

## AFFIDAVIT OF DON SALAZAR

Before me, the undersigned notary public in the State of Utah, on this day personally appeared DON SALAZAR, whose identity is known to me. After I administered an oath to affiant, affiant testified as follows:

1. "My name is DON SALAZAR, I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct to the best of my information, perceptions and belief.
2. Herein, I provide my understanding surrounding the exit of Javier Palomarez from the United States Hispanic Chamber of Commerce ("USHCC") due to a motion to change leadership; as well as the United States Hispanic Chamber of Commerce Foundation ("Foundation") due to their vote to terminate Mr. Palomarez. The statements herein are based on my best recollection and/or my personal knowledge and/or my personal experience within the USHCC and/or Foundation. I also provide some personal opinions. Those opinions are based on my personal knowledge and/or experiences. However, I concede that others may have contrary opinions. Others may draw different conclusions. I am not here to be the final adjudicator of any issue. I am simply providing my thoughts and beliefs based on my recollection of what occurred.
3. I served as the Chairman of the Board for the USHCC for 1.5 years. My service began in October, 2016 and ended when I resigned in 2018. While I served as Chairman of the Board for the USHCC, I always discharged my duties in the best interest of the USHCC. My singular goal was to enhance the ability of the USHCC to help Hispanic Americans and small businesses.
4. During the time that Javier Palomarez was being investigated by the USHCC for embezzlement, I was the Chairman of the Board. While certain members of the Board sought to terminate Mr. Palomarez from his position as CEO and President of the USHCC without doing a full, complete, and unbiased investigation, my position was that a complete, fair and unbiased investigation was necessary.
5. I was Chairman of the Board when the Board voted to change leadership, which effectively removed Mr. Palomarez as CEO and President without cause. There were three separate votes on the issue with the first two resulting in deadlocks at 7 for and 7 against. The third vote was 8 for and 6 against. I always voted against changing leadership because there was never any evidence of any wrongdoing. The ultimate decision of the final board vote was to change leadership without cause.
6. It is my belief that the removal of Mr. Palomarez was spearheaded by Nina Vaca. Originally, Mrs. Vaca claimed that Mr. Palomarez had embezzled money from the USHCC. This allegation was proved false by an independent, *ad hoc* committee made up of three Board Members. To assist the Board in handling this investigation, the new

generally counsel reviewed the employment contract, provide analysis regarding said contract and its compensation plan; and suggested the establishment of an *ad hoc* committee. The independent, *ad hoc* committee ultimately voted unanimously that Mr. Palomarez had not embezzled any funds.

7. It is my belief that contemporaneous with the embezzlement allegations, Mrs. Vaca led a charge against Mr. Palomarez with allegations of hostile work environment, sexual harassment, and, later, sexual assault. In my opinion, there was never any credible evidence presented to the Board to support any such claims or allegations to a level legitimizing them as being substantiated.
8. I worked side-by-side with Mr. Palomarez. I witnessed his management style and how he worked with Board Members, co-workers and employees. I never witnessed any improper conduct whatsoever. In fact, my impression was that Mr. Palomarez had great leadership skills and was dedicated to his position within the USHCC.
9. When Mr. Palomarez took over as CEO and President of the USHCC, the organization was floundering. It was essentially a failing organization that had little to no impact on any governmental level that benefited Hispanic Americans and their businesses. Mr. Palomarez worked tirelessly to bring in donations and sponsors in the amount of millions of dollars. He also raised awareness regarding the organization and its mission by consistently appearing on national television as an expert or analyst. This was essential in legitimizing the organization and giving the organization the power and voice to succeed. Mr. Palomarez took the organization from a position of no power or influence to the most powerful and influential organization in America that advocated for the rights of Hispanic Americans and American small businesses.
10. I would characterize Mr. Palomarez as an individual who was demanding, but who treated his people fairly. He was aggressive. He did require excellence. He expected his employees to work hard and to be passionate about the organization's mission. He led by example by working diligently on a daily basis. He implemented rules, guidelines and regulations that fostered a corporate hierarchy within the organization, which advanced a business-like approach to reaching yearly goals. But, most of all, Mr. Palomarez did what it took to help Hispanic Americans through honest hard work and unparalleled vision and dedication.
11. It is my opinion, based on my personal experience with the USHCC, that Mr. Palomarez saved the organization. After Mr. Palomarez left, which in my opinion was not justified or warranted based upon the facts, the USHCC has suffered due to his exit. Donations and sponsorships are down—I have heard allegations that the USHCC is now working at a deficit. The Board has been unable to find new management and a new President / CEO.
12. It is my belief that terminating Mr. Palomarez has set the organization back almost a decade. That is, the organization is quickly sliding backward from the level it was before Mr. Palomarez left as its leader. This saddens me and should sadden all Hispanic Americans across our Country.

