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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

SEP 10 2010

ALAN CARLSON, Clerk of the Court

R. Lucey
BY R. LUCEY

6 Attorneys for Defendants PROFESSIONAL
7 COMMUNITY MANAGEMENT, INC. and JANET
8 PRICE

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

BY FAX

11
12 THIRD LAGUNA HILLS MUTUAL, a
California non profit corporation,

13 Plaintiff,

14 vs.

15 PROFESSIONAL COMMUNITY
16 MANAGEMENT, INC., a California
corporation, also known as PCM; MILT
17 JOHNS, an individual; JANET PRICE, an
individual; and DOES 1 to 20, inclusive,

18 Defendants.

CASE NO. 30-2010-00380231

[Assigned for all purposes to the Honorable
Kirk H. Nakamura, Department C-8]

**DECLARATION OF JANET PRICE IN
SUPPORT OF DEFENDANTS
PROFESSIONAL COMMUNITY
MANAGEMENT, INC.'S AND JANET
PRICE'S MOTION FOR SANCTIONS**

Date: October 14, 2010
Time: 2:00 p.m.
Dept.: C-8

Complaint Filed: June 10, 2010
Trial Date: Not set.

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1 costs. The compensation to those PCM employees working in the community is paid by the
2 Corporations pursuant to the management contracts.

3 6. From approximately 1996 to 2008, PCM utilized an incentive plan whereby
4 employee(s) that demonstrated a specific means of reducing costs to the Corporations would
5 receive an "incentive bonus" in the amount of 15% of the savings that the Corporation(s)
6 realized in the first year those savings idea(s) were implemented; another 15% of the savings
7 for the first year would be applied to a bonus savings "pool" to be used to reward other
8 employees who demonstrated an improvement in service that did not result in a savings of hard
9 costs, but the remaining 70% of the savings for the first year a savings idea was implemented
10 would be kept by the Corporations. After the first year, *i.e.*, from the second year forward,
11 100% of the savings would be realized by the Corporations and the PCM employee would
12 receive no portion of the savings.

13 7. In my capacity as Finance & Administration Director since 2000, I mentioned
14 the existence of the plan as part of a presentation on compensation and benefits programs to
15 each of the Corporations many of the years prior to their annual budget review (PCM receives
16 authorization from the boards to expend annual compensation and related costs). I personally
17 attended at least 6 meetings with TLHM in which the incentive plan was mentioned as an
18 element of compensation pertaining to TLHM's annual budget.

19 8. In addition, in February 2003, I provided a Power Point presentation to the
20 Presidents of the Corporations, including TLHM's President, explaining the details of the
21 incentive plan (the "**2003 Presentation**"). True and correct copies of my slides from the 2003
22 Presentation are attached hereto as Exhibit "A."

23 I declare under penalty of perjury under the laws of the State of California that the
24 foregoing is true and correct. Executed this 18 day of August, 2010.

25
26 
27 Janet Price
28

EXHIBIT A

PCM-LW INCENTIVE PLAN

- **Pay for Results Plan**
 - based on financial savings
- **Began 1996**
 - current Plan format since 1998
- **Includes all exempt employees and foremen**

PCM-LW INCENTIVE PLAN

- **Two-part plan to reward Optimization of Costs and Services**
- **Goals of PCM-LW are to Minimize Costs & Maximize Service**

PCM-LW INCENTIVE PLAN

- **Submit Service Improvement Goals**
- **Goals reviewed & approved**
 - **Requires that there be an actual, measurable improvement in service**
- **Relative value to organization determined by oversight group -**
GM, Finance/HR Dir., Budget Mgr., Comp/Benefits Mgr.

PCM-LW INCENTIVE PLAN



- **Results of Service Improvement Goals submitted**
- **Oversight Group examines and verifies measurement**
- **Determination as to extent to which goal was met**

PCM-LW INCENTIVE PLAN

- **Financial Savings to all LW corporations tabulated & verified by Plan oversight group**
- **30% of total savings become Incentive Plan Pool**
 - **1/2 (15%) of savings to Participant(s) who achieved the savings**
 - **1/2 (15%) of savings to Participant(s) who achieved Service Improvement Goals**

PCM-LW INCENTIVE PLAN

- **Incentive Plan is one way in which we encourage creative thinking that allows us to keep total assessment increases near the inflation rate, even when certain costs are rising faster; i.e.(salaries, fuel, utilities)**
- **Becomes more difficult each year to find new ways to save money as well as to improve service without additional costs.**

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PROOF OF SERVICE

I am employed in the County of Orange, State of California. I declare that I am over the age of eighteen (18) and not a party to the within action. My business address is 8001 Irvine Center Drive, Suite 400, Irvine, California 92618.

On September 10, 2010, I served the foregoing document described as **DECLARATION OF JANET PRICE IN SUPPORT OF DEFENDANTS PROFESSIONAL COMMUNITY MANAGEMENT, INC.'S AND JANET PRICE'S MOTION FOR SANCTIONS**, on all interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as stated on the attached service list.

BY MAIL - I deposited such envelope in the mail at Irvine, California. The envelope was mailed with postage thereon fully prepaid. I am "readily familiar" with the firm's practice of collection and processing of correspondence for mailing. Under that practice it would be deposited with the United Postal Service on that same day with postage thereon fully prepaid at Irvine, California in the ordinary course of business. I am aware that on motion of the party served service is presumed invalid if postal cancellation date or postage meter date is more than one (1) day after date of deposit for mailing in affidavit.

BY ELECTRONIC TRANSMISSION - I transmitted a .pdf version of this document by electronic mail to the interested parties at the email addresses identified on the attached service list.

BY PERSONAL SERVICE - I caused such envelope to be delivered by hand to the addressee(s) identified on the attached service list.

BY OVERNIGHT DELIVERY - I deposited such envelope for collection and delivery by a well-known overnight delivery service, i.e., Federal Express or Overnite Express with delivery fees paid or provided for in accordance with ordinary business practices. I am "readily familiar" with the firm's practice of collection and processing packages for overnight delivery by Federal Express and Overnite Express for receipt on the same day in the ordinary course of business.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on September 10, 2010, at Irvine, California.



Lisa Romines

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