrator. The Settlement Administrator will use the Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s Costs, and PAGA Penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Settlement Amount and then checks will be issued approximately 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to one-third of the Settlement Amount (\$171,666.66) to Class Counsel for attorneys’ fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$10,000 to the Class Representative as a Service Payment for litigating the Action, working with Class Counsel and representing the Class.

C. **\$XX** to the Settlement Administrator for services administering the Settlement.

D. Up to \$25,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their share of Weeks Worked during the PAGA Period.

E. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, approximately **\$XXXXX** will form the Net Settlement Amount which will be disbursed to the Participating Class Members by making Individual Class Payments to Participating Class Members based on the allocation described in Section 4.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve a tax allocation with (20%) as wages subject to withholding of all applicable local, state and federal taxes, and eighty percent (80%) for interest and statutory penalties (pursuant to, e.g., California Labor Code sections 203, 210, 226) from which no

Although Plaintiff and Defendant have agreed to this method of allocation, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out.

8. Settlement Administrator. The Court has appointed a neutral company, XX to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement Administrator will also decide any disputes over Weeks Worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator's contact information is contained in Section 9 of this Notice.

All Participating Class Members release the Released Parties (which includes Defendant, together with its officers, directors, employees and agents) from all class action claims that Plaintiff alleged against the Released Parties in the Operative Complaint, based solely upon the facts in the Operative Complaint, including: including all of the following claims for relief: (a) failure to pay or correctly pay/calculate all wages due (including minimum wages, overtime wages, time-and-a-half wages, double-time wages, sick pay, vacation pay, premiums wages, off the clock work, unpaid time, unpaid time due to rounding time, and all other forms of compensation); (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to reimburse business expenses, such as work tools and cellular phones; (e) waiting time penalties; (f) failure to provide complete, accurate or properly formatted wage statements; (g) failure to timely pay wages/waiting time penalties; (h) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (i) any other claims or penalties under the wage and hour laws pleaded in the Action; and (j) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The time period governing the Released Class Claims shall be the Class Period.

Page 4 of 7

Parties (which includes Defendant, together with its officers, directors, employees and agents) from all PAGA claims that Plaintiff alleged against the Released Parties, based on the facts stated in the Plaintiff's June 20, 2024, PAGA notice letter to the LWDA and only to the extent that they are alleged in the Consolidated Complaint, including all PAGA claims seeking civil penalties premised upon: a) failure to pay or correctly pay/calculate all wages due (including minimum wages, overtime wages, time-and-a-half wages, double-time wages, sick pay, vacation pay, premiums wages, off the clock work, unpaid time, unpaid time due to rounding time, and all other forms of compensation); (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to reimburse business expenses, such as work tools and cellular phones; (e) waiting time penalties; (f) failure to provide complete, accurate or properly formatted wage statements; (g) failure to timely pay wages/waiting time penalties; (h) failure to timely pay wages during employment/failure to pay wages at least two times per month; and (i) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the LWDA notice letter dated June 20, 2024 and the Operative Complaint. (The time period governing the PAGA Released Claims shall be the PAGA Period.

4. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, i.e., Class Members who do not opt out of the Settlement, during the Class Period, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period. The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the Individual Class Payment for each Participating Class Member according to the number of Weeks Worked, so that the amount actually distributed to Participating Class Members equals one hundred percent (100%) of the Net Settlement Amount.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing \$6,250 by the total number of Weeks Worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Weeks Worked by each individual Aggrieved Employee during the PAGA Period.

3. Disputing Weeks Worked. The number of weeks you worked during the Class Period and PAGA Period, as recorded in Defendant's records, are stated in the tables on page 1 of this Notice. You have until **DATE** ("Response Deadline") to dispute the number of Workweeks credited to you by mailing the enclosed Dispute Form to the Settlement Administrator. Section 9 of this Notice has the Settlement Administrator's contact information.

