JEFFERY C. LONG – State Bar # 226618
ANTWANE H. MACE – State Bar # 314793
LEVANGIE LONG LOORZ
2969 Prospect Park Drive, Suite 125
Rancho Cordova, CA 95670
Tel: (916) 443-4849
Fax: (916) 443-4855
Email: jeffery.long@llg-law.com;
antwane.mace@llg-law.com

Attorneys for Defendant
THE PETALUMA PEOPLE SERVICES CENTER

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SONOMA

LATASHA MARIE KNIGHTEN AND MEGAN KATHLEEN BERGER, individually, and on behalf of all others similarly situated.

Plaintiffs,

v.

THE PETALUMA PEOPLE SERVICES CENTER, a California non-profit corporation; and DOES 1 through 100, inclusive,

Defendants.

CASE NO. 24CV04614

DECLARATION OF ABBIE WALTHER, IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL

I, Abbie Walther, declare as follows:

1. I make this declaration in support of the Motion for Preliminary Approval filed by Plaintiffs Latasha Knighten and Megan Berger, and if called as a witness, I would testify truthfully and competently based on my own knowledge about the facts and opinions set forth in this declaration.

2. The Petaluma People Services Center, Inc. ("Defendant" or "PPSC") is a nonprofit public benefit corporation providing community services and programs to people in Southern Sonoma County and in the Greater Petaluma area.

3. I currently serve as the President of PPSC's board of directors, which is a position I have held since May 20, 2025. In that capacity, I possess knowledge of, and familiarity with

the restrictions imposed on PPSC's endowment fund, which are codified in PPSC's Investment Policy Statement, a copy of which is attached hereto as Exhibit "A".

4. The wage and hour claims alleged against PPSC in this action are not covered by any insurance policy. As such, PPSC is solely responsible for funding any damages awarded or settlement reached in this matter.

5. The parties participated in mediation on September 5, 2025, and reached an agreement to settle this matter for $225,000.

6. Due to the restrictions on its endowment fund, the most that PPSC can contribute to settle this lawsuit at this time is $225,000.

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Executed this 6 day of July, 2026, at Petaluma, California.

Abbie Walther
Abbie Walther (Jul 6, 2026 12:27:22 PDT)
ABBIE WALTHER
Declarant

EXHIBIT A

PPSC
Endowment Fund
Reserve Fund

Investment Policy Statement

Revised 7 1 2016

investment policy statement

BACKGROUND

Mission Statement:

Petaluma People Services Center was created in 1974. PPSC is broadly based, nonprofit 501 (c) (3) community organization whose purpose is exclusively human services and charitable. PPSC secures and distributes contributions from individuals, corporations and foundations for the benefit of all participants in it human services programs. PPSC is dedicated to improving the social and economic health of our community by providing programs that strengthen the dignity and self-sufficiency of the individual.

Types of Funds:

PPSC provides management and administration of permanent endowment and intermediate/short term funds. These funds are managed by PPSC in accordance with this Investment Policy Statement (IPS). Permanent endowment funds are restricted assets, managed for long-term growth and current income, and access to principal is strictly limited. Non-permanent funds consist of two basic categories: (1) short-term cash for current operations; and (2) a reserve fund. Short term funds are maintained in checking accounts and money market accounts. Reserve funds are managed with the goal of providing significant growth at moderate risk, while remaining available to PPSC for emergency or special operational needs. PPSC's Investment Committee makes recommendations to the Board on a regular basis on how to implement the Investment Policy and, where applicable, changes in Investment Policy. This written investment policy will guide the board in managing it's responsibilities in investing PPPSC's assets and funds.

Executive Summary:

Type of Fund:	Endowment
Current Assets:	$860,277
Planning Time Horizon:	Greater than 5 years
Pay-Out Rate:	4% to 6%, pay-out rate will be approved by the Board at the recommendation of the Investment Committee on a calendar year.
Expected or Modeled Return:	5% annually over CPI Inflation
Risk Tolerance:	Conservative, moderate risk tolerance

Objective:

- Conservative investment approach balancing appreciation potential with income, Avoid high-risk investments,
- Preserve PPSC's ability to fund and to provide administrative support for programs by producing a long-term total return of 5-6% per annum, adjusted for inflation.

