

**DECLARATION OF DOUGLAS N. SILVERSTEIN**  
**IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, Douglas N. Silverstein, hereby declare that:

1. I am an attorney at law duly licensed to practice in the State of California, and admitted to the United States District Court for the Central District of California, as well as the Ninth Circuit Court of Appeals. I am a partner at Kesluk & Silverstein, P.C., attorneys of record for Creditors Shayda Bakhtlari, Shane Fowler, Debbie Oliphant, David Hester, Michael Riley, Desiree Gutierrez, Jenae Kama, Dipan Desai, Manuel Maldonado, and the Putative Class in this matter, In re People's Choice Home Loan, Inc., et al., United States Bankruptcy Court Case No. SA 07-10765-RK. Together with Senior Associate Alexandra M. Steinberg, co-counsel Daniel I. Barness, partner at Spiro Moss & Barness, and Angeline Kwik, associate at The Mehr Law Firm, I am responsible for prosecution of the claims of the creditor employees as set forth in the Class Proofs of Claim filed in this action for both secured and unsecured debts. I have personal knowledge of the facts set forth herein, and if called as a witness, I could and would testify competently thereto.

2. The three law firms representing the plaintiff class are very experienced in employment litigation, bankruptcy, and class actions. Both Ms. Steinberg and I have extensive experience in class action cases as well. I have practiced labor and employment law exclusively for the past 13 years, and throughout California over the last 11 years. I am licensed in both California and Florida, and hold an M.B.A. in addition to my law degree. I began my career with Morgan, Lewis & Bockius LLP, one of the largest firms in the world, with one of the largest national labor and employment practices, and thereafter joined first Ballard, Rosenberg, Golper & Savitt, then Littler Mendelson, the largest labor and employment law firm in the world, prior to opening my own firm with partner Brian Kesluk in April 2004. Ms. Steinberg and I are



1 class counsel and were appellate counsel in the recently published opinion of *Zavala v. Scott*  
2 *Brothers Dairy, Inc.*, 143 Cal.App.4th 585 (2nd Dist. 2006). I have also published numerous  
3 labor and employment related articles, most recently along with Ms. Steinberg, and I am  
4 frequently a featured speaker on labor and employment topics, including wage and hour class  
5 actions. Ms. Steinberg has likewise devoted more than eleven years to labor and employment,  
6 first as a human resources professional for a large Fortune 500 company, then practicing almost  
7 exclusively labor and employment law, both individual and class actions, with an emphasis on  
8 wage and hour class actions. ***Ms. Steinberg and I have just recently obtained approval of the***  
9 ***fairness of the settlement and a judgment in precisely the kind of case at issue herein, with***  
10 ***both state and federal WARN Act and wage / hour claims against an employer in bankruptcy.***  
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12 That case is *Rosanna Robinson Mc-Koy v. APX Express, Inc., et al.*, Los Angeles County  
13 Superior Court Case No. BC350846.  
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15 3. Ms. Steinberg and I are also currently litigating the following class actions or  
16 collective actions in various stages up to and including appeal, we are currently class counsel in  
17 at least three other class actions, and we have recently completed several other class actions:  
18 *Brooks v. Sony Pictures Studios, Inc., et al.*, Los Angeles County Superior Court Case No.  
19 BC328729 (class action for unpaid wages and Labor Code §203 penalties, thousands of class  
20 members); *Cocroft v. Aveda Experience Centers, Inc.*, Los Angeles County Superior Court Case  
21 No. BC332889 (class action for meal and rest periods, unpaid wages, and §203 and 206  
22 violations); *First Transit, Inc. and Teamsters Local 848*, National Labor Relations Board Case  
23 Nos. 21-CA-32146 and 21-CA-32285 (defense of action brought by NLRB on behalf of current  
24 and former employees; tried to verdict and currently on appeal); *Garcia et al. v. Macy's*, Los  
25 Angeles County Superior Court Case No. 337939 (collective action where one of the central  
26 issues is class action waivers and opt out arbitration agreements); *Kahrs v. Oakwood World*  
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1 *Wide, et al.*, AAA Arbitration Case No. ADR063654ER (class action for meal and rest periods,  
2 unpaid wages, and Labor Code §203 and 206 violations); *Solis v Hi-Tech Collision*, Los Angeles  
3 County Superior Court Case No. BC336338 (class action for meal and rest periods, unpaid  
4 wages, and Labor Code §203 and 206 violations); *Zavala et al. v. Scott Brothers Dairy, Inc.*, Los  
5 Angeles County Superior Court Case No. BC328730 (class action for rest periods, unpaid wages,  
6 and Labor Code §203 and 206 violations).