You need to support your dispute by sending copies of the applicable documents or other records. The Settlement Administrator will accept Defendant's calculation of Weeks Worked based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve challenges based on your submission and on input from Class Counsel and Defendant's Counsel. The Settlement Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and Aggrieved Employees. The Settlement Administrator will send, by U.S. mail, a single check to every Participating Class Member (which includes every Class Member who doesn't opt-out) and Aggrieved Employee. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible. Section 9 of this Notice has the Settlement Administrator's contact

information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. To opt-out, you must complete, sign, and mail the accompanying Request for Exclusion Form to the Settlement Administrator, postmarked on or before the Response Deadline (as a reminder, **the “Response Deadline” is DATE, 2025**). Any person who submits a timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, on the enclosed Objection Form and include any and all evidence and supporting papers. The Objection Form and any accompanying evidence and papers must be sent to the Settlement Administrator at the address listed in Section 9 on the Objection Form, **postmarked** on or before the Response Deadline. If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

8. WHEN IS THE FINAL APPROVAL HEARING?

On **INSERT DATE**, the Court will hold a public hearing in Department 1 of the Superior Court for the State of California, County of Riverside, 4050 Main St, Riverside, CA 92501, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel’s applications for attorneys’ fees and costs, whether to approve the payments to the LWDA, whether to approve Plaintiff’s request for the service award, whether to approve the Settlement Administrator’s fees, and whether to approve the Individual Class Payments and Individual PAGA Payments. This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the enclosed Request for Exclusion Form, Dispute Form, or Objection Form, or the Settlement itself, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Administrator for more information or to request that a copy of this Notice and request for Exclusion, Objection, and Dispute Forms be sent to you in the mail. If you wish to communicate directly with Class Counsel, you may contact them at the information below. You may also seek advice and guidance from your own private attorney at your own expense if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Brian J. Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on **INSERT DATE HERE** and available to be inspected at any time during regular business hours at the Clerk’s Office, Superior Court for the

State of California, County of Riverside, 4050 Main St, Riverside, CA 92501. You may also review the pleadings, records, and other papers on file in this lawsuit at the Clerk's Office or online at <https://epublic-access.riverside.courts.ca.gov/public-portal/>. To access the case file, click on "Case Number Search," then create a free online account, then type in the case number (CVRI2305511) where requested, and click "Search." You may also email Class Counsel and request a copy of the Settlement Agreement.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

The contact information for Class Counsel and the Settlement Administrator are below:

Class Counsel	Settlement Administrator
Brian Mankin, Esq. <i>brian@LMLfirm.com</i> Kristina Bui Carlson, Esq. <i>kristina@LMLfirm.com</i> Lauby Mankin Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444	Name Mailing Address Telephone Number

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.

EXHIBIT “C”

REQUEST FOR EXCLUSION FORM

Jose Chavez v. Equipment Depot California, Inc.
(Riverside Superior Court, Case No. CVRI2403491)

[NAME]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

DO YOU WANT TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND RECEIVE A SETTLEMENT CHECK? (check the box that applies)

☐

YES: STOP HERE -- DO NOT RETURN THIS FORM. NO FURTHER ACTION IS NEEDED TO PARTICIPATE IN THE SETTLEMENT.

☐

NO: SIGN, DATE AND RETURN THIS FORM TO EXCLUDE YOURSELF FROM THE SETTLEMENT.

By signing below, I am excluding myself from the Class Action Settlement:

I do NOT want to participate in the class action portion of the Settlement in *Chavez v. Equipment Depot California, Inc.*, (Riverside Superior Court Case No. CVRI24034911). I understand by excluding myself that I will no longer be a Class Member, and I will not receive an Individual Class Payment. I further understand that I cannot opt-out of the PAGA portion of the Settlement, and that if I qualify as an Aggrieved Employee (see first page of the Notice), I will receive an Individual PAGA Payment and give up my rights to pursue the Released PAGA Claims even if I exclude myself from the class action portion of the Settlement.

