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Attorneys for Plaintiffs,
Luis Corrales, Jennifer Galvan, and Bianca Espinoza,
individually, and on behalf of all others similarly situated

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CRUZ

LUIS CORRALES, JENNIFER GALVAN, and BIANCA ESPINOZA, individually, and on behalf of all others similarly situated,

Plaintiff,

v.

BELLOWS PLUMBING, HEATING & AIR, INC., a California corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. 25CV04013

DECLARATION OF B. JAMES FITZPATRICK IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Date: November 30, 2026
Time: 8:30 a.m.
Dept.: 5

I, B. James Fitzpatrick, declare as follows:

1. I am an attorney duly admitted to practice in the State of California and am the owner of the law firm of Fitzpatrick & Swanston, counsel of record for Plaintiffs Luis Corrales, Jennifer Galvan, and Bianca Espinoza ("Plaintiffs"). I have personal knowledge of the facts set forth below, and if called to testify, I could and would do so competently.

2. Based on their own independent investigation and evaluation, the Parties and their respective counsel are of the opinion that settlement for the consideration and on the terms set forth in the Joint Stipulation of Class Action and PAGA Settlement and Release of Claims ("Settlement Agreement") is fair, reasonable, and adequate and is in the best interests of the Class and Defendant in light of all known facts and circumstances and the expenses and risks inherent in litigation. Attached hereto as **Exhibit 1** is a true and correct copy of the Joint Stipulation of Class Action and PAGA Settlement and Release of Claims.

3. I have spent significant time researching and pursuing the claims that have been alleged in this action. From the inception of the case, Class Counsel have zealously represented the interests of the Class. Class Counsel have engaged in significant meet and confer discussions with opposing counsel to obtain informal data and documents and to discuss the merits of the claims on behalf of the Class. This settlement was obtained for the benefit of the Class, as opposed to the individual Class Representative. Based on my review of all the documents and information, and based on my experience in class action litigation, I believe this settlement to be fair, adequate, and reasonable.

4. **Procedural History:** On November 13, 2024, Plaintiff Jennifer Galvan filed a Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code §§ 2698, Et Seq. ("PAGA Complaint") in the action entitled Jennifer Galvan v. Bellows Plumbing, Heating & Air, Inc., et al., Santa Cruz County Superior Court Case No. 25CV00480, thereby commencing a representative PAGA action against Defendant ("PAGA Action"). The PAGA Complaint alleges a single cause of action for civil penalties under PAGA based on the same California Labor Code violations alleged in the Class Action Complaint.

5. On February 10, 2025, Plaintiff Jennifer Galvan filed a class, representative, and individual action against defendants Bellows Plumbing, Heating & Air, Inc. and David Michael Murrow in the Superior Court of the State of California, County of Santa Cruz ("Galvan Action"). Ms. Galvan's complaint alleged class action claims for: (1) failure to provide meal periods or compensation in lieu thereof in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (2) failure to provide rest periods or compensation in lieu thereof in violation of Labor Code §§ 226.7 and 1198 and the applicable IWC Wage Orders; (3) failure to pay hourly and overtime wages in violation of Labor Code §§ 1194 and 1998 and the applicable IWC Wage Orders; (4) failure to comply with itemized employee wage statement requirements in violation of Labor Code §§ 226, 1174, and 1175 and the applicable IWC Wage Orders; (5) failure to pay all wages upon termination in violation of Labor Code §§ 201-203 and the applicable IWC Wage Orders; (6) failure to reimburse business expenses in violation of Labor Code § 2802; and (7) unfair business practices in violation of Business and Professions Code § 17200, et seq. and common law. Ms. Galvan's complaint also asserted a cause of action for violation of the PAGA, Labor Code § 2698, et seq., for penalties predicated on the underlying Labor Code violations. Finally, the complaint alleged individual claims for: (1) sexual harassment in violation of the FEHA; (2) sex discrimination in violation of the FEHA; (3) failure to investigate and prevent harassment and discrimination in violation of the FEHA; (4) intentional infliction of emotional distress; (5) negligent infliction of emotional distress; (6) retaliation in violation of the FEHA; (7) retaliation in violation of Labor Code § 1102.5; and (8) wrongful termination in violation of public policy.

