

1 Michael Mortimer [SBN 164092]
 A.T. Kippes [SBN 171688]
 2 THE BUSINESS LITIGATION GROUP LLP
 351 California Street, Suite 500
 3 Mail to: Post Office Box 2342
 San Francisco, CA 94126-2342
 4
 5 (415) 398-5050; Telecopier: (415) 398-5088; sanfrancisco@att.net; businesslitigationgroup.com
 Attorneys for Plaintiff Landis Maez

UNITED STATES DISTRICT COURT

Northern District of California - San Francisco Division

12 Landis Maez,
 13 Plaintiff,
 14 v.
 15 ChevronTexaco Corporation; Chevron U.S.A.
 Inc.; Chevron Energy Solutions, L.P.
 16
 17 Defendants.

Case No.: **C-04-00790 JSW (EDL)**

Response to OSC – Exhibits for ECF Public Filing.

Honorable Jeffrey S. White
June 17, 2005
Dept. 2, 17th Floor

P. O. Box 2342
 San Francisco 94126-2342
 415 398 5050
 sanfrancisco@att.net

Non-Confidential Documents submitted to the Court that will be ECF filed upon the Court granting Plaintiff leave to file the attached Exhibits.

-- Pages submitted to the Court for filing under seal have been indicated on each page. Additionally, the Exhibit tabs are marked in red where such numbered section contains redacted material.

-- These Exhibits correspond to the entire Exhibits file Plaintiff delivered to the Court and to opposing counsel on June 6, 2005.

PART 2 - (Exhibits 11 through 20)

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Federal Rule 26 Disclosure by Ptf.

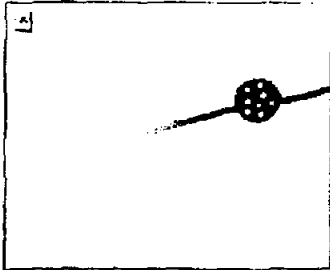
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EXHIBIT 11



INCENTIVE PLAN DEFINITIONS

- ✧ In addition the Incentive Plan documents, there is a document that provides definitions for the 2003 Incentive Plans.
- ✧ **Incentive Committee:** a standing oversight committee organized to resolve transition matters, challenges, ambiguities, or any other issue pertaining to the incentive plan. Membership on the Incentives Committee shall consist of the CES President, Chief Operating Officer, Finance Director and Human Resources.

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Initial _____ Supp _____

Document Number: _____

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EXHIBIT

EXHIBIT 12

Landis Maez

From: Verma, Puneet (puve)
Sent: Monday, September 08, 2003 2:22 PM
To: Maez, Landis (maez)
Subject: RE: IC Concerns**Strictly Private**

REDACTED - Filed Under
Administrative Motion to Seal.

**REDACTED - Filed Under
Administrative Motion to Seal.**

**REDACTED - Filed Under
Administrative Motion to Seal.**

Federal Rule 26 Disclosure by Ptf.

Initial _____ Supp _____

Document Number: _____

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SEARCHED

13

EXHIBIT 13

-----Original Message-----

From: Verma, Puneet (pune)
Sent: Tuesday, October 14, 2003 11:27 AM
To: Maez, Landis (maez)
Subject: RE: IC Concerns**Strictly Private**

Landis,
I'm not sure what value will be added by taking the actions outlined below at this time, however, it's your decision and you have the right to take whatever action you think appropriate. Considering the ongoing conversations we've been having regarding this topic, I'm not sure where your impression is coming from that little progress is being made to come to a resolution.

Here's an update of what's happening regarding a decision as best as I know today. As I mentioned last week, Jeffrey met w/ Jim Davis to further discuss BOO transaction compensation. Subsequent to Jeffrey's meeting w/ Jim last week, Jeffrey met w/ Barbara Daniel and Ravinder Bumbra regarding this matter. The Compensation Committee is actively working on this matter. A few important milestones were reached last week as follows:

- The Compensation Committee has the data it needs to make a decision on this matter;
 - It has been agreed that the Sunkist deals should be considered as "transition deals"; and
 - The method and process of BOO transactions incentive payments has been agreed upon.
- As you can see from the milestones above, things are moving the right direction.

Regarding the compensation itself, the Committee has accepted the "NPV of the Facilities Payment" methodology you and I discussed a couple of weeks ago. They are in process of doing the payout calculation at this time. It's important to note that it has also been decided that BOO transaction incentive will be paid out when the plant becomes operational. For the Sunkist deals, I think that'll be Q4 this year. The incentive for these deals should be paid w/ the other Q4 incentive payments.

