amounts of these *"bonuses"*. Second, PCM refuses to tell residents what *"action"* the employee took to save money. And third, there is no way to tell whether these bonuses *"do not cost members additional dollars"* because our system of accounting is so convoluted (some say deliberately) that it is impossible to know where our money is coming from.

Conners says: *"Under the PCM Plan, a number of quantifiable factors must be met before an employee can qualify for an incentive bonus"*. Details of the plan are confidential and *"quantifiable factors"* are undefined. To date, however, quantifiable factors are whatever PCM says they are.

Conners continues *"An employee must show that some exceptional actions created the saving"*. Again, because of secrecy, it is PCM, not Directors or residents, who decides what *"actions"* are *"exceptional"* and determines how much money those *"exceptional actions"* have saved. One wonders, however, how many *"exceptional actions"* it must have taken to save the millions of dollars paid to PCM to date.

Conners is President of Third Mutual and a fiduciary. As such, she is required by law to be truthful, honest and forthright at all times, and to act in the best interests of residents. If Conners is going to represent details of the PCM Employee Incentive Plan to residents as factual and honest, residents have the right to expect that Conners will provide detailed proof of the Plan's truthfulness.

So, to Conners we say, you started this. You opened Pandora's Box with your Directors Corner. Now, it's time to give residents the whole truth about this Plan. It's time to tell residents how much of their money has been paid to the PCM Employee Incentive Plan for each year since its inception in the mid 1990s, who the money was paid to, and what those persons did to justify it. Residents have a right to know. President Conners, your fiduciary duty is to those who elected you, not to PCM.

Residents Seek Support to Maintain Rights

There have been a number of bills every year. The legislators find themselves inundated with requests by residents who reside in Common Interest Developments and have disputes with Home Owner Associations and Management Companies. In general, the legislators are trying to find ways to prevent costly litigation. One of the first bills to address these issues was the Davis-Stirling Act of 1985. This legislation sought to consolidate CID legislation in a single area of the California statutes. Its general purpose was to keep associations functioning within the law. Since then, it has been amended over 60 times.

"Many individual homeowners living within community associations argue that association boards of directors violate the *Davis-Stirling Act*, do not provide the required disclosures, prevent members from speaking at board meetings, impose inproper fines, and/or fail to adequately fund reserves for future maintenance and repair. Homeowners futher complain that they have no alternative except to file a lawsuit. There have been many suggestions and, on at least one occasion, a proposed bill to establish an ombudsman to assist and attempt to resolve homeowner complaints against community associations." (1)

Senate Bill 528 was signed by the governor in September and became law January 1, 2008. The full text can be found at: http://info.sen.ca.gov/pub/07-08/bill/sen/sb 0501-0550/sb528 bill 200. This bill provides that a Board Meeting must be noticed and "It would prohibit the board of directors from discussing or taking action on any item at a nonemergency meeting unless the item was placed on the agenda included in the notice."(2) This last phrase is a simple statement which prevents Boards from taking action without notifying residents. The author of the bill, Senator Sam Aanestad, states on his website, "The Aanestad measure, which received unanimous support in the State Legislature, strengthens homeowner protection in common interest developments (CIDs), such as homeowner associations, by requiring all CID boards to only **consider** matters

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