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Windermere Real Estate Services Company
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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 BENNION & DEVILLE FINE
HOMES, INC., a California
16 corporation, BENNION & DEVILLE
FINE HOMES SOCAL, INC., a
17 California corporation, WINDERMERE
SERVICES SOUTHERN
18 CALIFORNIA, INC., a California
corporation,

19 Plaintiffs,

20 v.

21 WINDERMERE REAL ESTATE
22 SERVICES COMPANY, a Washington
corporation; and DOES 1-10

23 Defendant.
24

25
26 **AND RELATED COUNTERCLAIMS**
27
28

Case No. 5:15-CV-01921 R (KKx)

Hon. Manual L. Real

**DECLARATION OF MICHAEL
TEATHER IN SUPPORT OF
COUNTERCLAIMANT
WINDERMERE REAL ESTATE
SERVICES COMPANY'S
APPLICATIONS FOR RIGHT TO
ATTACH ORDERS AND ORDERS
FOR ISSUANCE OF WRITS OF
ATTACHMENT**

Date: December 19, 2016

Time: 10:00 a.m.

Courtroom: 8

Complaint Filed: September 17, 2015

1 I, Michael Teather, declare as follows:

2 1. I am a Co-President of defendant and counterclaimant Windermere
3 Real Estate Services Company (“WSC”). The statements in this declaration are
4 based upon my personal knowledge, and if called as a witness, I could testify
5 competently thereto.

6 2. Prior to joining WSC in 1998, I worked as an attorney in Chicago,
7 Illinois and then Seattle, Washington. After that I managed different manufacturing
8 and real estate businesses. I no longer practice law.

9 3. As part of my job duties with WSC, I work with Windermere owners
10 throughout the network. My responsibilities include working with owners to solve
11 business challenges, expanding the network of Windermere offices, and consulting
12 with owners to develop recruitment and longevity programs. I also help keep
13 owners current on the latest tools and offerings available from WSC.

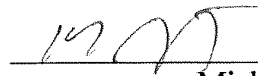
14 4. In or about late-March, 2014, I was asked to negotiate directly with
15 Robert Sunderland, who was counsel for Counter Defendants and Bennion &
16 Deville Fines Homes, Inc. (“B&D Fine Homes”), Bennion & Deville Fines Homes
17 SoCal, Inc. (“B&D Fine Homes SoCal”), Robert Bennion, and Joseph R. Deville.
18 The purpose of these negotiations was to resolve certain disputes that had arisen
19 between the parties. These disputes included Bennion and Deville’s request to
20 extend payments on a personal loan that had been extended to them by the principals
21 of WSC, claims by B&D Fine Homes and B&D Fine Homes SoCal that WSC had
22 breached a Modification Agreement between the parties by failing to take
23 reasonable efforts to curtail the anti-marketing efforts of “Windermere Watch,” and
24 that WSC had mismanaged funds for its charitable organization, the Windermere
25 Foundation. WSC claimed that B&D Fine Homes and B&D Fine Homes SoCal had
26 improperly classified some of its offices as “satellites” as opposed to “branches” for
27 which license fees would have been due.

28 5. As a result of my discussions with Mr. Sunderland, the parties were

1 able to reach an agreement that resolved all of the issues that were outstanding
2 between them at that time. As a part of the parties' agreement, WSC agreed to
3 extend Bennion and Deville's balloon payment over time and to credit B&D Fine
4 Homes and B&D Fines Homes SoCal for amounts they claimed to have expended in
5 combatting Windermere Watch. In exchange, Mr. Sunderland's clients agreed that
6 WSC was not in breach of the Modification Agreement and that there was nothing
7 more WSC was required to do under that agreement unless the activities of
8 Windermere Watch changed in a material way. WSC would not have entered into
9 this agreement without the Liable Parties' agreement in this regard.

10 On June 3, 2014, I drafted a letter to Mr. Sunderland confirming the parties'
11 agreements on these issues and attaching an amendment to the Promissory Note
12 issued by Bennion and Deville to WSC's principals that extended out the balloon
13 payment. I asked WSC's General Counsel, Paul Drayna, to email my letter to Mr.
14 Sunderland. A true and correct copy of my letter is attached to Mr. Drayna's
15 declaration filed herewith as Exhibit ^{K-1} 3. I never received any response from Mr.
16 Sunderland to my letter.

17 I declare under penalty of perjury under the laws of the United States of
18 America that the forgoing is true and correct, executed this 21st day of November,
19 2016, at Seattle, Washington.

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21 Michael Teather

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