Per our previous discussions, because your 2002 STIP was based on the Sunkist transactions as well, the amount paid in 2002 will be deducted for the newly agreed to BOO incentive calculations and the remaining portion will be paid.

I hope this information will be helpful in bringing you up to speed on what is happening in to resolve in matter. I'll call you to review all this information later today.

Puneet Verma, Director

ChevronTexaco
Chevron Energy Solutions Company
Tel. (703)748-1744 Fax. (703)748-1724

-----Original Message-----

From: Maez, Landis (maez)
Sent: Tuesday, October 14, 2003 10:06 AM
To: Verma, Puneet (pune)
Subject: PW: IC Concerns**Strictly Private**
Importance: High

Puneet,

It seems like we're making little progress in getting this resolved. I'm going to submit my Facilitator Request Form (to move this up to Step 2 of the ChevronTexaco STEPS process for problem resolution)... so we can try and get some definitive resolution by year end. Its already mid October, we've been chasing this thing since mid

PTF R26 0503

Summer...and I still see no indication of a willingness for movement (or a proposed timeline for resolution) on top management's part (unless I'm absolutely missing something?).

I believe it would serve all of us (everyone who has an IC stake in the Sunkist deals) well to get an unbiased outside facilitator involved...and get this matter equitably and quickly resolved. I'll submit the paperwork on Thursday.

Regards,

Landis

-----Original Message-----

From: Maez, Landis (maez)
Sent: Wednesday, September 17, 2003 4:42 PM
To: Verne, Puneet (puve)
Subject: RE: IC Concerns**Strictly Private**
Importance: High

Puneet,

We need to talk soon.... I'm afraid that Jim Davis and JJEf are not making progress on this important issue because of Jim misconception that I've been paid for this already. I would propose that if you and I have nothing definitive back by Wednesday of next week (or an answer that I can't live with), that I move this to Step 2 in the ChevronTexaco STEPS process (requesting a facilitator from the Ombudsman and HR for the issue).

You may want to give John Mahoney a 'heads-up'...as I don't want him blind-sided by this whole thing.

Thanks,

Landis

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Document Number: _____

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EXHIBIT 14

Landis Maaz

From: Maaz, Landis (maaz)
Sent: Friday, September 26, 2003 8:33 AM
To: Verma, Puneet (puve)
Subject: Points of Discussion for today IC conference call

Importance: High

Puneet,

Here are some of the most important points (to me) that I would like to get on the table this morning in our conference call with Jeffrey regarding the new IC plan and how it affects me (and my signed BOO contracts):

- I Took a Job with CES in 1/2001 with assurances of 40%-80% annual Bonus (based on Booked Margin Performance... see PMP 'Profitable Growth' Measure) *Profitable Growth is the only Quantitative and completely Objective Measurement section in the Salesman's PMP*
- I spent 2001 and 2002 investing my efforts in building long-term 'Booked Margin' via annuity BOO contracts (to achieve the annual Bonuses as Contract Margin is actually realized - 10 years in the case of my Sunkist Contracts).
- I was told for the 1st time in August '03 (2 months after the IC Plan Transition had occurred) that my twin Sunkist Contract Bonus had already been paid in 2002 ...something not previously mentioned either during my 2002 PMP evaluation or 2002 IC payout in March:
 - Isn't Employee Incentive Compensation a formally documented and followed HR Process within ChevronTexaco?
 - Why would ChevronTexaco go 'out-of-plan' (without informing the affected Employee) to compensate them early on Projects that clearly do not yet qualify under the plan's or PMP's Terms (i.e. Booked Margin recognition on Sunkist would not begin until 2003 at the earliest)? I was led to believe that my above average bonus (~\$4,000 for 2002) was a reward for exceeding my 'Contract Backlog' Profitable Growth Measure goal (please refer to my 2002 PMP final evaluation), as I clearly wasn't yet eligible to receive credit for 'Booked Margin' (an event that will happen for the next 10 years, beginning in 2003, under the terms of the Sunkist Contracts, as Margin is actually realized by ChevronTexaco).
 - If ChevronTexaco truly believes that I've been prematurely rewarded for all ten years of Booked Margin on my Sunkist Contracts, how then does my 2002 Bonus (for \$10MM in backlogged Margin) compare with this Business Unit's 2002 non-producer's Bonus payouts (i.e. T. Mulrooney)?
 - Even if ChevronTexaco honestly feels that I was somehow compensated prematurely, the optics are clear...a couple thousand dollar additional '02 Bonus can hardly remunerate me for my planned 10 years of Booked Margin Sales Credit recognition for the 10 Year

Sunkist Contracts (under the old IC Plan) upon which I had counted and budgeted for the past 20 months.

