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Attorneys for Plaintiff TATIANA BOVE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

TATIANA BOVE, an individual, on behalf of
herself, and on behalf of all persons similarly
situated,

Plaintiff,

v.

S&B RESTAURANT GROUP LLC dba
CHICK-FIL-A, a California limited liability
company; and DOES 1-50, Inclusive,

Defendants.

Case No: 23STCV02528

**DECLARATION OF KENNETH L.
CREAL, CPA**

Date: July 26, 2024
Time: 10:30 a.m.

Judge: Hon. Stuart M. Rice
Dept.: 1

DECLARATION OF KENNETH L. CREAL, CPA

I, Kenneth L. Creal, CPA declare as follows:

1. I am a Certified Public Accountant, licensed in the State of California, engaged in the full-time practice of public accounting since 1975 and licensed continuously as a Certified Public Accountant in the State of California since January 1978. In more than 400 cases, I have offered forensic accounting expert testimony or reports on many economic topics including more than 300 wage & hour class action damage models, numerous individual wage & hour claims, as well as other employment law and business disputes. In addition, I have been retained on more than 325 occasions to offer expert opinions as to various Defendants' affordability of proposed settlement amounts or to determine the maximum amount a Defendant could afford to pay in settling wage & hour class actions and/or PAGA claims, without causing the defendant to go out of business. Such cases have often considered settlement payments over extended periods. The wage & hour class actions for which I have been retained have involved employee groups working for many different commercial enterprises, hospitals, and non-profit organizations. Additionally, for the last ten years, I have served as an expert for the Office of General Counsel of the California Labor Relations Board (ALRB). I have testified as an expert witness on more than 125 occasions in California Superior Courts in Southern and Central California.
2. I have a Bachelor of Science Degree from the University of Southern California in business administration with a major in accounting. I passed all four parts of the Uniform CPA Exam at my only sitting in May 1975. Thereafter, I was a senior auditor at a Big-Eight auditing firm prior to establishing my own practice as a CPA in 1978. In total, I have spent over 49 years in public accounting as a preparer of thousands of financial statements and tax returns for business enterprises.
3. I was retained by Plaintiffs' Counsel in this matter (*Bove v S&B Restaurant Group*) to review the financial documents provided regarding the defendant's business. In January 2024, I received internal financial statements covering 2021 through 2023 (inclusive) as well as tax returns for 2021 and 2022.
4. The financial documents provided insight into areas of interest such as cash and investment balances, other assets, debts, credit lines, and variability of assets and debts over three years.

The documents provided insight as to daily cash needs of the business, as well as revenues, expenses, and profitability.

5. I satisfied myself that I had a clear understanding of the business financial documents. Upon completing my inspection of documents, I advised Plaintiffs' counsel that the defendant's financial statements reflected the following:

- that the business was profitable,
- that cash was drawn out of the business by its owner,
- that substantial expense amounts were proper expenses as they were contractual obligations with the national franchisor.

6. On January 7, 2024, I expressed my opinion to Plaintiff's counsel that any settlement should be limited to not more than \$300,000. My concern was (and is) that a higher amount would contribute to the destruction of the business. An additional concern at that time was the impact on the business of the required increase in wages for a fast-food restaurant.

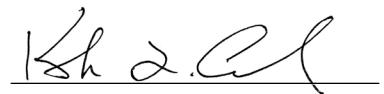
7. I understand that the parties have reached a settlement of \$300,000 payable over two years.

8. In my past experience, I have suggested that "staged" payments be considered in settling wage & hour class actions where businesses are in a low cash position and need time to adjust business operations to achieve a settlement goal. Due to the profit/loss history of the business and the day-to-day cash needs of the business, in my view, more than one year is a necessary feature of the settlement agreement in this case.

9. In my opinion, the \$300,000 settlement amount is fair and reasonable.

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

Executed this 24th day of June 2024 at Washington, Utah.



KENNETH L. CREAL, CPA