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8 4. The attorneys who filed another class certification motion in the adversary action  
9 in this matter have made material misrepresentations to this Court. First, they misrepresent that  
10 they were unaware of the Class Proofs of Claim we filed on behalf of our clients on until May  
11 29, 2007. ***This is false. Not only did they know about those claims for at least six weeks prior***  
12 ***to that date, but they actually contacted my co-counsel about them.*** On April 19, 2007, my co-  
13 counsel Angeline Kwik informed my firm that she had received a voice mail that morning from  
14 attorneys Stuart Miller and Mary Olsen (hereinafter, collectively with their co-counsel Peter  
15 Davidson, “Overfiling Counsel”). Despite that we had already properly filed Class Proofs of  
16 Claim for both secured and unsecured debt owed to the creditor employees by Debtors herein,  
17 those attorneys filed a class action complaint on top of those proofs of claim.  
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20 5. In a further misrepresentation to this Court, Overfiling Counsel stated that we had  
21 not filed a claim for unsecured debt to the creditor employees above the \$10,000 cap. ***This is***  
22 ***false. On or about March 31, 2007, we filed two Class Proofs of Claim – one for the debt up to***  
23 ***the \$10,000 cap, and another for the unsecured debt above the \$10,000 cap.*** Based upon their  
24 misrepresentation to the Court, Overfiling counsel have asserted that they are better suited to  
25 serve as class counsel than are we. I find such conduct by Overfiling Counsel to be both  
26 questionable and disturbing. When I have been approached by potential clients and subsequently  
27 discovered that a class action has already been filed by other counsel for precisely the same  
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1 claims, it has been my general policy to concede representation of the class to those attorneys.  
2 In any event, it is wholly inappropriate for Overfiling Counsel in this matter to attempt to  
3 represent our clients, who are already represented by counsel.

4 6. I am willing, ready and able to prosecute this action vigorously. I am informed  
5 and believe that I, nor my firm, have either actual or apparent conflict with any of the putative  
6 class members.  
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8 I declare under penalty of perjury under the laws of the United States of America and the  
9 State of California that the foregoing is true and correct.

10 Executed this 4th day of June 2007, at Los Angeles, California.

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14 Douglas N. Silverstein, Esq.  
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**DECLARATION OF DANIEL I. BARNES**

**IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, DANIEL I. BARNESS, hereby declare that:

1. I am an attorney at law duly licensed to practice before all courts of the state of California and before this Court. The facts stated herein are known personally to me to be true, and if called upon to testify as to the truth of such matters, I could and would so testify.

2. My firm, Spiro Moss Barness LLP (“Spiro Moss”), is well qualified to represent the class in this case. Partners in Spiro Moss have prosecuted, over the last several years, a number of class actions in wage and hour matters that have resulted in settlements for thousands of workers in the state of California for tens of millions of dollars. These have included settlements against high profile companies such as Starbucks, Bridgestone/Firestone, Best Buy, TJ Maxx, AIG, Coors Distributing, Jamba Juice, the parent company of Sparkletts, Old Spaghetti Factory, and many others.

3. Spiro Moss attorneys have succeeded in contested class certification motions in a number of cases, including cases including cases against Home Depot, Bridgestone/Firestone, Indian Head Water, and Mervyn's Department Stores.

4. I hold a certification from the American Board of Certification in the area of business reorganizations. I have practiced as a bankruptcy lawyer for the past 25 years. Since 1994, I have handled a number of bankruptcy matters in which there were class-action litigations. (The first such matter I handled was In re Western Land & Development, in the Southern District of California.) Within the past four years, I was designated co-class counsel in the bankruptcy case entitled In Re Sutter's Place, in the Bankruptcy Court for the Northern District of California. I have also represented employee-classes in bankruptcy cases pending in the Southern District of New York (In Re Musicland Holding), and in Missouri (In re Interstate Brands, Inc.). I represent class claimants in the Delta Airlines Chapter 11 proceedings pending in the Southern District of New York, and I currently have pending another class certification

1 motion and an application to be approved as class counsel for WARN Act violations in a  
2 Northern District Bankruptcy Court case entitled In re Zultys Technologies. Thus, not only  
3 does my firm practice exclusively in the area of class actions, with an emphasis on  
4 employment-related class actions, I myself have developed an area of sub-specialization within  
5 Chapter 11 practice representing class claimants.

6 5. On or about March 25, 2007, nine of Debtors' former employees (hereinafter  
7 referred to as "Original Class Representatives") retained the law offices of Kesluk & Silverstein,  
8 P.C., Mehr Law Firm, P.C. and Spiro Moss Barness, LLP (hereinafter referred to as "Original  
9 Class Counsel"), to represent them, on behalf of their former co-workers, in an action against  
10 Debtors for damages under the federal and state WARN Act, and other violations of the  
11 California Labor Code.

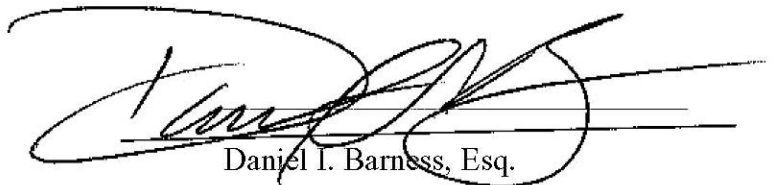
12 6. On March 28, 2007, Original Class Counsel, on behalf of the Original Class  
13 Representatives and the putative class, filed two proofs of claim with this Court. The first claim  
14 was up to the secured \$10,000 cap, and the second claim for unsecured balance above the  
15 \$10,000 cap.

