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 15 California Teachers Association

16
 17 IN THE UNITED STATES DISTRICT COURT
 18 FOR THE NORTHERN DISTRICT OF CALIFORNIA
 19 SAN JOSE DIVISION
 20

21 JUDITH LIEGMANN, COLLEEN HOOVER,)
 CAROLINE WORTHINGTON, GWYNNETH)
 22 MORIN, ANTHONY LIMA, FRANKLIN)
 LOWENTHAL, and all others similarly situated,)

23 Plaintiffs,)
 24)

25 v.)

26 CALIFORNIA TEACHERS ASSOCIATION,)
 and CALIFORNIA FACULTY ASSOCIATION,)

27 Defendants.)
 28)

Case No. CV05-3828 JW

**DECLARATION OF
 CARLOS MORENO**

Date: October 5, 2005
 Time: 2:00 pm
 Place: Courtroom 8, 4th Floor
 The Hon. James Ware

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DECLARATION OF CARLOS MORENO

I, Carlos Moreno, hereby declare:

1. The facts stated herein are personally known to me and if called to testify, I could testify competently thereto.

2. I am currently employed by the California Teachers Association (“CTA”) as Controller. It is my responsibility to manage the business and financial operations of CTA. My official start date was August 8, 2005, but I was actively involved in CTA’s financial operations from the time the position was offered to me on June 21, 2005. Prior to obtaining my position at CTA, I was employed for twenty years by Education Minnesota, the National Education Association state affiliate in Minnesota, first as a staff accountant and since 1991 as Controller. I am a Certified Public Accountant.

3. In my position as Controller I am familiar with the current and historical financial situation of CTA. I am informed and believe that on June 5, 2005, CTA’s approximately 800 person representative body, “State Council”, voted nearly unanimously to increase CTA member dues by \$60 a year for three years to maintain fiscal solvency while CTA fought against several initiatives scheduled for the November, 2005 California ballot (“the initiative campaign”). I know from my review of CTA’s financial records that CTA spent considerable sums of money on the initiative campaign before June 21, 2005. Since my personal involvement with CTA starting on June 21, 2005, CTA has continued to spend considerable sums of money on the initiative campaign. Spending this money has necessitated CTA obtaining a \$14 million loan. We are currently paying interest on that loan. CTA has spent the money on the initiative

1 campaign in reliance on its expectation of receiving a certain income stream from the
2 three year temporary \$60 annual dues increase to repay current and future debts incurred
3 as a result of actual campaign spending while being able to continue its normal operations
4 serving members. The increase in dues will begin to be paid, in monthly installments, by
5 almost all members through payroll deductions from their end-of-September, 2005
6 paychecks.
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9 4. CTA has already spent on the initiative campaign the equivalent of what the
10 temporary dues increase would bring in over three years.

11 5. CTA is in the process of negotiating a necessary \$40 million line of credit. The
12 proposed terms for the new line of credit call for the income stream from the \$60 dues
13 increase, together with CTA's other ongoing income, to pay back the principal and
14 interest. If the temporary restraining order is granted, it will greatly harm or destroy
15 CTA's ability to get this line of credit. If CTA is unable to get this line of credit, there is a
16 significant risk that an outstanding \$20 million line will be called. Millions of CTA's
17 members dues dollars are possibly at stake. Therefore, the temporary restraining order
18 would cause great financial harm to CTA and affect CTA's ability to continue to deliver
19 its current level of services to members over the long term.
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21

22 I declare under penalty of perjury under the laws of the State of California that the
23 foregoing is true and correct.
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25
26 DATED: 9-30-05


27 Carlos Moreno