6. On November 6, 2025, Plaintiff Luis Corrales lodged a notice with the Labor and Workforce Development Agency ("LWDA") by online submission and to Defendant by U.S. Certified Mail on November 6, 2025, pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code alleged to have been violated by Defendant. The claims alleged in the PAGA Letter are based on the same California Labor Code violations alleged in the Actions outlined above, with the addition of the following

causes of action: (1) Failure to Provide Recovery Period, pursuant to California Labor Code Section 226.7 and California Code of Regulations, Title 8, Section 3395; (2) Failure to Provide Sick Leave, pursuant to California Labor Code Sections 245 and 246; (3) Failure to Implement a Workplace Violence Prevention Policy, pursuant to California Labor Code Sections 6401.7 and 6401.9; and (4) Failure to Implement an Indoor Heat Prevention Policy. Furthermore, Plaintiff Luis Corrales' PAGA Claims are related to the cases entitled: Jennifer Galvan v. Bellows Plumbing, Heating & Air, Inc., et al., Santa Cruz County Superior Court Case No. 25CV00480 and Luis Corrales v. Bellows Plumbing, Heating & Air, Inc., et al., Santa Cruz County Superior Court Case No. 25CV04013, filed on December 15, 2025.

7. On December 15, 2025, Plaintiff Luis Corrales filed a class action complaint against Defendant Bellows Plumbing, Heating & Air, Inc. in the Superior Court of the State of California, County of Santa Cruz ("Corrales Action"). Mr. Corrales' complaint alleged class action claims for: (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194 and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; and (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, et seq.

8. On February 19, 2026, The Parties participated in mediation with Hon. Brian Walsh (Ret.) ("Mediator"), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator's evaluations, the Parties reached the settlement that is memorialized herein. The Parties' settlement discussions were conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on Class Counsel's investigation and evaluation, Class Counsel believes 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, State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

9. As a condition of settlement, the Parties agreed to the filing of an amended complaint to consolidate the claims of the Galvan Action and Corrales Action and to seek settlement approval in the Corrales Action.

10. On June 22, 2026, Plaintiffs filed a First Amended Complaint ("FAC") in the Corrales Action, which is the operative complaint ("Operative Complaint"). The Operative Complaint adds Jennifer Galvan and Bianca Espinoza as additional named plaintiffs and consolidates the claims of the Galvan Action and Corrales Action with the exception of Galvan and Espinoza's individual non-wage and hour claims, which were preserved and subject to separate confidential settlement agreements. Specifically, the Operative Complaint alleges the following claims for: (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194

and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, et seq.; and (12) violation of the PAGA, Labor Code § 2698, et seq.

11. After thorough investigation and evaluation of the facts and claims at issue, and arm's length negotiations facilitated by the mediator, the Parties reached a global settlement of the Action.

12. **The Operative Complaint:** Plaintiffs' class and PAGA claims as pled in the operative Complaint are predicated upon the following allegations. With respect to the failure to pay wages claim, Plaintiffs contend that Defendant failed to properly calculate and pay all wages owed to employees. Specifically, Plaintiffs contend that Defendant failed to include nondiscretionary compensation, including commissions and SPIFF wages, in employees' regular rates of pay for purposes of calculating overtime wages, meal and rest period premiums, and sick pay.

13. With respect to the meal and rest period claims, Plaintiffs contend that Defendant failed to provide employees with timely, duty-free meal and rest periods, including second meal periods for shifts exceeding ten hours. Plaintiffs further contend that Defendant failed to pay all required meal and rest period premiums and, when premiums were paid, failed to calculate those premiums at the proper regular rate of pay.