- In all equity, the IC Plan transition should still be expected to carry forward all earned but unrealized Sales Credit into 2003-2013 (10 Year Annuity Term of Sunkist Contracts)...as both IC plans (old and new) are based on objective measurements of 'Realized' Revenue/Margin.

Regards,

Landis

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Document Number: _____

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PLAINTIFF'S EXHIBIT

15

Landis Maez

From: Maez, Landis (maez) [maez@chevrontexaco.com]
Sent: Tuesday, November 04, 2003 3:40 PM
To: Erickson, Barbara
Subject: RE: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation
Strictly Private

Importance: High



Sunkist Sales IC
Payout Projec...

Barbara,

Here is the spreadsheet I have used to compute lump-sum IC payout for the two Sunkist Contracts, based on the executed contracts and the Project Economic ProFormas our team has been using. I have excluded any out-year commodity power and thermal sales revenues within these contracts in order to expedite things...and only included the Fixed Monthly Facilities Charge Revenues that the Customer has contracted to pay for each month of the 10 year contracts. Leaving the commodity revenues out of both of these contracts is a concession...since by my math, these 2 particular deals were structured with margin in the commodity sales portions of both contracts.

- I have used a Discount Rate of 2.0% for NPV calculations, to account for 'reasonable' inflationary erosion of outyear revenues...which is substantially lower than the 10% number I have heard being proposed previously.

- Since none of the margins (or revenues) from either of these projects was 'recognized' in 2002, I still assert that 40% of my total received 2002 STIP (the portion of 2002 STIP attributable to personal performance) should not be counted as a 'hold-back' from any post-2002 earned IC amounts.

- Additionally, the 50% IC hold-back for payouts outside of a 6 month closing window (for another contract) should not be made in this case...because both contracts were delayed by substantial internal project management problems and a conscious management decision earlier this summer to delay project completion (due to competing project resource demands), that were all beyond my ability to control. Both projects were contractually to be delivered prior to 4/1/2003, compliant delivery of these projects would have made both exempt from the 50% withholding penalty.

I hope this helps...

Regards,

Landis

-----Original Message-----

From: Erickson, Barbara
Sent: Tuesday, November 04, 2003 1:33 PM
To: Maez, Landis (maez)
Subject: RE: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation **Strictly Private**

That would be great. Hopefully we will have a firm answer on this so you will know whether or not you will need a facilitator. I just want to be able to define the problem before we get the facilitator involved. Since if we don't know how to define the problem, how is the facilitator going to help us to resolve the problem. I hope that makes sense to you.

I will wait for your spreadsheet.

Barbara Erickson, Human Resources Business Partner

ChevronTexaco Chevron Energy Solutions, Human Resources
12980 Foster, Suite 400
Overland Park, KS 66213-2649

berickson@chevrontexaco.com

-----Original Message-----

From: maez@chevrontexaco.com [mailto:maez@chevrontexaco.com] Sent:
Tuesday, November 04, 2003 2:29 PM
To: ERICKSON, BARBARA
Subject: RE: **IC Dispute Resolution via the STEPS Process - Step
#2, request for facilitation **Strictly Private**

Thanks Barbara..I'll do that.

I should have the spreadsheet cleaned-up and something to you by tomorrow.

Regards,

Landis

-----Original Message-----

From: Erickson, Barbara
Sent: Tuesday, November 04, 2003 1:25 PM
To: Maez, Landis (maez)
Subject: RE: **IC Dispute Resolution via the STEPS Process - Step #2, request for
facilitation **Strictly Private**

I did but then I had the action to get Ravinder to prepare the estimated incentive. I apologize for not calling you on Friday. (Our water heater went out at home and started leaking everywhere. I ended up staying at home on Friday). During my discussion with Jim he asked if you had prepared anything regarding what you thought your incentive should be.

At this point, I would like you to explain how you feel the incentive should be calculated. I will follow up with Ravinder and then Jim. If you can get me your suggested way of calculating the incentive and what that would amount to I will be prepared to present both to Jim. I am trying to schedule a meeting with Jim and John on Thursday afternoon.

I will keep you posted. Please send me your calculation ASAP. If you are not going to have this by close of business Wednesday, please let me know. I will try to push back the meeting with Jim and John. I want to have as much information as possible at this meeting.

Thanks!