13. I have heard discussions within the Board that the USHCC is considering bringing Mr. Palomarez back. If there is any person that can save the organization, I believe that Mr. Palomarez is that person. It was a mistake to change leadership. It would be a mistake to not bring Mr. Palomarez back.
14. I would like to now specifically address the circumstances that led to Mr. Palomarez's exit. It is my belief that the process was initiated by Mrs. Vaca, who was an emeritus Board Member. Mrs. Vaca originally took the position that Mr. Palomarez had embezzled money from the USHCC and/or the Foundation.
15. As I recall, Mrs. Vaca's specific allegations were three-fold. First, Mrs. Vaca argued that Mr. Palomarez's compensation bonuses were inflated because the USHCC paid his taxes. This was commonly referred to 'grossing up' his compensation. However, based on this investigation, it was determined that this was a normal practice within the USHCC long before Mr. Palomarez's tenure. Mario Valdez, the USHCC's lead accountant, offered documented evidence and confirmed to the Board that 'this is how it was always done.' In fact, every employee's bonus was 'grossed up.' The investigation found no wrongdoing in this regard. Thus, Mrs. Vaca's allegations and statements to the Board were unfounded based on the investigation findings.
16. Second, Mrs. Vaca alleged that Mr. Palomarez had 'padded' his travel stipend and expense reimbursements. In my opinion, no evidence was ever presented to support this; nor was there any evidence that any of Mr. Palomarez's expense reimbursement were ever inflated or improper. Mrs. Vaca's allegations and statements to the Board were yet again not substantiated by the investigation findings of the *ad hoc* committee.
17. Third, Mrs. Vaca alleged that Mr. Palomarez should not have given himself a Christmas Bonus. The bonus structure for Mr. Palomarez's compensation was outlined in his contract. In no way did his Christmas Bonus violate his contract, and certainly was not theft or embezzlement. This allegation was again not substantiated by the evidence found by the *ad hoc* committee. Arguably, the USHCC did not pay Mr. Palomarez enough for what he did and how he enhanced the organization.
18. Before Mrs. Vaca brought her allegations to the Board, she contacted me via phone. We had a detailed conversation. During that conversation, Mrs. Vaca presented her positions. I felt that she was soliciting my support, *i.e.*, recruiting my vote. She stated that Mr. Palomarez had 'lied to us' and 'used us.' I found this odd. I felt the opposite was the case; Mr. Palomarez was highly regarded as being honest and trustworthy within the organization. Additionally, I had never seen Mr. Palomarez ever use his position within the USHCC for personal gain. Frankly, it is my opinion that Mrs. Vaca benefited greatly financially through her involvement with the USHCC, including receiving a contract with Comcast for her personal business. I am not saying that there is anything fundamentally wrong with that. However, I am saying that it seemed disingenuous to accuse Mr. Palomarez of attempting to benefit personally from his involvement in the organization

when many members of the Board benefited from their affiliation and relationship with the organization over time.