14. With respect to the business expense reimbursement claim, Plaintiffs contend that Defendant required employees to use their personal cellular phones for work-related purposes without reimbursement. For example, employees working in the field were required

to use their personal cellular phones to access Defendant's Paylocity application to track their hours worked.

15. With respect to the wage statement claims, Plaintiffs contend that Defendant issued inaccurate wage statements as a result of its failure to properly calculate and pay all wages and premiums owed, including overtime wages, sick pay, and meal and rest period premiums at the proper regular rate of pay. Plaintiffs further contend that Defendant is liable for derivative wage statement penalties arising from these underlying violations.

16. Plaintiffs further contend that Defendant failed to timely pay all wages owed to former employees upon separation, including unpaid meal and rest period premiums, overtime wages, and sick pay, thereby giving rise to waiting time penalties.

17. Plaintiffs also alleged that Defendant failed to implement indoor and outdoor heat illness prevention policies, resulting in additional penalties under the PAGA.

18. As a result of the alleged violations above, Plaintiffs seek unpaid wages and premiums, unreimbursed business expenses, statutory and civil penalties, including wage statement and waiting time penalties, PAGA penalties, attorneys' fees, costs, and all other relief available under California law.

19. Defendant has at all times denied Plaintiffs' allegations and has asserted factual and legal defenses to the above claims, including that Defendant maintained procedures that comply with California law, that individualized issues predominate, and that trial on a class or representative basis would be unmanageable.

20. **The Settlement is Fair, Reasonable & Adequate:** Prior to the mediation, Plaintiff engaged in formal and informal discovery. Plaintiff was provided with data pertaining to putative class members during the relevant class period, as well as a sample of time and payroll records. From this data, Plaintiff was able to investigate the claims asserted and conduct an exposure analysis that informed Plaintiffs' position at the mediation. Plaintiff analyzed the sample time and payroll records and extrapolated.

21. Based on the data provided by Defendant, Plaintiff analyzed Defendant's potential exposure, as adjusted for risk, as follows:

- Meal/Rest Period Premiums: $719,086.20 (low end) to approximately $2.8 million (high end), based on approximately 91,896 shifts qualifying for a meal or rest period, a blended average hourly rate of $31.30, and estimated violation rates ranging from 25% to 100%.
- Recovery Period Premiums: $719,086.20 to approximately $2.8 million, using the same assumptions as the meal/rest period premium calculation.
- Underpaid Overtime and Sick Pay: Estimated to be in the mid to high five figures. Plaintiffs contend Defendant failed to include nondiscretionary compensation in the regular rate of pay used to calculate overtime and sick pay; however, as discussed below, the bulk of the exposure on these claims is associated with the waiting time and/or wage statement penalties that follow.
- Unreimbursed Business Expenses: $199,060.00, assuming $10 per workweek.
- Wage Statement Penalties: $573,400.00, based on 5,827 pay periods at $100 per pay period, less $50 for 186 employees. The calculation does not factor in the $4,000 cap, which could further reduce the exposure.
- Gross Waiting Time Penalties: $1,277,040.00, based on 170 former employees, 8 hours per day, 30 days, and an average hourly rate of $31.30.
  - (Subset of Gross) Sick Pay Theory Waiting Time Penalties: $262,920.00 35 former ees x 8 hours x 30 days x $31.30 per hour
  - (Subset of Gross) Overtime Regular Rate Theory Waiting Time Penalties: $22,536.00 3 former ees x 8 hours x 30
- PAGA Penalties: $582,700.00, based on $100 per pay period and assuming no stacking of penalties for different violations.
  - (Stacking) Failure to Implement Indoor and Outdoor Heat Illness Policy: $582,700.00 ($100.00 per pay period)
  - (Stacking) Workplace Violence Prevention Policy: $582,700.00 ($100.00 per pay period)

22. While the total theoretical exposure of Plaintiffs' class and PAGA claims based on the above amounts ranges between approximately $7.36 million on the high end and approximately $4.12 million on the lower end, this analysis does not take into account Defendant's arguments to liability and to class certification as further explained below.