16 7. I am ready, willing and able to vigorously prosecute this action. Further, I am  
17 informed and believe that I have no actual or apparent conflicts of interest with any of the  
18 putative class members.

19 I declare under penalty of perjury that the foregoing is true and correct.

20 Executed this June 4, 2007 at Los Angeles, California.

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Daniel I. Barness, Esq.

1 **DECLARATION OF ANGELINE M. KWIK**  
2 **IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

3 I, Angeline M. Kwik, hereby declare that:

4 1. I am an attorney at law duly licensed to practice before all courts of  
5 the state of California and before this Court. I have personal knowledge of the  
6 following facts and, if called as a witness, could and would competently testify  
7 thereto under oath.

8 2. I am the head of the Mehr Law Firm's employment law practice. My  
9 entire practice is devoted to representing employees. I routinely handle wage and  
10 hour issues, such as those involved in this action.

11 3. The Mehr Law Firm, P.C. is located in Irvine, California. The firm is  
12 located near Debtors' Irvine facility, most of the putative class members and this  
13 Court.

14 4. On March 20, 2007, I met with Creditor and named Claimant Shayda  
15 Bakhtlari to discuss her and her co-workers' lay-off on March 19, 2007 from  
16 Debtors' Irvine office. Ms. Bakhtlari indicated that many of her former co-workers  
17 wanted to obtain information regarding their legal rights with respect to the lay-off.  
18 To that end, we set up a group consultation appointment on March 21, 2007 at my  
19 office.

20 5. On March 21, 2007, I met with approximately 70 of Debtors' former  
21 employees from the Irvine facility. The group constituted about 10% of the  
22 estimated 700 creditor employee class members subject to this motion. As of the  
23 execution of this declaration, I have been contacted by over 100 putative class  
24 members, including former employees who worked at Debtors' non-California  
25 facilities.

26 6. On or about March 25, 2007, nine of Debtors' former employees  
27 (hereinafter referred to as "Original Class Representatives") retained the law  
28 offices of Kesluk & Silverstein, P.C., Mehr Law Firm, P.C. and Spiro Moss

1 Barness, LLP (hereinafter referred to as "Original Class Counsel"), to represent  
2 them, on behalf of their former co-workers, in an action against Debtors for  
3 damages under the federal and state WARN Act, and other violations of the  
4 California Labor Code.

5 7. On March 28, 2007, Original Class Counsel, on behalf of the Original  
6 Class Representatives and the putative class, filed two proofs of claim with this  
7 Court. The first claim was up to the secured \$10,000 cap, and the second claim for  
8 unsecured balance above the \$10,000 cap.

9 8. On April 19, 2007 at approximately 9:00 a.m., Pacific Standard Time,  
10 I received a voicemail message from attorney Stuart Miller, on behalf of himself  
11 and attorney Mary E. Olsen. Mr. Miller stated that he wished to discuss with me  
12 the WARN claim in the People's Choice matter. A transcription of Mr. Miller's  
13 voicemail is attached to my declaration as Exhibit A.

14 9. I am prepared to vigorously prosecute this action. Further, I am  
15 informed and believe that I have no actual or apparent conflicts of interest with any  
16 of the putative class members.

17 10. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr  
18 Law Firm, P.C. and Spiro Moss Barness, LLP, are well qualified to serve as class  
19 counsel. I believe we are ideally suited to represent the class because of our  
20 collective experience and resources, proximity to most potential class members and  
21 the Court, and our existing relationship with many of the potential class members.

22 I declare under penalty of perjury under the laws of the United States of  
23 America and the State of California that the foregoing is true and correct.

24 Executed on June 4, 2007 in Irvine, California.

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27 Angeline M. Kwik, Esq.  
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1 DECLARATION OF SHAYDA BHAKTLARI  
2 IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION  
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4 I, SHAYDA BHAKTLARI, hereby declare that:  
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6 1. I am a Creditor in this action and a named Claimant in the Class Proofs of Claim  
7 filed with this Court on March 28, 2007. I submit this declaration in support of Claimants'  
8 Motion for Class Certification. I have personal knowledge of the following facts and, if called as  
9 a witness, could and would competently testify thereto under oath.

10 2. I was employed by Debtor People's Choice Home Loans, Inc.  
11 ("Debtor PCHL"), continuously, from September 2006 to March 19, 2007 as a loan  
12 officer.

13 3. From September 2006 to March 19, 2007, I worked at Debtor PCHL's  
14 Irvine office, located at 7515 Irvine Center Drive, Irvine, California 92618. At the  
15 time of my lay-off, on March 19, 2007, I am informed and believe that there were  
16 over 700 employees at the Irvine office.

17 4. At the time of my lay-off, I was earning \$11.53 per hour, plus fringe  
18 benefits including, health insurance (medical, dental and vision), long-term  
19 disability insurance and life insurance.

