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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

LAGERALD WEBB, an individual, on behalf
of himself, and on behalf of all persons
similarly situated,

Plaintiffs,

v.

SERVICE FIRST OF NORTHERN
CALIFORNIA, a California corporation, and
DOES 1-50, Inclusive,

Defendants.

Case No. STK-CV-UOE-2022-0007604

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

Date: February 7, 2024

Time: 9:30 a.m.

Judge: Hon. Barbara A. Kronlund

Dept.: 10D

DECLARATION OF KENNETH L. CREAL, CPA

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

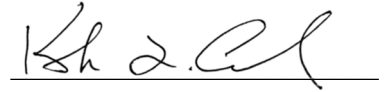
1. I am a Certified Public Accountant, licensed in the State of California, engaged in the full-time practice of public accounting since 1978. In more than 400 cases, I have offered forensic accounting expert testimony or reports on many economic topics including more than 275 wage & hour class action 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 250 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. Many of the wage & hour class actions for which I have been retained have been for employee groups working for non-profit organizations. Additionally, for the last ten years, I have served as an expert for the general counsel's office of the California Labor Relations Board (ALRB).
2. I was retained by Plaintiffs' Counsel in this matter to review the Stipulation of Settlement of Class and PAGA Action Claims and release of Claims, as well as financial documents provided regarding the defendant's business.
3. Financial disclosures in the form of 990s are publicly available as well as audited financial statements. 990s are detailed information filings with the Internal Revenue Service that are signed under penalty of perjury by an officer of the organization. I was provided 990s for the defendant for 2019 through and including 2022. I was also provided audited financial statements for 2021 and 2022. In addition, I was provided with the defendant's internal financial statements through June 2023. Together, the financial disclosure provides abundant information with which an expert opinion can be developed with respect to assets, liabilities, equity, revenues and expenses of the entity.
4. As I understand it, the total settlement amount is \$200,000 with \$100,000 payments in January 2025, and February 2026.
5. The 990s were professionally prepared with clear explanations of financial accounts. The audited financials have even more detail in the form of footnotes to the financial statements in conformity with Generally Accepted Accounting Principles. Balance sheets reflect business

1 health with information to calculate common ratios of current assets to current liabilities, and
2 equity in relation to overall debt. I spent approximately three hours reviewing the finances of
3 the entity.

- 4 6. Based on the available assets, debts to be services, revenues and expenses of the entity, in my
5 opinion the settlement amount and terms reflected in the Stipulation of Settlement of Class and
6 PAGA Action Claims and release of Claims is the most the entity can afford to pay over the
7 timeframe set forth in the stipulation.

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

10 Executed this 10th day of January 2024 at Long Beach, California.

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