Signed on _____, 2025

[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

Settlement Administrator:

Name

Mailing Address

Telephone Number

EXHIBIT “D”

OBJECTION FORM

Jose Chavez v. Equipment Depot California, Inc.
(Riverside Superior Court, Case No. CVRI2403491)

Please verify and/or complete any missing identifying information:

[NAME]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

DO YOU OBJECT TO THE CLASS ACTION SETTLEMENT? (check the box that applies)

☐

NO: STOP HERE -- DO NOT RETURN THIS FORM

☐

YES: COMPLETE THE REVERSE SIDE AND RETURN THIS FORM

I OBJECT to the class action portion of the Settlement in the case of *Chavez v. Equipment Depot California, Inc.*, (Riverside Superior Court Case No. CVRI24034911) on the following grounds (if additional space is necessary, please include additional sheets of paper):

[NAME]

Name
Mailing Address
Telephone Number

EXHIBIT “E”

DISPUTE FORM

Jose Chavez v. Equipment Depot California, Inc.
(Riverside Superior Court, Case No. CVRI2403491)

Please verify and/or complete any missing identifying information:

[NAME]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

The following charts are based on the records of Defendant Equipment Depot California, Inc. (“Defendant”), and reflect the number of weeks that you performed work for Defendant during the applicable periods:

<i>Data Points for Calculations of Individual Class Payment</i>	
Weeks Worked from 6/21/20 to 8/16/25	INSERT

<i>Data Points for Calculations of Individual PAGA Payment</i>	
Weeks Worked from 6/20/23 to 8/16/25	INSERT

DO YOU DISAGREE WITH THE INFORMATION ABOVE AND WANT THE PARTIES AND ADMINISTRATOR TO INVESTIGATE FURTHER?

☐

NO: STOP HERE -- *DO NOT RETURN THIS FORM.*

☐

YES: COMPLETE THE REVERSE SIDE AND RETURN THIS FORM.

Please state why you believe that you should be credited with more Weeks Worked than shown in the chart and attach copies (not originals) of supporting documentation. The Parties and Settlement Administrator will consider your challenge and make a determination as to these issues.

Questions? Please call the Settlement Administrator at:

Signed on _____, 2025 [NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

<u>Settlement Administrator:</u>
Name Mailing Address Telephone Number

EXHIBIT “F”



June 20, 2024

Submitted Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

Equipment Depot California, Inc.
12393 Slauson Ave.
Whittier, CA 90606

Clinton McNair
12393 Slauson Ave.
Whittier, CA 90606

Brett M. Carson
12393 Slauson Ave.
Whittier, CA 90606

Anthony Garcia
12393 Slauson Ave.
Whittier, CA 90606

Re: PAGA Civil Penalty Claim
Jose Chavez v. Equipment Depot California, Inc., et al.

To the Labor and Workforce Development Agency, Equipment Depot California, Inc., Mr. Clinton McNair, Mr. Brett Carson, and Mr. Anthony Gacia, and all affiliated entities:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Joel Arellano (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against his former employer(s), Equipment Depot California, Inc. and/or any affiliated entities (“Equipment Depot”), as well as its owners, Clinton McNair, Brett Carson, and Anthony Garcia, and others (the “Owners”) (collectively, the “Company”), for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, and 1199, among possibly other sections inadvertently omitted, and/or sections of the applicable IWC Wage Order(s).

FACTUAL BACKGROUND

Claimant was employed by the Company from approximately March 2023 through June 2024. Claimant alleges that, at all relevant times, he and all other non-exempt employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations that Claimant was subjected during his employment.

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For instance, at all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum and overtime wages due to the Company's failure to accurately record and compensate for all hours worked. As one such example, the Company frequently required Claimant to clock out for meal periods but continue performing work for the Company. This resulted in a failure to pay minimum/regular wages (since Claimant was not paid at all for those 30 minutes), as well as a failure to pay overtime wages (since those 30 minutes were in excess of 8 hours and had to be paid at the proper overtime rate). Additionally, the hours worked by Claimant and the Aggrieved Employees was recorded on an electronic timekeeping system which accurately recorded all hours worked. However, after the Aggrieved Employees submitted their actual time worked, the Company would frequently have the timekeeping entries edited, thus illegally reducing the hours paid to the Aggrieved Employees (e.g., Claimant submitted 8.1 hours worked but the Company edited and reduced the time entry to only 8.0 hours). See *Morillion v. Royal Packing Co.* (2000) 22 Cal. 4th 575 (employees must be paid for all time that the employer either knew, or reasonably should have known, that its employees are subject to its control or otherwise working). Finally, the Company failed to pay Claimant and the Aggrieved Employees for compensable time spent under the direction and control of the Company. As a result, the Company failed to pay Claimant and the Aggrieved Employees for all hours worked, including minimum and overtime wages for all hours worked in excess of 8 and/or 12 per day and/or 40 per week.