Barbara Erickson, Human Resources Business Partner

ChevronTexaco Chevron Energy Solutions, Human Resources
12980 Foster, Suite 400
Overland Park, KS 66213-2649

berickson@chevrontexaco.com

-----Original Message-----

From: maez@chevrontexaco.com [mailto:maez@chevrontexaco.com] Sent:
Tuesday, November 04, 2003 2:10 PM
To: BERICKSON@chevrontexaco.com
Subject: FW: **IC Dispute Resolution via the STEPS Process - Step
#2, request for facilitation **Strictly Private**

Barbara,

Did you have any luck getting in-touch with Jim Davis last week, in order to answer the remaining questions you had on this matter before getting the STEPS facilitator assigned?

Regards,

Landis

-----Original Message-----

From: Erickson, Barbara
Sent: Tuesday, October 28, 2003 5:59 PM
To: Maez, Landis (maez)
Cc: Verma, Puneet (puve)
Subject: RE: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation **Strictly Private**

Landis,

Puneet and I have been playing phone tag. Puneet it is 7:00 p.m. here. I will try to call you tomorrow morning. I have a presentation to give tomorrow morning and then a 1:00 p.m. meeting. I will Landis after that meeting to discuss.

Thanks for your patience.

Barbara Erickson, Human Resources Business Partner

ChevronTexaco Chevron Energy Solutions, Human Resources
12980 Foster, Suite 400
Overland Park, KS 66213-2649

berickson@chevrontexaco.com

-----Original Message-----

From: maez@chevrontexaco.com [mailto:maez@chevrontexaco.com] Sent: Tuesday, October 28, 2003 6:36 PM
To: BERICKSON@chevrontexaco.com
Cc: BrodrickW.Hill1@chevrontexaco.com
Subject: RE: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation **Strictly Private**

Barbara,

Its now been almost a week since I've formally requested facilitation on the Subject dispute via the ChevronTexaco STEPS process. Is there a time-line you could share with me, regarding when I can expect a facilitator will be assigned to begin working-out a mutually beneficial resolution?

Thanks and Regards,

Landis
(480) 225-3947

> -----Original Message-----

> From: Maez, Landis (maez)
> Sent: Wednesday, October 22, 2003 6:25 PM
> To: Verma, Puneet (puve)
> Cc: Erickson, Barbara (BERICKSON); Hill, Brodrick W.
> (BrodrickW.Hill1)
> Subject: **IC Dispute Resolution via the STEPS Process - Step #2,
> request for facilitation **Strictly Private**
> Importance: High
>

> Puneet,
>
> Unfortunately I still have some serious concerns about ChevronTexaco's
> approach to my IC payout on the Sunkist deals...especially as I read
> your update message below and again consider our conversation of
> 10/4/2003. I want to ensure my inputs are adequately considered (by
> an outside facilitator) before the CES Incentive Compensation Review
> Committee issues an opinion and makes the decision potentially tougher
> to rectify.
>
> Attached please find an electronic version of the STEPS Process
> Facilitator Request Form (Step #2 of the corporate Problem Resolution
> Process), as well as; 1.) The 'old' CES STIP Plan document, 3.) My
> Final PMP-2002 Document (because the 2002 STIP Plan uses it as the
> performance measure for 'Individual Performance') and 3.) The 'new
> 7/1/2003' CES Sales IC Plan document.
>
> You are well aware of my dilemma with regard to getting what I believe
> is proper and fair Incentive Compensation consideration for my 2
> unique Sunkist BOO Contracts. You are also aware of my objection to
> ChevronTexaco's August 2003 position...claiming that I had somehow
> already been compensated 'out-of-plan' (earlier than the STIP plan and
> PMP-2002 measurements allowed) on these contracts in 2002, and my
> objection to the unusually high Discount Rate (10%) that ChevronTexaco
> is planning to use in the NPV calculation of the 10 year Revenue
> inflows.
>
> For the record, my understanding is that the Tank Farm went
> operational in early August of '03, and the Main Plant went
> operational in September. Even so, I feel that it would be grossly
> unfair to penalize me financially, in any way, for CES' Operations
> Group's complete mismanagement of the implementation of these projects
> and the extremely late delivery of both of these projects to our
> Customer (originally promised to the Customer in January of 2003).
>
> I look forward to your assistance to getting this in front of a fresh
> set of 'non-biased' eyes to help us drive this to 'win-win'
> resolution.
>
> Thanks and Regards,
>
> Landis
>
> << File: STEPS facilitator request form LRM IC Compensation Issue
> 10_2003.doc >> << File: 2002 STIP CES EEs.doc >> << File: Maez
> Landis PMP 2002 2-25-02 Final 2002.doc >> << File: 2003 SALES
> INCENTIVE PLAN BDM 7_1_2003.doc >>
>
> -----Original Message-----
> From: Verma, Puneet (puve)
> Sent: Tuesday, October 14, 2003 11:27 AM
> To: Maez, Landis (maez)
> Subject: RE: IC Concerns**Strictly Private**
>
> Landis,
> I'm not sure what value will be added by taking the actions outlined
> below at this time, however, it's your decision and you have the right
> to take whatever action you think appropriate. Considering the