19. During the call I challenged Mrs. Vaca on her motivations. I believe she was not acknowledging the reality of her feelings and motivations. She insisted that Mr. Palomarez had violated his employment contract and that was her sole basis. I believe this too was mental gymnastics on her part to support her argument.
20. In arguing her points, Mrs. Vaca insisted that the 'contract was solid' and it could be 'used' to terminate Mr. Palomarez. I disagreed. I believed the contract was arbitrary and was open to interpretation. I felt her primary motivation was clearly personal—I believed it was perfectly clear that she was influenced in doing this because Mr. Palomarez had broken off their romantic relationship.
21. It appeared to me that Ms. Vaca was more concerned about speed than fairness. My insistence was for a fair process that sought the truth. My insistence was that we let the truth dictate our actions. If Mr. Palomarez was found to have acted improperly after a fair and transparent investigation, then I would have supported his removal, despite our friendship and respect for what he had accomplished for the USHCC. I felt it was critical that we follow the bi-laws, provide due process and allow Mr. Palomarez the opportunity to present his case and be heard before the Board.
22. The original information regarding the claims asserted by Mrs. Vaca were delivered by the USHCC's General Counsel, Roland Juarez. Mrs. Vaca was providing information to Mr. Juarez.
23. I objected, as some point, to Mr. Juarez doing any further investigation because it was my opinion, based on the circumstances, that there could potentially be bias. Mr. Juarez was close friends with Mrs. Vaca and her husband. It was Mrs. Vaca who got him his position within the USHCC.
24. My judgement and gut feelings about Mr. Juarez and Ms. Vaca's friendship later turned out to be well founded. We learned that a few years prior Mr. Juarez had not taken seriously allegations, brought to his attention by former Vice Chair of the Board Jeanette Prenger, that Mrs. Vaca had an inappropriate sexual relationship and affair with Mr. Palomarez, who was her subordinate. I find it troubling that Mr. Juarez failed to disclose to me, Chairman of the Board, about this allegation when it became relevant.
25. Furthermore, before we began the process of investigating Mr. Palomarez, I personally asked Mr. Juarez about the affair. I told him that Mr. Palomarez had admitted to me that he had been involved in a long-term sexual relationship and affair with Mrs. Vaca. In receiving this information, I immediately informed other Board Members of the affair, including but not limited to, Joe Mella, Jose Mass, Joseph Deleon, and Greg Winegardner. Thereafter, I insisted that the Board find a way to investigate the allegations against Mr. Palomarez in an unbiased, fair manner without Mr. Juarez's involvement. The Board ultimately agreed, and Mr. Juarez was removed from any further involvement.

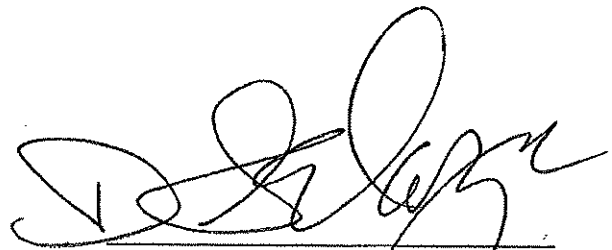
26. As stated above, I believe Mrs. Vaca attempted to recruit my vote beforehand. In my experience, this was a typical pattern of behavior for Mrs. Vaca. Mrs. Vaca was the most powerful figure on the Board. She influenced placement of several people on the Board. It is my belief that Mrs. Vaca utilized these members to get her way with the Board. Many times, 'her way' was a good thing. In this instance, it is my opinion that it was not a good thing; it was a detrimental action for the USHCC and not fair with respect to Mr. Palomarez.
27. Before the vote to terminate Mr. Palomarez, it is my belief that Mrs. Vaca met with some members and disclosed that Mr. Palomarez had been removed from the Foundation as CEO and President due to embezzlement findings. My belief is that this marked the beginning of Mrs. Vaca's recruitment process.
28. It is my belief that Gissel Gazek Nicholas anticipated taking Mr. Palomarez's position if Mr. Palomarez was terminated from the Foundation Board. Below I will address what I consider further conflicts and/or associations within the Board that led to Mr. Palomarez's being removed.
29. Because of my feeling regarding fairness and the necessity of a search for the truth, I agreed with the suggestion of new general counsel that we establish an *ad hoc* committee to independently investigate this matter. An Executive Committee meeting was called to confirm this process.
30. On October 31, 2017 an Executive Committee meeting was held to consider allowing communication between counsel for Mr. Palomarez and legal counsel for the USHCC. Such communications would be allowed for the purpose of facilitating resolution of outstanding issues regarding the contract with Mr. Palomarez. I was shocked by a motion to terminate Mr. Palomarez without the hoped for investigation by the Executive Committee. I felt that this motion was clearly spearheaded by Mrs. Vaca. I say this because the movants used similar arguments Mrs. Vaca had used on the phone with me when she seemed to be recruiting my vote and support for termination. The movants motion seemed scripted and similar in tone to my earlier conversation with Mrs. Vaca. The motion was unfair in my mind so I denied it. Thereafter, the *ad hoc* committee was formed and charged with investigating the matter fully.
31. After an investigation that lasted approximately three weeks, involved a detailed review of volumes of information and the oversight of new general counsel, the *ad hoc* committee unanimously determined that Mr. Palomarez had not embezzled any funds—clearing Mr. Palomarez of any impropriety. This determination was presented to the Board, and I assumed that would be the end of the matter.
32. It was not the end of all matters because even though the allegations of embezzlement were proven to be unsubstantiated and/or false by the *ad hoc* committee, Mrs. Vaca and her supporters attempted to use other reasons being pressed to terminate Mr. Palomarez: the allegations of hostile work environment, sexual harassment and sexual assault. In my opinion, sufficient evidence was never provided to the Board to remotely support such.

