

## Deja-Vu, from 1976!

Los Angeles Times  
Tuesday, Nov. 23, 1976

### LEISURE WORLD SUITS SETTLED OUT OF COURT

#### Legal Actions Accused Management of Laguna Hills of Breach of Contract

By Leslie Berkman  
Times Staff Writer

An out-of-court settlement has been reached involving lawsuits that accused the management of Laguna Hills Leisure World of breach of contract and factually misrepresentation for financial gain.

Parties to a complex series of interrelated law suits involving the managers and developer of Leisure World and publishers of the Leisure World News in Laguna Hills announced last week that they had settled their disputes.

Terms of the agreement were not disclosed, although a news release said "the settlement was without admission of liability by any party."

It was reported that Edward L. Olsen and Otto Musch, the president and the former secretary-treasurer of Professional Community Management Inc. (PCM), had relinquished their stock in the Golden West Publishing Co., which publishes the Leisure World News.

In 1974 the Rossmore Corp., developer of the Laguna Hills retirement community, filed suit in Orange County Superior Court to recover \$2.2 million which it said it had advanced to the Leisure World Foundation, a nonprofit corporation, which originally managed Leisure World.

Named as defendant, besides the Leisure World Foundation, was PCM, which took over

management of the largest of several Leisure Worlds—the 17,000 resident Laguna Hills—on December 31, 1972.

Other defendants were Olsen, Musch and Golden West Publishing in which Olsen and Musch had become the controlling shareholders. The Rossmore Corp. suit and a cross-suit filed by the Leisure World Foundation contended that while Olsen and Musch were formerly employed as president and chief financial officer of the foundation they illegally caused the foundation's assets to be turned over to themselves. ... (illegible)..... foundation's Board of Trustees to convey a Leisure World home resale company to PCM and to sell the Leisure World News to Golden West Publishing.

Also, the foundation alleged that Olsen and Musch had negotiated contracts by which the foundation paid .... illegible... In all, the foundation claimed damages of \$3.36 million.

In another cross-suit, the Golden West Publishing Corp. sought to rescind the transaction by which Olsen and Musch acquired 51% of that corporation's stock.

According to the suit, transference of stock to Olsen and Musch was required as a condition for the publishing company's purchase of the Leisure World News from the Leisure World Foundation. Carlton J. Smith and Richard Birchall, founders of the newspaper publishing company, argued they had submitted to the terms of purchase "under economic compulsion, coercion and duress."

In another lawsuit, Birchall charged that Olsen and Musch, in their capacities as corporate officers and directors of the

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