20 5. On March 19, 2007, I am informed and believe that Debtor PCHL laid  
21 off approximately four hundred employees, including myself. Prior to March 19,  
22 2007, I did not receive any notice, written or otherwise, regarding the lay-off nor of  
23 my rights under the WARN Act. I am informed and believe that none of the  
24 former employees terminated on March 19, 2007, received notice of the lay-off or  
25 of their rights under the WARN Act.

26 6. On March 19, 2007, Debtor PCHL gave me my final paycheck for the  
27 previous eight days' wages. My final paycheck did not include earned commission  
28 wages of approximately \$18,000.00, and approximately 22 hours of accrued paid

1 time off (PTO) and vacation wages. Also, as of the execution of this declaration, I  
2 did not and have not received any payments under the WARN Act.

3 7. I am informed and believe that all former employees laid off by  
4 Debtor PCHL on March 19, 2007, have similarly not received any payments under  
5 the WARN Act. Further, like me, most former employees laid off by Debtor  
6 PCHL on March 19, 2007, were not paid all of their final wages, both commissions  
7 and/or paid time off or vacation wages.

8 8. On March 20, 2007, I made a consultation appointment with the Mehr  
9 Law Firm, P.C., to discuss what rights I, and my former co-workers, had with  
10 respect to the March 19, 2007 lay-off. I contacted many former employees laid off  
11 by Debtor PCHL on March 19, 2007, to attend this consultation appointment with  
12 me.

13 9. On March 21, 2007, I, along with over 70 of my former co-workers –  
14 approximately 10% of the employees at the Irvine facility – met at the offices of  
15 the Mehr Law Firm, P.C., in Irvine, California, to discuss the March 19, 2007 lay-  
16 off with the firm's employment law attorney, Angeline M. Kwik, Esq.

17 10. On March 25, 2007, I retained the law offices of Kesluk & Silverstein,  
18 P.C., the Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, to assert claims for  
19 WARN Act damages and unpaid wages against Debtor PCHL and related entities,  
20 on my behalf as well as a class claim on behalf of my former co-workers who were  
21 laid off by Debtor PCHL on March 19, 2007.

22 11. I am informed and believe that the circumstances of my lay-off are  
23 identical to those of the other former employees laid off on March 19, 2007. I am  
24 further informed and believe that the circumstances concerning my claim for  
25 unpaid wages are the same as those of the other former employees who were also  
26 not paid all of their final wages at the time of the lay-off. The only difference  
27 between our claims is the amount of damages we are each owed.

28 12. I believe that a class action is the best, if not only, way to effectively

1 and efficiently prosecute my claims against Defendant PCHL and related entities.  
2 The size of my claim, my financial situation and the costs of attorneys' fees have  
3 left me unable to pursue this claim alone. I am informed and believe that the same  
4 is true for my former co-workers who were laid off on March 19, 2007.  
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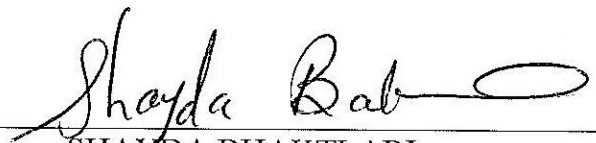
6 13. I have actively assisted and will continue to actively assist my counsel  
7 in the prosecution of this action. I am ready, willing and able to represent all  
8 similarly situated former employees of Debtor PCHL in this action.

9 14. I am informed and believe that I have no conflict of interest with any  
10 potential class members.

11 15. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr  
12 Law Firm, P.C. and Spiro Moss Barness, LLP, are well qualified to serve as class  
13 counsel. I believe these attorneys are ideally suited to represent the class because  
14 of their collective experience and resources, proximity to most class members and  
15 the Court, and their existing relationship with many of the potential class members.

16 I declare under penalty of perjury that the foregoing is true and correct.

17 Executed on June 4, 2007 in Orange, California.  
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21 SHAYDA BHAKTLARI  
22 DECLARANT  
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**DECLARATION OF SHANE FOWLER**  
**IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, SHANE FOWLER, hereby declare that:

1. I am a Creditor in this action and a named Claimant in the Class Proofs of Claim filed with this Court on March 28, 2007. I submit this declaration in support of Claimants' Motion for Class Certification. I have personal knowledge of the following facts and, if called as a witness, could and would competently testify thereto under oath.

2. I was employed by Debtor People's Choice Home Loans, Inc. ("Debtor PCHL"), continuously, from July 28, 2003 to March 19, 2007 as software support engineer.

3. From July 28, 2003 to March 19, 2007, I worked at Debtor PCHL's Irvine office, located at 7515 Irvine Center Drive, Irvine, California 92618. At the time of my lay-off, on March 19, 2007, I am informed and believe that there were over 700 employees at the Irvine office.

4. At the time of my lay-off, I was earning \$23.00 per hour, plus fringe benefits including, health insurance (medical, dental and vision), long-term disability insurance and life insurance.