> ongoing conversations we've been having regarding this topic, I'm not
> sure where your impression is coming from that little progress is
> being made to come to a resolution.
>
> Here's an update of what's happening regarding a decision as best as I
> know today. As I mentioned last week, Jeffrey met w/ Jim Davis to
> further discuss BOO transaction compensation. Subsequent to Jeffrey's
> meeting w/ Jim last week, Jeffrey met w/ Barbara Daniel and Ravinder
> Bumbala regarding this matter. The Compensation Committee is actively
> working on this matter. A few important milestones were reached last
> week as follows:
> * The Compensation Committee has the data it needs to make a
> decision on this matter;
> * It has been agreed that the Sunkist deals should be considered
> as "transition deals"; and
> * The method and process of BOO transactions incentive payments
> has been agreed upon.
> As you can see from the milestones above, things are moving the right
> direction.
>
> Regarding the compensation itself, the Committee has accepted the "NPV
> of the Facilities Payment" methodology you and I discussed a couple of
> weeks ago. They are in process of doing the payout calculation at
> this time. It's important to note that it has also be decided that
> BOO transaction incentive will be paid out when the plant becomes
> operational. For the Sunkist deals, I think that'll be Q4 this year.
> The incentive for these deals should be paid w/ the other Q4 incentive
> payments.
>
> Per our pervious discussions, because your 2002 STIP was based on the
> Sunkist transactions as well, the amount paid in 2002 will be deducted
> for the newly agreed to BOO incentive calculations and the remaining
> portion will be paid.
>
> I hope this information will be helpful in bringing you up to speed on
> what is happening in to resolve in matter. I'll call you to review
> all this information later today.
>
>
> Puneet Verma, Director
>
> ChevronTexaco
> Chevron Energy Solutions Company
> Tel. (703)748-1744 Fax. (703)748-1724
>
> -----Original Message-----
> From: Maez, Landis (maez)
> Sent: Tuesday, October 14, 2003 10:06 AM
> To: Verma, Puneet (puve)
> Subject: FW: IC Concerns**Strictly Private**
> Importance: High
>
> Puneet,
>
> It seems like we're making little progress in getting this resolved.
> I'm going to submit my Facilitator Request Form (to move this up to
> Step 2 of the ChevronTexaco STEPS process for problem resolution)...so

**REDACTED - Filed Under
Administrative Motion to Seal.**

Federal Rule 26 Disclosure by Ptf.

Initial _____ Supp _____

Document Number: _____

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PLAINTIFF'S EXHIBIT

16

Landis Maez

From: Maez, Landis (maez)
Sent: Wednesday, October 22, 2003 6:25 PM
To: Verma, Puneet (puve)
Cc: Erickson, Barbara (BERICKSON); Hill, Brodrick W. (BrodrickW.Hill1)
Subject: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation
Strictly Private

Importance: High

Puneet,

Unfortunately I still have some serious concerns about ChevronTexaco's approach to my IC payout on the Sunkist deals... especially as I read your update message below and again consider our conversation of 10/4/2003. I want to ensure my inputs are adequately considered (by an outside facilitator) before the CES Incentive Compensation Review Committee issues an opinion and makes the decision potentially tougher to rectify.

Attached please find an electronic version of the STEPS Process Facilitator Request Form (Step #2 of the corporate Problem Resolution Process), as well as: 1.) The 'old' CES STIP Plan document, 3.) My Final PMP-2002 Document (because the 2002 STIP Plan uses it as the performance measure for 'Individual Performance') and 3.) The 'new 7/1/2003' CES Sales IC Plan document.

You are well aware of my dilemma with regard to getting what I believe is proper and fair Incentive Compensation consideration for my 2 unique Sunkist BOO Contracts. You are also aware of my objection to ChevronTexaco's August 2003 position...claiming that I had somehow already been compensated 'out-of-plan' (earlier than the STIP plan and PMP-2002 measurements allowed) on these contracts in 2002, and my objection to the unusually high Discount Rate (10%) that ChevronTexaco is planning to use in the NPV calculation of the 10 year Revenue inflows.