33. It is my belief that Mrs. Gissel Gazek Nicholas was opportunistic in asserting these allegations. As time went on, the allegations changed. First, she alleged a sexually charged environment, then inappropriate minor touching. The allegations morphed into sexual harassment and sexual assault. As I recall, the most that Mrs. Nicholas ever alleged specifically to support her claims was that Mr. Palomarez had touched her back and hip. She also said he tried to kiss her and once turned her chair towards him. I do not know if any of this is true or not, but it certainly did not rise to the level of sexual assault, which was her final complaint. Moreover, the alleged conduct by Mr. Palomarez occurred five years before the allegations were made. During those five years, I recall that Mr. Palomarez worked closely with Mrs. Nicholas. They went on business trips together. They attended meetings together. They worked side-by-side on various initiatives. No complaints or allegations were ever levied during that time. It always appeared to me they had an excellent working relationship.
34. I found the timing of Mrs. Nicholas' allegations curious. She seemed to gravitate toward Mrs. Vaca. When making her claims to the Board she used words and verbiage that seemed agenda driven.
35. Eventually, Mr. Palomarez's termination was put to vote. The first two votes were deadlocked 7 for and 7 against. The last vote was 8 for and 6 against. I always voted against a change in leadership, which eventually happened.
36. The ultimate reason for termination was based on the guise that the USHCC needed a 'change in leadership' because of the 'optics' of the situation, which appeared to have been supported created and driven by Mrs. Vaca.
37. It is my belief that Mrs. Vaca and her supporters inflated sexual harassment and assault allegations, which added to the negative 'optics.' This seemed to be a purposeful attempt to garner public and internal support via the 'me too movement.' I found this particularly tactical.
38. Essentially, it is my belief that Mrs. Vaca led what turned out to be an unfounded charge for termination whereby the *ad hoc* committee never substantiated any finding of any wrongdoing by Mr. Palomarez; yet, he was still terminated because of the appearance of wrongdoing created by a person who appeared to be in part motivated by personal feelings of hurt and anger.
39. I have used the term 'supporter' multiple times herein. I think it is important for me to explain my use of that term. It is my opinion based my personal experience that Mrs. Vaca spearheaded this wrongful attack on Mr. Palomarez that ultimately lead to his termination from the USHCC, the Foundation, and the destruction of his good name. However, it is my belief that Mrs. Vaca was not in this alone. I believe others worked with Mrs. Vaca to achieve this goal.

40. It was my interpretation that Carmen Castillo was always a loyal ally of Mrs. Vaca. In support of this, I would like to mention that it was Mrs. Castillo who took it upon herself to interview past employees and others to 'gather' support for terminating Mr. Palomarez. She did so without authority. She did so in violation of Board rules and regulations. I confronted her for doing this. It was my distinct impression that Mrs. Nichols, Mrs. Cordona and other members of the Board, Foundation Board and staff were supporters of this effort.
41. I need to say that before this all transpired I was a strong advocate and supporter of Mrs. Vaca. I felt that she was good for the organization and added to its growth. However, during this process I came to believe her motivations likely changed and damage was done to the Board as a result.
42. After Mr. Palomarez was terminated I resigned my position as Chairman of the Board. I did so (a) because of certain health reasons; (b) significantly, because I recognized I could no longer be effective as Chairman, to some degree due to Mrs. Vaca; and (c) the steps I took to achieve transparency and fairness seemed irrelevant to the Board with respect to the handling of the Palomarez matter.
43. This is my statement. It is based on my personal knowledge or personal experience within the USHCC. It is the truth. I give this statement volunteering and of my own free will. No one pressured me or forced me to give this statement. I do so because it is the truth and I feel that the truth must be told.

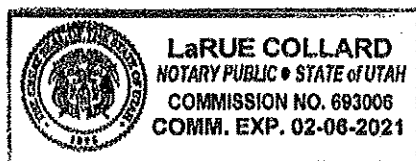
Further affiant sayeth not.

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Affiant

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal, this 7<sup>th</sup> day of June, 2018.




NOTARY PUBLIC

My commission expires: 02/06/2021