

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ALICIA MARSHALL, DANIEL PRONSKY,
PARIS TOWNSEND, NANCILEE
HOLLAND, LEONA OWSLEY,
KOLAWOLE AHMADOU, KIANA
DERVIN, KRISTINA HENDERSON,
DUSTIN INNIS, KELLY STALNAKER and
JAMIE JONES,
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

PRESTAMOS CDFI, LLC, and CHICANOS
POR LA CAUSA, INC.,

Defendants.

Case No. 5:21-cv-04337

**DECLARATION OF MICHAEL L. MURPHY IN SUPPORT OF PLAINTIFFS'
OPPOSITION TO DEFENDANT CHICANOS POR LA CAUSA, INC.'S RENEWED
MOTION TO DISMISS PLAINTIFFS' SECOND AMENDED COMPLAINT**

(FILED IN RESPONSE TO ECF NO. 84)

DECLARATION OF MICHAEL L. MURPHY

I, Michael L. Murphy, declare as follows:

1. I make this declaration under penalty of perjury that the foregoing is true and correct to the best of my information and belief.
2. I am a member in good standing of the New York State Bar, the District of Columbia Bar, the Washington State Bar Association, and the West Virginia Bar and have been permitted by the Court to appear *pro hac vice* in this matter. ECF No. 7.
3. I am a partner in the law firm of Bailey & Glasser LLP, the attorneys for Plaintiffs in this putative class action and I have personal knowledge of all the facts and circumstances in this action.
4. I submits this Declaration in opposition to Defendant Chicano Por La Causa's ("CPLC") renewed motion to dismiss. ECF No. 84.

Exhibits

5. **FILED UNDER SEAL**: Attached hereto as **Exhibit 1** is a true and correct copy of the minutes of CPLC Board of Directors' meeting of June 23, 2021 (PRESTAMOS-00296807 to PRESTAMOS-00296810) [4 pages]. This document was marked as and referred to as Exhibit 27 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).
6. **FILED UNDER SEAL**: Attached hereto as **Exhibit 2** is a true and correct copy of materials prepared for the CPLC Board of Directors' meeting on August 25, 2021 (PRESTAMOS-00297235 to PRESTAMOS-00297355) [121 pages]. This document was marked as and referred to as Exhibit 28 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

7. Attached hereto as **Exhibit 3** is a true and correct copy of a Message from Delma Herrera concerning the resignation of David Adame (Oct. 6, 2023), *available at* <https://www.cplc.org/blog/viewpost.php?id=1162>.

8. Attached hereto as **Exhibit 4** is a true and correct copy of a printout from July 3, 2023 from the Internet Archive, Prestamos CDFI, *About Us*, *available at* <https://web.archive.org/web/20230703104644/https://prestamoscdfi.org/about-prestamos/> (capture from July 3, 2023).

9. Attached hereto as **Exhibit 5** is a true and correct copy of a printout of *CPLC, Leadership*, from CPCL's website. This document was marked as and referred to as Exhibit 19 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

10. **FILED UNDER SEAL**: Attached hereto as **Exhibit 6** is a true and correct copy of the materials for Prestamos's SBA Prime Grant Proposal (PRESTAMOS-00304036 to PRESTAMOS-00304213) [189 pages]. This document was marked as and referred to as Exhibit 24 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts). The Levy Declaration includes excerpts of this document. *See* ECF No. 84-2, Ex. 4.

11. Attached hereto as **Exhibit 7** is a true and correct copy of a printout of *CPLC, Small Business Lending* from CPLC's website, *available at* <https://cplc.org/econ/lending.php> (last visited Oct. 24, 2023).

12. Attached hereto as **Exhibit 8** is a true and correct copy of a June 7, 2021 press release from CPLC related to its PPP lending activities (PRESTAMOS-00297374 to PRESTAMOS-00297375).