Suggested Initial Assets Allocations Targets were set at:

Equities	60%
Fixed Income	35-40%
Cash	0-5%

Rebalancing of Asset Allocations

- The percentage allocation to each asset class may vary as much as plus or minus 10 percentage points depending upon market conditions
- Rebalancing will be undertaken routinely when new money is added to the endowment
- Asset allocations will be reviewed quarterly and the portfolio will be rebalanced to the target allocations on the annual basis

Recommended as of July 1, 2016 (S&P) – KW – your language here:

Equities	60%
Fixed Income	35-40%
Cash	0-5%

These Asset Allocation should be reviewed annually by Investment Committee and reported to the board in the July board meeting.

Suggested Initial Investment Vehicles:

S&P 500 index fund (equities allocations)
High quality intermediate term bond index fund (fixed income allocations) Money
Market fund (cash allocation)

Performance Benchmark:

Appropriate blend of S&P 500 Index and higher quality Bonds – pro-actively managed funds Investment with Risk tolerance of Board and managed by the committee Performance should be evaluated over 3 and 5 year cycles.

Key Information:

Name of Agency	Petaluma People Services Center 1500 Petaluma Blvd. South Petaluma, CA 94952
Agency Officers:	Ed Barr, President Scott Shreckengast, Treasurer
Executive Director:	Elece Hempel
Investment Committee:	Katherine Wells Scott Shreckengast Elece Hempel

Purpose:

The purpose of this IPS is to assist the PPSC Board of Directors in effective supervising, monitoring and evaluating the investment of the Agency Endowment's assets. The Endowments investment program is defined in the various sections of the IPS by:

- Stating in a written document the Board's attitudes, expectations, objectives, and guidelines for the investment of all Endowment assets.
- Steering forth an investment structure for managing all Endowment assets.
- This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total are expected to produce a sufficient level of overall diversification and total investment return over the long-term.
- Providing guidelines for each investment portfolio that control the level of overall risk and liquidity assumed in that portfolio, so that all Endowment assets are managed in accordance with stated objectives.
- Encouraging effective communications among the Board, the investment Committee, and money managers.
- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the money managers on regular basis
- Complying with all applicable fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations form various local, state, federal and internal political entities that may impact Endowment assets.

This IPS has been formulated, based upon consideration by the Boar of the financial implications of a wide range of policies, and describes the prudent investment process that Board deems appropriate.

State of Objectives:

The objectives of the Board have been established in conjunction with the comprehensive review of the current and projected financial requirements. The objectives are:

- To maximize return within reasonable and prudent levels of risk.
- To maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy (see current spending policy), while still having the potential to produce positive real returns.
- To control costs of administering and managing the Endowment investments.

Spending Policy:

The Endowment will pay-out between 4 – 6% of its assets for PPSC operating expenses each year. The objective of the policy will be to grow the endowment principal balance and at the same time provide a reasonable level of current income. This policy will be reviewed to make sure that it is consistent with the objectives of the Endowment and then overall Investment Strategy. Initial pay-out rate was set by the Board at 4.5%; and has a range of 4 – 6% on a calendar year.

Time Horizon:

The investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Endowment strategic asset allocation is based on this long-term perspective.

Short-term liquidity requirement have been anticipated and will be handled from contributions and/or the amount allocated to cash.

Risk Tolerances:
The Board recognizes the difficulty of achieving the Endowment objectives in light of uncertainties and complexities of contemporary investment markets. The Board also recognizes that some risk must be assumed to achieve the Endowments long-term investment objectives.

In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered. These factors were:

- PPSC's strong donor base enables it to adopt a long-term investment perspective.
- Demographic characteristics of donors and Board members suggest a moderate risk tolerance.

In summary, PPSC's prospects for the future, currently financial condition, and several other factors, suggest collectively that the Endowment can tolerate some interim fluctuations in market value rate of return in order achieve long-term objectives.

