

salary, but, apparently this was not acceptable to the city residents.

If hiding these excessive salaries and reverting to a reasonable pay scale would justify Bell City residents to overlook these excessive expenses (according to the city council) shouldn't LWV Owners ignore the \$5.2 million in Incentive Bonuses and overlook restitution (according to PCM and the candidates; Muennichow, Welch, Wellikson, Tso)?

While many LWV residents feel that way, and, unfortunately, so do a number of candidates for the Third Mutual Board who publically state that their primary objective is to **"Stop the Law Suit."** Rather than getting elected with the intent on providing **OVERSIGHT**, they want to get elected with the intent on **IGNORING THE PAST**. PCM says that it has terminated the Incentive Bonus Plan. Should we accept that as full payment for the \$5.2 million that was spent by PCM for unallocated bonuses?

"Stop the Law Suit!" Could 3 of the 4 candidates who state that this is their primary objective, be influenced because they were on the Third Mutual Board at the time the Incentive Bonus was being implemented and, as Board Members, were responsible for oversight, yet didn't know of the plan? If we were in that position, it is probable that we too would like to **"Stop the Law Suit."**

BONUS PLANS ?

There are three programs they are trying to confuse members with these days.....

- **Employee Suggestion Program** – Started in 1987, it paid employees spot awards and a percentage of savings. Boards knew about this every year. It ended when the Bonus Program

started. A PCM paid Leisure World News ad was describing this back in 1990 when residents were upset that their assessments were going up even more. (NOTE: Neither the word "incentive" or phrase "incentive plan" are even used in this PCM ad.)

- **Bonus Program** – Started in the early 1990's, it paid department managers and employees within the departments bonuses from a bonus pool for outstanding ideas and savings. Boards knew about this each year, and were informed each year how big the "bonus pool" was. This is the program they based their \$32-Million in community savings on (again, with assessments going up each year). This program continues today (2009). It is a successful program and common within industry.
- **Incentive Plan** – Secretly started in 1996 and never revealed to the boards until late 2006 after being accidentally discovered. PCM claims they took 30% of certain savings each year and awarded it to employees. There is no proof regarding the percentage skimmed or that monies were distributed to any significant number of employees. PCM established project budgets each year, got the boards to approve the budgets, managed the projects and "always" came in under-budget, paid out supposedly 30% of the savings for themselves, and returned the balance of the savings (70%?) to the boards. There has never been any open accounting or audits of these accounting transactions and details – **NEVER**. PCM has admitted in written e-mails their unapproved payouts averaged \$450,000 per year and ranged from \$200,000 to over \$1Million over the years.

PCM and the Mutual Directors keep trying to confuse the issue by saying Boards knew all along about

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