5. On March 19, 2007, I am informed and believe that Debtor PCHL laid off approximately 400 hundred employees, including myself. Prior to March 19, 2007, I did not receive any notice, written or otherwise, regarding the lay-off nor of my rights under the WARN Act. I am informed and believe that none of the former employees terminated on March 19, 2007, received notice of the lay-off or of their rights under the WARN Act.

6. On March 19, 2007, Debtor PCHL gave me my final paycheck for the previous eight days' wages. My final paycheck, however, did not include approximately 75 hours of accrued paid time off (PTO) and vacation wages. Also, I did not and have not received any payments under the WARN Act.

7. I am informed and believe that all former employees laid off by Debtor PCHL on

1 March 19, 2007, have similarly not received any payments under the WARN Act. Further, like  
2 me, most former employees laid off by Debtor PCHL on March 19, 2007, were not paid all of  
3 their final wages, both commissions and/or paid time off or vacation wages.

4 8. On March 21, 2007, I, along with over 70 of my former co-workers –  
5 approximately 10% of the employees at the Irvine facility – met at the offices of the Mehr Law  
6 Firm, P.C., in Irvine, California, to discuss the March 19, 2007 lay-off with the firm's  
7 employment law attorney, Angeline M. Kwik, Esq.

8 9. On March 25, 2007, I retained the law offices of Kesluk & Silverstein, P.C., the  
9 Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, to assert claims for WARN Act damages  
10 and unpaid wages against Debtor PCHL and related entities, on my behalf as well as a class  
11 claim on behalf of my former co-workers who were laid off by Debtor PCHL on March 19,  
12 2007.

13 10. I am informed and believe that the circumstances of my lay-off are identical to  
14 those of the other former employees laid off on March 19, 2007. I am further informed and  
15 believe that the circumstances concerning my claim for unpaid wages are the same as those of  
16 the other former employees who were also not paid all of their final wages at the time of the lay-  
17 off. The only difference between our claims is the amount of damages we are each owed.

18 11. I believe that a class action is the best, if not only, way to effectively and  
19 efficiently prosecute my claims against Debtor PCHL and related entities. The size of my claim,  
20 my financial situation and the costs of attorneys' fees have left me unable to pursue this claim  
21 alone. I am informed and believe that the same is true for my former co-workers who were laid  
22 off on March 19, 2007.

23 12. I have actively assisted and will continue to actively assist my counsel in the  
24 prosecution of this action. I am ready, willing and able to represent all similarly situated former  
25 employees of Debtor PCHL in this action.

26 13. I am informed and believe that I have no conflict of interest with any potential  
27 class members.  
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14. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, are well qualified to serve as class counsel. I believe these attorneys are ideally suited to represent the class because of their collective experience and resources, proximity to most class members and the Court, and their existing relationship with many of the potential class members.

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

Executed on June 3, 2007 in Orange, California.

SHANE FOWLER  
DECLARANT

**DECLARATION OF DEBBIE OLIPHANT**  
**IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, DEBBIE OLIPHANT, hereby declare that:

1. I am a Creditor in this action and a named Claimant in the Class Proofs of Claim filed with this Court on March 28, 2007. I submit this declaration in support of Claimants' Motion for Class Certification. I have personal knowledge of the following facts and, if called as a witness, could and would competently testify thereto under oath.

2. I was employed by Debtor People's Choice Home Loans, Inc. ("Debtor PCHL"), continuously, from October 2003 to March 19, 2007 as regional manager.

3. From October 2003 to March 19, 2007, I worked at Debtor PCHL's Irvine office, located at 7515 Irvine Center Drive, Irvine, California 92618. At the time of my lay-off, on March 19, 2007, I am informed and believe that there were over 700 employees at the Irvine office.

4. At the time of my lay-off, I was earning \$40.38 per hour, plus fringe benefits including, health insurance (medical, dental and vision), long-term disability insurance and life insurance.

5. On March 19, 2007, I am informed and believe that Debtor PCHL laid off approximately 400 hundred employees, including myself. Prior to March 19, 2007, I did not receive any notice, written or otherwise, regarding the lay-off nor of my rights under the WARN Act. I am informed and believe that none of the former employees terminated on March 19, 2007, received notice of the lay-off or of their rights under the WARN Act.

6. On March 19, 2007, Debtor PCHL gave me my final paycheck for the previous eight days' wages, however, upon presentation to my bank, the check was dishonored and my wages for those eight days remain unpaid to the present time. My final paycheck did not include approximately 136 hours of accrued paid time off (PTO) and vacation wages. Also, I did not and have not received any payments under the WARN Act.

1           7.       I am informed and believe that all former employees laid off by Debtor PCHL on  
2 March 19, 2007, have similarly not received any payments under the WARN Act. Further, like  
3 me, most former employees laid off by Debtor PCHL on March 19, 2007, were not paid all of  
4 their final wages, both commissions and/or paid time off or vacation wages.

5           8.       On March 21, 2007, I, along with over 70 of my former co-workers –  
6 approximately 10% of the employees at the Irvine facility – met at the offices of the Mehr Law  
7 Firm, P.C., in Irvine, California, to discuss the March 19, 2007 lay-off with the firm's  
8 employment law attorney, Angeline M. Kwik, Esq.