For the record, my understanding is that the Tank Farm went operational in early August of '03, and the Main Plant went operational in September. Even so, I feel that it would be grossly unfair to penalize me financially, in any way, for CES' Operations Group's complete mismanagement of the implementation of these projects and the extremely late delivery of both of these projects to our Customer (originally promised to the Customer in January of 2003).

I look forward to your assistance to getting this in front of a fresh set of 'non-biased' eyes to help us drive this to 'win-win' resolution.

Thanks and Regards,

Landis



STEPS facilitator
request form...



2002 STIP CES
EEs.doc (44 KB)



Maez Landis PMP
2002 2-25-02 F...



2003 SALES
INCENTIVE PLAN BDM

PTF R26 0505

Form for Using an Internal Facilitator

RECORD OF INTERNAL FACILITATION	Date 10/22/2003
Employee: Landis Maez (MAEZ)	Supervisor/Team Leader: Puneet Verma (PUVE)
<small>Directions: The employee completes the "Employee's Perspective" section, followed by the Supervisor/Team Leader completing the "Supervisor/Team Leader Perspective" section. Information should include: 1) Details of the issue, 2) Company policies, procedures or rules that the employee feels were inappropriately applied, 3) Employee's action to resolve the issue, 4) Employee's statement of how he/she has been harmed, and 5) Employee's suggestion to resolve the issue.</small>	
<p>Employee's Perspective</p> <p>Late this summer, Chevron Energy Solutions' ('CES') former Sr. VP, Jeffrey Jacobs, indicated that because of CES Sales Team's concerns about being switched from a Booked Margin based performance measurement Incentive Compensation (IC) system to the newly adopted Recognized Revenue based performance measurement IC system (brought over from the recent acquisition of Viron), that the newly formed CES Incentive Compensation Review Committee would be formed to begin hearing 'IC Exception Cases' for those of us with Legacy Sales IC compensation issues (meaning transitioning from the Old CES Sales Performance Measurement & STIP Plan to the 'New 7/1/2003' CES Sales Performance Measurement & IC Plan), and making judgments on 'equitable' compensation settlements for each Manager affected by the IC plan transition.</p> <p>I had begun the formal ChevronTexaco STEPS problem resolution process (Step 1) in early August when my former Sr. VP informed me that CES management, after realizing the IC payout cost involved with two of my contracts (Sunkist Main Plant and Sunkist Tank Farm), decided after-the-fact that I had somehow already been rewarded for these two sales efforts under the 'old' STIP Plan in 2002 and they would not be submitting these two projects to the CES Incentive Compensation Review Committee for review. In fact, I had not been paid STIP Compensation for either of these projects in 2002.</p> <p>CES Management claimed in August '03 that I was already compensated for these project under the 2002 STIP plan... however CES has just this month backed off its previous stance somewhat, to say that I was only 'partially' compensated for these large dollar contracts in 2002. I closed the two Sunkist Contracts with the understanding (under the existing CES Sales Performance Measurement & STIP Plan in place at the time) that I would receive Sales Credit for the 10 year term of both contracts under the old CES Sales Performance Measurement & STIP plans, based on the Booked Margin that they would bring to ChevronTexaco each year beginning the Summer of 2003.</p> <p>I must now seek facilitation of this matter via the ChevronTexaco STEPS process (Step #2) for IC compensation for my signed Sunkist contracts, because CES' position that I was partially paid for these projects under the 2002 STIP plan and the overly conservative discount rate (10%) proposed for calculating an NPV lump sum payout calculation, in my opinion, will shortchange me for these sales efforts and perhaps leave me without the possibility for fair and proper remuneration under either the 'old' or 'new 7/1/2003' CES Sales Performance Measurement and IC plans (both plans are attached to this Internal Facilitator Request). This decision specifically affects only me, as I've been the only successful salesman and closer of BOO annuity Contracts for ChevronTexaco to date.</p>	

Attach Additional Sheets if Needed

June 1997

PTF R26 0506

Form for Using an Internal Facilitator

Based on my understanding with my hiring CES Supervisor (Jorge Lopez) at the time of my hire (1/2001), in order to convince me to leave my sales leadership position with my former employer, I was assured a 40%+ (of salary) STIP payout annually (40% of the 40% bonus... i.e. 16% of my salary, was to be based on my individual sales performance, which at the time was a Booked Margin Performance Measurement based STIP system). I was told that by building my Booked Margin number beyond the yearly target, I could grow my annual STIP Payout to 80% of my salary annually. My focus for the past 3 years has been on multi-year contracts to build a long-term recurring Booked Margin base from which to enhance my yearly STIP compensation to the 80% level.