Performance Expectations:
The desired investment objective is a long-term rate of return, which is at least 4.5% greater than the anticipated rate of inflation measured by the Consumer Price Index (CPI). The trget rate of return for the Endowment has been based upon the assumption that future real returns will approximate the long-term rates of return experienced historically for each asset class in the IPS.

The Board realizes that market performance varies and that a a 7.5% rate of return may not be achievable during some periods. Accordingly, investment performance will be periodically monitored by the Board and the selection of managers, the asset allocation and the pay-out rate may be modified from time to time as the Board may determine appropriate.

Asset Allocation Constraints:
The Board believes that he Endowment's risk and liquidity posture are, in large part, a function of asset class mix. The Board has reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior. Based on the Endowment's time horizon, risk tolerances, performance expectations and asset class preferences, and efficient or optimal portfolio was identified. The strategic asset allocation of the Endowment is as follows:

Asset Allocation:	Lower Limit	Strategic Allocation	Upper Limit
Equities	50%	60%	70%

Fixed Income	25%	35%	45%
Cash	0%	0%	5%

Rebalancing of Strategic Allocations:
The percentage allocation of each asset class may vary as much as plus or minus 10% depending upon market conditions.

When necessary and /or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation of the Endowment. If there are no cash flows, the allocation of the Endowment will be review quarterly. The Endowment will be rebalanced to the targets annually.

The Investment Committee will make recommendations to the Board if it judges cash flows to be insufficient to bring the Endowment within the strategic allocation ranges. The board shall decide whether to effect transitions to bring the strategic allocation within the threshold ranges (**Strategic Allocations**).

Funds received by PPSC will be utilized by PPSC in strict accordance with the directions of the donors (see PPSC Rules for restricted Gifts). Whenever funds are received that are to be used at the discretion of the Board, such new monies will be allocated to specific accounts as follows: Regular and customary fundraising revenue:

10% to Endowment and 90% to operations

 Unrestricted bequests and unanticipated donations:

Up to 100% to Endowment at Board's discretion

Endowment Funds are permanently endowed to the organization and each year the agreed upon pay-out would flow back to PPSC for operational purposes.

Intermediate/Short Term Funds are placed in a separate account, managed for current return and are available for the benefit of PPSC. It is understood that these funds should be utilized for organizational reserves (and or special needs), and for periodic grant initiative. The investment committee has reviewed this and developed the following asset allocations to deliver a return that would be greater than those paid on cash or short term balances, yet with less volatility and more liquidity then the endowment funds.

Asset Class	Percent
Fixed Income	50%
Money Market	10%
Equities	40%

Operating funds would flow into the actual budget of the agency for the year and be available to spend at the Board's discretions. Excess funds in any year could be applied to the above accounts if so determined by the Board.

i. The Inviolability of Donor Intent

- All funds received by PPSC with donor restrictions will be utilized by PPSC in strict accordance with the directions of the donors
- If carrying out the specific directions of the donor ever becomes illegal, impossible or impracticable, the directions of the donor will not be altered by PPSC without: (1) the express consent of the donor or his/her heirs; or (2) an order of the Sonoma county Superior Court. Any such change will be as near as possible to the original directions of the donor.

ii. Endowment Funds

Funds placed in PPSC's Endowment will be subject to the following rules:

- Donor restrictions will be strictly observed.
- Annual pay-out rate of PPSC will be determined by the Board; pay-out rate will be between 4% - 6% of the 12 month average value of the Endowment assets the most recent quarterly statements, at the time of the request.
- PPSC shall not access, by loan or otherwise the Endowment principal except as follows:
    - Up to 10% of principal for emergency or capital costs
    - Upon unanimous vote of the Board
    - Provided any such advance is restore to the Endowment within 5 years out of PPS's endowment pay-out ○ In the event of the dissolution or winding up of the affairs of PPSC, the Board shall transfer the Endowment, upon vote of the Board, subject to all donor restrictions and this Statement of Rules, to another 501(c)(3) qualified organization providing services similar to PPSC in the community served by PPSC.

iii. Modification

The substance of these rules is not subject to change except by order of the Sonoma County Superior Court.

Agreed and Accepted: July 19, 2016