23. Most importantly, Defendant contends that arbitration agreements applicable to putative class members may limit the scope of the putative class and Defendant's potential class-wide exposure. Plaintiffs maintain that there are substantial arguments against enforcement of those arbitration agreements, including that Defendant implemented the

agreements during the pendency of this litigation without adequately informing putative class members of the pending action or the potential effect of the agreements on their rights. Nevertheless, the potential enforcement of the arbitration agreements presents a litigation risk that must be taken into account when evaluating the potential recovery in this action. If Defendant were successful in this defense, the total exposure would be limited to the PAGA theories of liability thus drastically reducing the potential exposure.

24. Defendant also has raised legal and factual defenses that present risks to Plaintiffs' prevailing on their theories of liability. Plaintiffs assert that Defendant failed to properly calculate the regular rate of pay by failing to include nondiscretionary compensation, including commissions and SPIFF wages, for purposes of calculating overtime wages, meal and rest period premiums, and sick pay. However, Defendant maintained it properly calculated the regular rate of pay.

25. With respect to Plaintiff's claim under the PAGA, Plaintiff estimated that Defendant could face civil penalties of at least $582,700.00 (based on an estimated 5,827 pay periods at issue during the PAGA Period).

26. Although Plaintiffs believe in the merits of the alleged claims and maintain that there is no reason for reducing PAGA penalties, Plaintiffs are aware that Defendant has raised defenses to the claims and further with respect to the reduction of PAGA penalties and that those defenses could persuade the Court. Thus, even if Plaintiffs were to successfully prove their claims at trial, there is a possibility that the Court may only award a small percentage of PAGA penalties, as the Court has discretion to do so. The Gross Settlement Amount was premised with this risk in mind, associated with the possibility of the Court significantly reducing PAGA penalties.

27. Here, based on the above, the total amount of class and PAGA penalties amount to between approximately $4.12 million and $7.36 million. However, this maximum exposure likely overstates the realistic chances of recovery for the reasons detailed above. For example, if Defendant succeeded in enforcing the arbitration agreements, the total exposure would be closer to $500,000 for the PAGA claim alone if no stacking were permitted and

without considering the Court's inherent authority to reduce PAGA damages. The Gross Settlement Amount is $400,000.00, which ranges between approximately 5-10% of the class and PAGA penalties; if, however, the Court enforced the arbitration agreements then the settlement is a whopping 68% of the potential recovery ($400,000 / $582,700 (PAGA Exposure)). Thus, the settlement was negotiated at arm's length and the settlement percentage-to-recovery further supports that the settlement is fair and reasonable.

28. **Settlement Terms:** The Settlement Agreement provides for $400,000.00 as the Gross Settlement Amount. SAR ¶ 16. The Net Settlement Amount [calculated after deduction of attorneys' fees (up to $133,333.34 and costs up to $20,000.00, Service Award to each Plaintiff (up to $10,000.00 each, totaling $30,000.00), payment of PAGA penalties ($40,000.00), and settlement administration costs (up to $7,750.00)] is estimated to be approximately $168,916.66. SAR ¶¶ 5, 13, 22, 32.

29. Pursuant to the Settlement Agreement, the Net Settlement Amount will be apportioned among the Class Members on a pro rata basis, based on the number of Workweeks worked by each Class Member during the Class Period, as compared to the total number of Workweeks worked by all Class Members during the Class Period. SAR ¶¶ 19, 56.

30. Based thereon, on a raw average, each Class Member may recover approximately $596.88 ($168,916.66 ÷ 283 Class Members). Based on the number of Workweeks, the per Workweek value of the Net Settlement Amount is approximately $8.49 ($168,916.66 ÷ 19,906 Workweeks), whereas the per Workweek value of the Gross Settlement Amount is approximately $20.09 ($400,000.00 ÷ 19,906 Workweeks).