The IC which I believe that I should receive for the two Sunkist deals would become officially 'eligible' for measurement and recognition for the 1st time at project startup in August of 2003 (under both the new and the old Sales Performance Measurement Systems and IC plans). I had never before August '03 been told that CES had gone out-of-plan (crediting my 'Individual Performance' for Booked Margin I had not yet earned) to calculate my 2002 STIP... and more importantly, even as CES states (after-the-fact) that my 2002 STIP compensation was somehow based on these large contracts being compensated prematurely, the roughly \$16,000 (40% of my total 2002 STIP which specifically related to 'Individual Sales Performance' under the old STIP Plan guidelines) paid to me for 2002 STIP does not come close to being equitable-IC compensation for the Revenue and Margin these projects will generate for ChevronTexaco under any of the CES published IC Plans.

Bottomline:

- Per my Supervisor's 10/14/03 email, it appears that I'll be offered a considerably small IC (per my calculations) for these Contracts instead of the \$97,696.00 I feel is due to me per the 'new 7/1/2003' IC Plan Guidelines.
- ChevronTexaco's overly conservative and unrealistic discount rate (10%), used to calculate 10 year NPV of the Revenue flows for these projects, unfairly shortchanges my IC payout in the lump sum payout scenario.
- CES is claiming after-the-fact that most of my earned IC for the 2 Sunkist contracts was paid to me in 2002 STIP, in clear opposition to the published 2002 STIP Plan & PMP-2002 guidelines and measurement (as no Booked Margin had yet been realized in 2002). Even supposing that this were the case, only \$16,000 of my 2002 STIP payout was based on Individual Sales Performance and could possibly be eligible for hold-back (not that I agree it would be fair to do so) on my 2003 earned IC.
- I have another potential \$107MM in BOO annuity contracts in process for execution within the next 2-3 quarters, having worked several years to get each to these point in the Sales Process. I'm now extremely concerned that my projected IC payout on these projects may also be deeply discounted by using an unusually high Discount Rate.

I'm fully willing to have my two Sunkist contracts properly measured and rewarded under 'new 7/1/2003' IC Plan, for the full Booked Revenue Stream for the 10 year annuity contract term. I have indicated all along that I am fully willing to share the out-year contract performance risk with ChevronTexaco, and receive the proper IC Payout (per the 7/1/2003 Plan) on an annual basis for the 10 year terms, as the Revenue is Booked and the Margin calculation is

Attach Additional Sheets if Needed

June 1997

PTF R26 0507

Form for Using an Internal Facilitator
determined for each particular year.

Supervisor/Team Leader's Perspective

Internal Facilitator

Date of Facilitated Discussion

Internal Facilitator Notes

Summary of Facilitated Discussion

Is the Issue Resolved? Yes No If yes, attach signed agreement. If no, state the issues outstanding.

Facilitated Discussion - Agreement

Employee

Supervisor/Team Leader

Internal Facilitator

Date of Facilitated Discussion

Attach Additional Sheets if Needed

Form for Using an Internal Facilitator

Employee	Date	Supervisor/Team Leader	Date

Attach Additional Sheets if Needed

June 1997

PTF R26 0509

FOR INTERNAL USE ONLY

**REDACTED - Filed Under
Administrative Motion to Seal.**

FOR INTERNAL USE ONLY

**REDACTED - Filed Under
Administrative Motion to Seal.**

FOR INTERNAL USE ONLY

**REDACTED - Filed Under
Administrative Motion to Seal.**

FOR INTERNAL USE ONLY

**REDACTED - Filed Under
Administrative Motion to Seal.**

Performance Management - PMP-2002

ChevronTexaco

**REDACTED - Filed Under
Administrative Motion to Seal.**

**REDACTED - Filed Under
Administrative Motion to Seal.**

**REDACTED - Filed Under
Administrative Motion to Seal.**

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Administrative Motion to Seal.

Federal Rule 26 Disclosure by Ptf.

Initial _____ Supp _____

Document Number: _____

The Business Litigation Group LLP- San Francisco

PLAINTIFF'S EXHIBIT

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Federal Rule 26 Disclosure by Ptf.

Initial / Supp

Document Number:

The Business Litigation Group LLP- San Francisco

PLAINTIFF'S EXHIBIT

 18

EMPLOYEE'S NAME LAMONIS R HAEZ
 EMPLOYER COMPANY CHEVRON USA, Inc.

