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Attorneys for Plaintiff Cesar Cando

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CESAR CANDO, an individual, on behalf of
himself and on behalf of all persons similarly
situated,

Plaintiff,

v.

ACADEMY VALET PARKING SERVICE,
INC., a California Corporation; and DOES 1-
50, Inclusive,

Defendants.

Case No. 22STCV21833

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

Date: January 10, 2024

Time: 9:00 a.m.

Judge: Hon. Maren E. Nelson

Dept.: 17

DECLARATION OF KENNETH L. CREAL, CPA
Cesar Augusto Cando v. Academy Valet Parking Service, Inc.
Los Angeles County Superior Court Case No.: 22STCV21833

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 200 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 opinion 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. 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). My curriculum vitae is attached as Exhibit A.
2. I was retained by Plaintiffs' Counsel, Zakay Law Group, APLC and JCL Law Firm, APC, in this matter to review defendant's financial documents, and the Gross Settlement Amount and funding of settlement payments set forth in the Memorandum of Understanding.
3. I was provided business tax returns for 2019, 2020 and 2021 which include balance sheet and income and expense figures for the business.
4. The 2019 tax return reflects very little cash, debts far exceeding cash assets, as well as a history of losses. The business showed a loss for 2019.
5. The 2020 corporate income tax return reflects less than \$6,000 cash in the bank. Similar to 2019, the balance sheet reflects debts much greater than asset balances, particularly the cash balance.
6. The 2021 corporate tax return is similar to the two prior years. The business showed a profit of less than \$10,000. The balance sheet reflects less than a \$3,000 cash balance. In this tax return, it appears that the owner(s) infused over \$200,000 in cash. This was used to reduce

1 other debt and only a small cash balance remains. There is no obligation on shareholders to
2 contribute cash to a corporation.

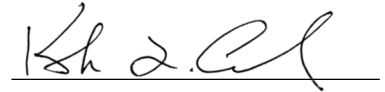
3 7. As I understand it, the total settlement amount is \$150,000 payable \$75,000 essentially within
4 30 days of final approval, and another \$75,000 within 120 days of final approval.

5 8. Based on the three year's tax returns, in my view, the business cannot afford a settlement
6 larger than the one contemplated in the MOU. The timing of the payments allows for the
7 business to work toward accumulating the settlement funds. With the help of the timing of
8 payments, in my opinion, the business will not fail because of the settlement amount or timing
9 of the funding.

9 9. Based on the documents I reviewed, I support the settlement contemplated in the MOU.

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

12 Executed this 15th day of September, 2023 at Long Beach, California.

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15 KENNETH L. CREAL, CPA
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