31. Additionally, as part of the payment of PAGA penalties, 35% of the PAGA Penalties Fund, or $14,000.00, shall be paid to PAGA Members on a pro rata basis, based on the number of pay periods worked by each PAGA Member during the PAGA Period as compared to the total number of pay periods worked by all PAGA Members during the PAGA Period. Based thereon, on a raw average, each Aggrieved Employee may recover approximately $76.09 ($14000 ÷ 184 Aggrieved Employees). SAR ¶ 22.

32. **Uncashed Checks:** Finally, any Individual Settlement Payment Check and Individual PAGA Payment check will be valid and shall be negotiable until one hundred eighty (180) calendar days after mailing to Participating Class Members and Aggrieved Employees. Those funds represented by settlement checks returned as undeliverable and the funds which correspond with the settlement checks that are not negotiated within one hundred eighty (180) calendar days after mailing, shall be transmitted to the California Controller's Unclaimed Property Fund in the names of the Settlement Class Member and/or Aggrieved Employee to which the funds relate. SAR ¶ 59.

33. **Attorneys' Fees & Costs:** Here, the Parties have agreed to payment of attorneys' fees of one-third of the Gross Settlement Amount, equal to $133,333.34, and costs up to $20,000.00 for reimbursement of actual litigation costs, subject to Court approval. SAR ¶ 5. The Parties have agreed to a payment of the foregoing attorneys' fees and, thus, this payment should be presumed to be fair.

34. **Service Awards:** Plaintiffs and Class Representatives request a modest enhancement of $10,000.00. SAR ¶ 13. The Class Representatives met and conferred with Class Counsel on a number of occasions to discuss the case, provided documents and information to Class Counsel, and reviewed the pleadings and the Settlement Agreement. As part of their duties as Class Representatives, Plaintiffs provided invaluable information, evidence, and documents that resulted in this settlement.

35. **Administration Costs:** The Parties have agreed to an estimated payment of $7,750.00 to the Settlement Administrator, Phoenix Settlement Administrators, to send notices and to administer this settlement. SAR ¶ 31. Phoenix is a well-recognized class action settlement administrator. The Parties believe that the administration fee is reasonable and should be approved. Based on the bid provided by the proposed administrator, the estimated cost per class member for administration is approximately $27.39 ($7,750.00/ 283 class members), which is reasonable based on the experience of class counsel.

36. **Attorney Qualification:** I am one of the primary attorneys on this matter. My qualifications are as follows: I received my bachelor's degree from the University of

California, Santa Barbara, and my Juris Doctor degree from the University of Santa Clara School of Law. I have practiced law since 1987. The primary emphasis of my practice is employment litigation. I have represented both employers and employees. Over 20 years ago, my office commenced handling plaintiff class action wage and hour cases. Since then, my office has handled hundreds of wage and hour cases to conclusion and has been class counsel and/or co-counsel in over 100 class actions. My firm currently has wage and hour cases in Alameda County Superior Court, Monterey County Superior Court, Nevada County Superior Court, Santa Clara Superior Court, San Benito Superior Court, San Bernardino County Superior Court, San Joaquin County Superior Court, Santa Cruz Superior Court, Ventura County Superior Court, and the United States District Courts for the Eastern and Northern Districts of California.

37. **Absence of Conflicts:** I do not have a conflict of interest with Plaintiff or the Class Members. My co-counsel and I will adequately represent the Class Members in this action. Co-Counsel and I have and will zealously represent Plaintiff and the Class and pursue this lawsuit to its conclusion.

38. **Notice of the LWDA:** As required by California Labor Code § 2699(s)(2), the proposed settlement has been submitted to the Labor and Workforce Development. Attached hereto as **Exhibit 2** is a true and correct copy of the LWDA submission confirmation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and if called as a witness I could and would competently testify to each of the matters stated herein, and I state that these matters are based upon my own personal knowledge acquired through first-hand observation, except where stated otherwise. This declaration was executed by me on November 3, 2026, in Salinas, California.

B. James Fitzpatrick