13. Attached hereto as **Exhibit 9** is a true and correct copy of the English version of a marketing flyer offering free consulting services in conjunction with Maricopa County (PRESTAMOS-00296916) [1 page].

14. Attached hereto as **Exhibit 10** is a true and correct copy of the Spanish version of a marketing flyer offering free consulting services in conjunction with Maricopa County (PRESTAMOS-00296915) [1 page].

15. **FILED UNDER SEAL**: Attached hereto as **Exhibit 11** is a true and correct copy of a presentation template listing “CPLC Prestamos CDFI” (PRESTAMOS-00296942) [1 page].

16. **FILED UNDER SEAL**: Attached hereto as **Exhibit 12** is a true and correct copy of Intercompany Services Agreement (PRESTAMOS-00297006 to PRESTAMOS-00297012) [7 pages]. This document was marked as and referred to as Exhibit 21 in the 30(b)(6) depositions of Defendants’ corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

17. **FILED UNDER SEAL**: Attached hereto as **Exhibit 13** is a true and correct copy of the job description for Forgiveness Coordinator (PRESTAMOS-00296799 to PRESTAMOS-00296803) [5 pages].

18. **FILED UNDER SEAL**: Attached hereto as **Exhibit 14** is a true and correct copy of a Jose Martinez memo to David Adame and Alicia Nuñez concerning PPP performance bonuses (PRESTAMOS-00297363 to PRESTAMOS-00297366) [4 pages]. This document was marked as and referred to as Exhibit 23 in the 30(b)(6) depositions of Defendants’ corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

19. **FILED UNDER SEAL**: Attached hereto as **Exhibit 15** is a true and correct copy of the materials prepared for the CPLC Executive Committee’s meeting on June 22, 2023

(PRESTAMOS-00298339 to PRESTAMOS-00296684) [346 pages]. This document was marked as and referred to as Exhibit 29 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

20. **FILED UNDER SEAL**: Attached hereto as **Exhibit 16** is a true and correct copy of a Lender Service Provider Agreement between Prestamos and Blueacorn (PRESTAMOS-00296818 to PRESTAMOS-00296832) [15 pages]. This document was marked as and referred to as Exhibit 26 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

21. **FILED UNDER SEAL**: Attached hereto as **Exhibit 17** is a true and correct copy of Prestamos's Credit Policy (PRESTAMOS-00302917 to PRESTAMOS-00302990) [74 pages].

22. **FILED UNDER SEAL**: Attached hereto as **Exhibit 18** is a true and correct copy of July 13, 2021 email from Maria Spelleri to Jose Martinez regarding OIG investigations (PRESTAMOS-00299232) [1 page].

23. **FILED UNDER SEAL**: Attached hereto as **Exhibit 19** is a true and correct copy of Prestamos CDFI, LLC's Consolidated Financial Statements, Years Ended June 30, 2022 and 2021 (PRESTAMOS-00296728 to PRESTAMOS-00296761) [34 pages]. This document was marked as and referred to as Exhibit 11 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

24. Attached hereto as **Exhibit 20** is a true and correct copy of CPLC's Consolidated Financial Statements YE June 30, 2020 (PRESTAMOS-00299609 to PRESTAMOS-00299675) [67 pages]. This document was marked as and referred to as Exhibit 14 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

25. Attached hereto as **Exhibit 21** is a true and correct copy of CPLC's Consolidated Financial Statements YE June 30, 2022 (publicly available) [74 pages]. This document was marked as and referred to as Exhibit 16 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

26. Attached hereto as **Exhibit 22** is a true and correct copy of the search screen from the Commonwealth of Pennsylvania, Department of State's Charities Search page for Chicanos Por La Causa, *available at* <https://www.charities.pa.gov/#/page/searchCharities> (last visited Oct. 24, 2023) [1 page].