9           9.       On March 25, 2007, I retained the law offices of Kesluk & Silverstein, P.C., the  
10 Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, to assert claims for WARN Act damages  
11 and unpaid wages against Debtor PCHL and related entities, on my behalf as well as a class  
12 claim on behalf of my former co-workers who were laid off by Debtor PCHL on March 19,  
13 2007.

14           10.      I am informed and believe that the circumstances of my lay-off are identical to  
15 those of the other former employees laid off on March 19, 2007. I am further informed and  
16 believe that the circumstances concerning my claim for unpaid wages are the same as those of  
17 the other former employees who were also not paid all of their final wages at the time of the lay-  
18 off. The only difference between our claims is the amount of damages we are each owed.

19           11.      I believe that a class action is the best, if not only, way to effectively and  
20 efficiently prosecute my claims against Debtor PCHL and related entities. The size of my claim,  
21 my financial situation and the costs of attorneys' fees have left me unable to pursue this claim  
22 alone. I am informed and believe that the same is true for my former co-workers who were laid  
23 off on March 19, 2007.

24           12.      I have actively assisted and will continue to actively assist my counsel in the  
25 prosecution of this action. I am ready, willing and able to represent all similarly situated former  
26 employees of Debtor PCHL in this action.

27           13.      I am informed and believe that I have no conflict of interest with any potential  
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1 class members.

2 14. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr Law Firm,  
3 P.C. and Spiro Moss Barness, LLP, are well qualified to serve as class counsel. I believe these  
4 attorneys are ideally suited to represent the class because of their collective experience and  
5 resources, proximity to most class members and the Court, and their existing relationship with  
6 many of the potential class members.

7 I declare under penalty of perjury that the foregoing is true and correct.

8 Executed on June 3, 2007 in Orange, California.

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A handwritten signature in cursive script, reading "Debbie Oliphant", is written over a horizontal line. The signature is in black ink and is positioned to the left of a short horizontal line segment.

DEBBIE OLIPHANT  
DECLARANT

**DECLARATION OF DAVID HESTER**  
**IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, DAVID HESTER, hereby declare that:

1. I am a Creditor in this action and a named Claimant in the Class Proofs of Claim filed on March 28, 2007. I submit this declaration in support of Claimants' Motion for Class Certification. I have personal knowledge of the following facts and, if called as a witness, could and would competently testify thereto under oath.

2. I was employed by Debtor People's Choice Home Loans, Inc. (Debtor PCHL"), continuously, from June 19, 2006 to March 19, 2007 as branch sales manager.

3. From June 19, 2006 to March 19, 2007, I worked at Debtor PCHL's Irvine office, located at 7515 Irvine Center Drive, Irvine, California 92618. At the time of my lay-off, on March 19, 2007, I am informed and believe that there were over 700 employees at the Irvine office.

4. At the time of my lay-off, I was earning \$28.65 per hour, plus fringe benefits including, health insurance (medical, dental and vision), long-term disability insurance and life insurance.

5. On March 19, 2007, I am informed and believe that Debtor PCHL laid off approximately 400 hundred employees, including myself.

Prior to March 19, 2007, I did not receive any notice, written or otherwise, regarding the lay-off nor of my rights under the WARN Act. I am informed and believe that none of the former employees terminated on March 19, 2007, received notice of the lay-off or of their rights under the WARN Act.

6. On March 19, 2007, Debtor PCHL gave me my final paycheck for the previous eight days' wages. My final paycheck did not include earned commission wages of approximately \$61,000.00, and approximately 45 hours of accrued paid time off (PTO) and vacation wages. Also, I did not and have not received any payments under the WARN Act.

1           7.       I am informed and believe that all former employees laid off by Debtor PCHL on  
2 March 19, 2007, have similarly not received any payments under the WARN Act. Further, like  
3 me, most former employees laid off by Debtor PCHL on March 19, 2007, were not paid all of  
4 their final wages, both commissions and/or paid time off or vacation wages.

5           8.       On March 21, 2007, I, along with over 70 of my former co-workers –  
6 approximately 10% of the employees at the Irvine facility – met at the offices of the Mehr Law  
7 Firm, P.C., in Irvine, California, to discuss the March 19, 2007 lay-off with the firm's  
8 employment law attorney, Angeline M. Kwik, Esq.

9           9.       On March 25, 2007, I retained the law offices of Kesluk & Silverstein, P.C., the  
10 Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, to assert claims for WARN Act damages  
11 and unpaid wages against Debtor PCHL and related entities, on my behalf, as well as a class  
12 claim on behalf of my former co-workers who were laid off by Debtor PCHL on March 19,  
13 2007.

14           10.      I am informed and believe that the circumstances of my lay-off are identical to  
15 those of the other former employees laid off on March 19, 2007. I am further informed and  
16 believe that the circumstances concerning my claim for unpaid wages are the same as those of  
17 the other former employees who were also not paid all of their final wages at the time of the lay-  
18 off. The only difference between our claims is the amount of damages we are each owed.