Additionally, at all relevant times, Claimant was compensated on an hourly basis and was also was entitled to and did receive additional nondiscretionary compensation (such as bonuses or incentives). However, on the occasions when Claimant worked in excess of 8 and/or 12 hours per day and/or 40 hours per week and received additional earned compensation during the workweek, the Company failed to properly include these amounts in the calculations for Claimant's regular rate of pay. Therefore, the Company failed to pay proper overtime wages for the hours worked in excess of 8 and/or 12 per day and/or 40 per week.

Claimant was also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company's policies and practices, as well as the hectic and demanding workload, Claimant was subjected to meal period violations when he was: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company (such as while driving), (3) forced to take a shortened meal period, (4) forced to take a meal period after the 5th hour of work, and (5) not provided a mandated second meal period for shifts in excess of 10 hours.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant's rest breaks, Claimant was unable to leave the premises for breaks, and Claimant was often not authorized and/or permitted to take mandated rest breaks due to the lack of adequate staffing and coverage and being overwhelmed by the hectic workload. Furthermore, on occasions when Claimant worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

The Company also failed to comply with the mandates of Labor Code §§ 204 and 210 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, as well as meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201–203 regarding timing of payment of final wages and failed to pay all wages due and owing upon separation of employment including minimum wages, overtime, and vacation wages. Finally, during his employment with the Company, Claimant received inaccurate and incomplete wage statements that failed

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to accurately state all necessary items required under Labor Code § 226(a). As one specific example, the Company's wage statements violated Labor Code § 226(a)(9) each period where the Company paid Claimant and the Aggrieved Employees "Double Time" because, on such occasions, the wage statements failed to accurately itemize the double time rate(s) of pay.

Claimant alleges that he worked under the joint direction and control of the entities listed herein and their Owners and is informed and believes that each of them acted in all respects pertinent to this action as the agent of the others, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that the entities listed herein and the Owners acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, the entities listed herein and their Owners are an integrated enterprise and should be treated as a single employer because the entities and their Owners share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Upon information and belief, the entities listed herein and their Owners share common management, a centralized control of labor operations, and common ownership or financial control.

Furthermore, Claimant alleges that the Owners are now and at all relevant times were the owners of the entities listed herein and were Claimant's and the Aggrieved Employees' actual employer or, in the alternative, were individuals employed by the Company as managerial and/or supervisory employees and/or agents. In addition, Claimant alleges that at all relevant times the Owners had the authority, in the interest of the entities listed herein to exercise independent judgment to hire, transfer, promote, discharge, assign, discipline, or take other similar actions against Claimant and the Aggrieved Employees, and were in Claimant's chain of command at the time of and direct participants in the wrongful conduct which constitutes the basis of Claimant's complaint herein. Claimant also alleges that the entities listed herein and the Owners are the agents, servants, employees, partners, affiliates, and/or representatives of each other, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each other. Furthermore, in conducting themselves in the manner described herein, the entities listed herein and the Owners were acting in active concert with on another such that the acts of each were fully attributable to the other in all material respects.

Claimant also alleges the entities listed herein and the Owners were merely the alter-ego of the others in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and each exercised undue dominance, control, influence, and management over the others. Claimant further alleges that, at all relevant times, the entities listed herein have been inadequately capitalized to conduct business, have failed to follow appropriate corporate formalities, and have simply been a shell and instrumentality through which the Owners have conducted their personal affairs. Adherence to the fiction of the separate existence of the entities listed herein would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice. Accordingly, the corporate veil should be pierced, and any liability attached to the entities listed herein should be imposed jointly and severally against the Owners.

Finally, in an additional separate, but not necessarily mutually exclusive, alternative theory of liability, the Owners are liable for PAGA civil penalties under Labor Code § 558 as "other person(s)" who caused the violations regarding minimum wage among other claims. See *Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809, 820 ("if there is evidence and a finding that a party other than the employer 'violates, or causes to be violated' the overtime laws (§ 558(a)) or 'pays or causes to be paid to any employee' less than

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minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer”); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (same)

As a result of these violations, and others described below, Claimant alleges that he and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 210, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimant and the Aggrieved Employees due to the Company’s failure to accurately record and compensate for all hours worked and the failure to pay overtime and/or properly calculate the regular rate of pay for Claimant and other Aggrieved Employees. This resulted in earned, but unpaid, wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimants and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, overtime, and/or doubletime wages.

Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ...” Labor Code § 512(a) states in pertinent part: “[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.”

Section 12 of applicable IWC Wage Order states in pertinent part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.”

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company’s policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee’s regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558

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imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

FAILURE TO PAY VESTED VACATION UPON SEPARATION OF EMPLOYMENT

(Labor Code § 227.3)

Pursuant to Labor Code § 227.3, an employer that has implemented a paid vacation, paid time off, or compensated time off policy must, upon an employee's separation from employment, pay to the employee all vested but unused vacation and/or paid time off at her final rate of pay. However, as alleged herein, the Company failed to pay all accrued and unused vacation upon termination. And the Company also only paid vested vacation upon separation at the base rate of pay rather than at the required final rate, leading to a violation on each such occasion. As a result of these violations, penalties may be assessed pursuant to Labor Code § 2699.

FAILURE TO PAY SICK TIME AT PROPER RATE OF PAY

(Labor Code § 246)

Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be "calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek." Additionally, Labor Code § 246(l)(2) states that the paid sick time must be "calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

Here, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional earned compensation. However, on the occasions that the Aggrieved Employees took sick time and received paid sick leave, the Company only paid sick time at the base rate of pay, not factoring in the additional compensation as required by Labor Code §§ 246(l)(1-2). As such, penalties may be assessed pursuant to Labor Code § 2699.

**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1, 208, 210, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states "[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period."

As a result of the Company's practice of paying Claimant and the Aggrieved Employees more than seven calendar days following the close of a payroll period, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated

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by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 203, 210, 256, and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code § 202(a) states in pertinent part “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours’ previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Labor Code § 203(a) states “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.”

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code § 203.) Labor Code § 2699 also imposes a penalty.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**

(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee’s name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all times pertinent hereto, the Company failed to provide accurate itemized wage statements to Claimants and all Aggrieved Employees due to violations including: failure to accurately state total hours worked (the wage statements failed to accurately reflect total compensable hours due to the illegal auto-deduct practice); failure to accurately state gross wages earned; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state the applicable hourly rates; and failure to accurately state the corresponding number of hours worked at each hourly rate. Furthermore, the Company’s wage statements violated Labor Code § 226(a)(9) each period where the Company paid Claimant and the Aggrieved Employees “Double Time” because, on such occasions, the wage statements failed to accurately itemize the double time rate(s) of pay. Accordingly, Claimants are entitled to damages under Labor Code § 226(e), including reasonable attorneys’ fees. Labor Code §§ 226.3 and 2699 also impose a civil penalty and/or assessment for these violations.

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PAGA ASSESSMENT FOR FAILURE TO MAINTAIN EMPLOYMENT RECORDS

(Labor Code §§ 1174, 1174.5, 1198, and § 7 of the IWC Wage Orders)

Labor Code § 1174(d), and § 7 of the IWC Wage Orders require employers to maintain accurate employment records, including accurate payroll records showing the total number of regular and overtime hours worked each day by employees, including meal periods, and the gross wages earned by the employee, including all applicable pay rates and the corresponding number of hours worked at each pay rate, among other requirements.

Here, the Company failed to maintain accurate employment records as mandated by California law. Therefore, in addition to recovering the amount of attorneys' fees and cost incurred herein, Claimant is entitled to the assessment of civil penalties in accordance with Labor Code §§ 1174(d), 1174.5, and 2699.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS' FEES, INTEREST, AND PENALTIES

(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimants seek the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimants is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment and/or other employees of the Company, he reserves the right to add new claims by supplementing this notice letter.

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Re: Jose Chavez v. Equipment Depot California, Inc., et al.

June 20, 2024

Page 8

Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Very Truly Yours,

A handwritten signature in black ink that reads "Kristina Bui Carlson". The signature is fluid and cursive, with the first name "Kristina" and last name "Carlson" being more prominent than the middle name "Bui".

By: Kristina Bui Carlson, Esq.

E-mail: kristina@lmlfirm.com

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EXHIBIT “G”