27. Attached hereto as **Exhibit 23** is a true and correct copy of a printout of Chicanos Por La Causa, Financial Disclosures, *available at* <https://cplc.org/about/legal-privacy.php> (last visited Oct. 24, 2023) (identifying Pennsylvania one of eleven states where it is registered to conduct business) [2 pages].

References to Exhibits in CPLC's Renewed Motion to Dismiss

28. Plaintiffs' Opposition to Defendant CPLC's Renewed Motion To Dismiss Plaintiffs' Second Amended Complaint refers to and incorporates the following documents that Defendant included in its Motion to Dismiss:

29. **FILED UNDER SEAL**: Plaintiffs refer to the 30(b)(6) transcript of Alicia Nuñez (Sept. 22, 2023), which is included in the Levy Declaration, **ECF No. 84-1, Ex. 1**. Plaintiffs do not dispute that the document represents a true and correct copy.

30. **FILED UNDER SEAL**: Plaintiffs refer to the 30(b)(6) transcript of Jose Martinez (Sept. 22, 2023), which is included in the Levy Declaration, **ECF No. 84-1, Ex. 2**. Plaintiffs do not dispute that the document represents a true and correct copy.

31. **FILED UNDER SEAL**: Plaintiffs refer to The Fourth Amended and Restated Operating Agreement of Prestamos CDFI, LLC (PRESTAMOS-00307735 to PRESTAMOS-00307743) [9 pages], which is included in the Levy Declaration, **ECF No. 84-1, Ex. 5**. Plaintiffs do not dispute that the document represents a true and correct copy.

32. Plaintiffs refer to Prestamos CDFI, LLC's Consolidated Financial Statements, Years Ended June 30, 2021 and 2020 (PRESTAMOS-00296762 to PRESTAMOS-00296794) [33 pages], which is included in the Levy Declaration, **ECF No. 84-1, Ex. 7**. Plaintiffs do not dispute that the document represents a true and correct copy. This document was marked as and referred to as Exhibit 10 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

33. **FILED UNDER SEAL**: Plaintiffs refer to the Intercompany Services Agreement, dated February 20, 2020 (PRESTAMOS-00296999 to PRESTAMOS-00297005) [7 pages], which is included in the Levy Declaration, **ECF No. 84-1, Ex. 10**. Plaintiffs do not dispute that the document represents a true and correct copy. This document was marked as and referred to as Exhibit 32 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

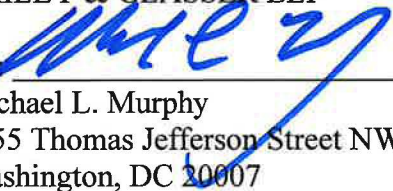
34. **FILED UNDER SEAL**: Plaintiffs refer to the Resolution of Prestamos CDFI's Board of Directors, dated February 20, 2020 (PRESTAMOS-00297013 to PRESTAMOS-00297015) [3 pages], which is included in the Levy Declaration, **ECF No. 84-1, Ex. 11**. Plaintiffs do not dispute that the document represents a true and correct copy. This document was marked as and referred to as Exhibit 33 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

35. Plaintiffs refer to CPLC's Consolidated Financial Statements YE June 30, 2021 (PRESTAMOS-00307578 to PRESTAMOS-00307653) [76 pages], which is included in the Levy Declaration, **ECF No. 84-1, Ex. 12**. Plaintiffs do not dispute that the document represents a true and correct copy. This document was marked as and referred to as Exhibit 15 in the 30(b)(6) depositions of Defendants' corporate representatives. *See* ECF No. 84-1, Exs. 1-2 (Nuñez & Martinez transcripts).

36. **FILED UNDER SEAL**: Plaintiffs refer to the table denoting payments purportedly made under the Intercompany Services Agreement, which is included in the Chen Declaration, **ECF No. 84-2, Ex. 1**. Plaintiffs have no basis to dispute that the document represents a true and correct copy of what it purports to be and accepts Defendants' representations.

Dated: October 27, 2023

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