19           11.      I believe that a class action is the best, if not only, way to effectively and  
20 efficiently prosecute my claims against Debtor PCHL and related entities. The size of my claim,  
21 my financial situation and the costs of attorneys' fees have left me unable to pursue this claim  
22 alone. I am informed and believe that the same is true for all former employees who were laid  
23 off by Debtor PCHL on March 19, 2007.

24           12.      I have actively assisted and will continue to actively assist my counsel in the  
25 prosecution of this action. I am ready, willing and able to represent all similarly situated former  
26 employees of Debtor PCHL in this action.

13. I am informed and believe that I have no conflict of interest with any potential class members.

14. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, are well qualified to serve as class counsel. I believe these attorneys are ideally suited to represent the class because of their collective experience and resources, proximity to most potential class members and the Court, and their existing relationship with many of the potential class members.

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

Executed on June 4, 2007 in Santa Ana, California.

  
DAVID HESTER  
DECLARANT

**DECLARATION OF DESIRÉE GUTIERREZ**

**IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, DESIREÉ GUTIERREZ, hereby declare that:

1. I am a Creditor in this action and a named Claimant in the Class Proofs of Claim filed on March 28, 2007. I submit this declaration in support of Claimants' Motion for Class Certification. I have personal knowledge of the following facts and, if called as a witness, could and would competently testify thereto under oath.

2. I was employed by Debtor People's Choice Home Loans, Inc. ("Debtor PCHL"), continuously, from June 13, 2005 to March 19, 2007 as associate manager.

3. From June 13, 2005 to March 19, 2007, I worked at Debtor PCHL's Irvine office, located at 7515 Irvine Center Drive, Irvine, California 92618. At the time of my lay-off, on March 19, 2007, I am informed and believe that there were over 700 employees at the Irvine office.

4. At the time of my lay-off, I was earning \$17.307 per hour, plus fringe benefits including, health insurance (medical, dental and vision), long-term disability insurance and life insurance.

5. On March 19, 2007, I am informed and believe that Debtor PCHL laid off approximately 400 hundred employees, including myself. Prior to March 19, 2007, I did not receive any notice, written or otherwise, regarding the lay-off nor of my rights under the WARN Act. I am informed and believe that none of the former employees terminated on March 19, 2007, received notice of the lay-off or of their rights under the WARN Act.

6. On March 19, 2007, Debtor PCHL gave me my final paycheck for the previous eight days' wages. My final paycheck did not include approximately \$11,000.00 in commission wages and 142 hours of accrued paid time off (PTO) or vacation wages. Also, I did not and have not received any payments under the WARN Act.

7. I am informed and believe that all former employees laid off by Debtor PCHL on

1 March 19, 2007, have similarly not received any payments under the WARN Act. Further, like  
2 me, most former employees laid off by Debtor PCHL on March 19, 2007, were not paid all of  
3 their final wages, both commissions and/or paid time off and vacation wages.

4 8. On March 21, 2007, I, along with over 70 of my former co-workers –  
5 approximately 10% of the employees at the Irvine facility – met at the offices of the Mehr Law  
6 Firm, P.C., in Irvine, California, to discuss the March 19, 2007 lay-off with the firm's  
7 employment law attorney, Angeline M. Kwik, Esq.

8 9. On March 25, 2007, I retained the law offices of Kesluk & Silverstein, P.C., the  
9 Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, to assert claims for WARN Act damages  
10 and unpaid wages against Debtor PCHL and related entities, on my behalf as well as a class  
11 claim on behalf of my former co-workers who were laid off by Debtor PCHL on March 19,  
12 2007.

13 10. I am informed and believe that the circumstances of my lay-off are identical to  
14 those of the other former employees laid off on March 19, 2007. I am further informed and  
15 believe that the circumstances concerning my claim for unpaid wages are the same as those of  
16 the other former employees who were also not paid all of their final wages at the time of the lay-  
17 off. The only difference between our claims is the amount of damages we are each owed.

18 11. I believe that a class action is the best, if not only, way to effectively and  
19 efficiently prosecute my claims against Debtor PCHL and related entities. The size of my claim,  
20 my financial situation and the costs of attorneys' fees have left me unable to pursue this claim  
21 alone. I am informed and believe that the same is true for my former co-workers who were laid  
22 off on March 19, 2007.

23 12. I have actively assisted and will continue to actively assist my counsel in the  
24 prosecution of this action. I am ready, willing and able to represent all similarly situated former  
25 employees of Debtor PCHL in this action.

26 13. I am informed and believe that I have no conflict of interest with any potential  
27 class members.  
28

14. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, are well-qualified to serve as class counsel. I believe these attorneys are ideally suited to represent the class because of their collective experience and resources, proximity to most class members and the Court, and their existing relationship with many of the potential class members.

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

Executed on June 4, 2007 in Aliso Viejo, California.

  
DESIREE GUTIERREZ  
DECLARANT

**DECLARATION OF JENAÉ KAMA  
IN SUPPORT OF CLAIMANTS' MOTION FOR CLASS CERTIFICATION**

I, JENAÉ KAMA, hereby declare that:

1. I am a Creditor in this action and a named Claimant in the Class Proofs of Claim filed with this Court on March 28, 2007. I submit this declaration in support of Claimants' Motion for Class Certification. I have personal knowledge of the following facts and, if called as a witness, could and would competently testify thereto under oath.

2. I was employed by Debtor People's Choice Home Loans, Inc. ("Debtor PCHL"), continuously, from December 20, 2004 to March 19, 2007 as a junior funder.

3. From December 20, 2004 to March 19, 2007, I worked at Debtor PCHL's Irvine office, located at 7515 Irvine Center Drive, Irvine, California 92618. At the time of my lay-off, on March 19, 2007, I am informed and believe that there were over 700 employees at the Irvine office.

4. At the time of my lay-off, I was earning \$17.3070 per hour, plus fringe benefits including, health insurance (medical, dental and vision), long-term disability insurance and life insurance.

5. On March 19, 2007, I am informed and believe that Debtor PCHL laid off approximately 400 hundred employees, including myself. Prior to March 19,



2007, I did not receive any notice, written or otherwise, regarding the lay-off nor of my rights under the WARN Act. I am informed and believe that none of the former employees terminated on March 19, 2007, received notice of the lay-off or of their rights under the WARN Act.

6. On March 19, 2007, Debtor PCHL gave me my final paycheck for the previous eight days' wages. My final paycheck did not include approximately 136 hours of accrued paid time off (PTO) wages and vacation wages, and approximately \$1,500.00 in earned bonuses. Also, I did not and have not received any payments under the WARN Act.

7. I am informed and believe that all former employees laid off by Debtor PCHL on March 19, 2007, have similarly not received any payments under the WARN Act. Further, like me, most former employees laid off by Debtor PCHL on March 19, 2007, were not paid all of their final wages, both commissions, bonuses and/or paid time off and vacation wages.

8. On March 21, 2007, I, along with over 70 of my former co-workers – approximately 10% of all employees at the Irvine facility – met at the offices of the Mehr Law Firm, P.C., in Irvine, California, to discuss the March 19, 2007 lay-off with the firm's employment law attorney, Angeline M. Kwik, Esq.

9. On March 25, 2007, I retained the law offices of Kesluk & Silverstein, P.C., the Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, to assert claims for

WARN Act damages and unpaid wages against Debtor PCHL and related entities, on my behalf as well as a class claim on behalf of my former co-workers who were laid off by Debtor PCHL on March 19, 2007.

10. I am informed and believe that the circumstances of my lay-off are identical to those of the other former employees laid off on March 19, 2007. I am further informed and believe that the circumstances concerning my claim for unpaid wages are the same as those of the other former employees who were also not paid all of their final wages at the time of the lay-off. The only difference between our claims is the amount of damages we are each owed.

11. I believe that a class action is the best, if not only, way to effectively and efficiently prosecute my claims against Debtor PCHL and related entities. The size of my claim, my financial situation and the costs of attorneys' fees have left me unable to pursue this claim alone. I am informed and believe that the same is true for my former co-workers who were laid off on March 19, 2007.

12. I have actively assisted and will continue to actively assist my counsel in the prosecution of this action. I am ready, willing and able to represent all similarly situated former employees of Debtor PCHL in this action.

13. I am informed and believe that I have no conflict of interest with any potential class members.

14. I believe that the law offices of Kesluk & Silverstein, P.C., the Mehr Law Firm, P.C. and Spiro Moss Barness, LLP, are well qualified to serve as class counsel. I believe these attorneys are ideally suited to represent the class because of their collective experience and resources, proximity to most class members and the Court, and their existing relationship with many of the potential class members.

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

Executed on June 3, 2007 in Aliso Viejo, California.

A handwritten signature in black ink, appearing to read "Jenaé Kama", is written over a horizontal line.

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JENAÉ KAMA  
DECLARANT

EXHIBIT “A”

## Angeline Kwik

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**From:** Unknown Sender [Unknown@Stratagy]  
**Sent:** Thursday, April 19, 2007 9:35 AM  
**To:** Angeline Kwik  
**Subject:** StratagyES Voice Message <279A34D4>

**Attachments:** C:/DOCUME~1/AKwik/LOCALS~1/Temp//IMR\_1.WAV  
**CanReply:** 0  
**MsgInfoIDs:** 664417492.212  
**MsgStatus:** 2  
**OriginalSender:** -1



IMR\_1.WAV (148  
KB)

Hi Angela, my name is Stuart Miller.

I'm an attorney in New York, and I'm on the phone with Mary E. Olsen who is an attorney in Alabama.

We are calling you regarding the People's Choice matter, and wanted to discuss the WARN claim in that, in that case.

If you'd be kind enough to give me a call back.

My number is 212-581-5003.

Thanks very much, bye.

Ok Stuart, just call me when you hear something.