PAY PERIOD 09/16/2003 - 09/30/2003

PERSONNEL NUMBER 24370

COMPENSATION	RATE	HOURS	AMOUNT	TAXES & DEDUCTIONS	AMOUNT
--- EARNINGS FOR PERIOD 09/16/2003 - 09/30/2003 ---					
Regular Work Hours - BB		88.00		Medical Pre-Tax	196.86
Salary			4,787.50	Dental Pre-Tax	29.73
Genus - Ma			3,278.56	SEIP Supp Pre-Tax	478.75
Imp Inc - Life Ins			13.49	SEIP Basic Pre-Tax	95.75
				FED Withholding Tax	1,098.87
				FED EE Medicare Tax	99.83
				MA Withholding Tax	234.06
				STD After Tax	14.08
				GUL After Tax	32.20

--- NET PAY DETAILED BELOW --- 4,817.93
 EFT TO WELLS FARGO BANK, NA 4,817.93

Benefit Base		4,787.50
Total Compensation		7,006.06
YEAR-TO-DATE TAXES	TAXABLE BASE	AMOUNT YTD
FED Withholding Tax	127888.75	25,050.74
FED EE Social Security Tax	87,080.00	5,394.00
FED EE Medicare Tax	136499.41	2,668.24
MA Withholding Tax	127888.75	5,287.94

YEAR-TO-DATE INFORMATION	AMOUNT
Pre-Tax Health Care	2,337.31
Imputed Income	255.26
Benefit Base	89,970.61
401(K) Contributions	10,610.66
Total Gross	148803.37

DEF 0101

PTF R26 0256

Federal Rule 26 Disclosure by Ptf.

Initial _____ **Supp** _____

Document Number: _____

The Business Litigation Group LLP- San Francisco

PLAINTIFF'S EXHIBIT

19

I hope this information will be helpful in bringing you up to speed on what is happening in to resolve in matter. I'll call you to review all this information later today.

Puneet Verma, Director

ChevronTexaco
Chevron Energy Solutions Company
Tel. (703)748-1744 Fax. (703)748-1724

-----Original Message-----

From: Maez, Landis (maez)
Sent: Tuesday, October 14, 2003 10:06 AM
To: Verma, Puneet (pune)
Subject: FW: IC Concerns**Strictly Private**
Importance: High

Puneet,

It seems like we're making little progress in getting this resolved. I'm going to submit my Facilitator Request Form (to move this up to Step 2 of the ChevronTexaco STEPS process for problem resolution)...so we can try and get some definitive resolution by year end. Its already mid October, we've been chasing this thing since mid Summer...and I still see no indication of a willingness for movement (or a proposed timeline for resolution) on top management's part (unless I'm absolutely missing something?).

I believe it would serve all of us (everyone who has an IC stake in the Sunkist deals) well to get an unbiased outside facilitator involved...and get this matter equitably and quickly resolved. I'll submit the paperwork on Thursday.

Regards,

Landis

-----Original Message-----

From: Maez, Landis (maez)
Sent: Wednesday, September 17, 2003 4:42 PM
To: Verma, Puneet (pune)
Subject: RE: IC Concerns**Strictly Private**
Importance: High

Puneet,

We need to talk soon.... I'm afraid that Jim Davis and JJEF are not making progress on this important issue because of Jim misconception that I've been paid for this already. I would propose that if you and I have nothing definitive back by Wednesday of next week (or an answer that I can't live with), that I move this to Step 2 in the ChevronTexaco STEPS process (requesting a facilitator from the Ombudsman and HR for the issue).

You may want to give John Mahoney a 'heads-up'...as I don't want him blind-sided by this whole thing.

Thanks,

PTF R26 0012

Federal Rule 26 Disclosure by Ptf.

Initial _____ Supp _____

Document Number: _____

The Business Litigation Group LLP- San Francisco

PLAINTIFF'S EXHIBIT

20

Landis Maez

From: Landis Maez ([landis.maez@ccc.net])
Sent: Wednesday, November 19, 2003 10:52 AM
To: 'kmj@chevrontexaco.com'
Subject: FW: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation
Strictly Private

Importance: High

Kathy,

Here is my previous STEPS Facilitator request (strictly for the Incentive Compensation Issue), sent on 10/22 to my supervisor, HR and the STEPS Ombudsman.

Thanks and Regards,

Landis
(480) 706-6232

—Original Message—

From: Maez, Landis (maez)
Sent: Wednesday, October 22, 2003 6:25 PM
To: Verma, Puneet (puve)
Cc: Erickson, Barbara (BERICKSON); Hill, Brodrick W. (BrodrickW.H#1)
Subject: **IC Dispute Resolution via the STEPS Process - Step #2, request for facilitation
Strictly Private
Importance: High

Puneet,

Unfortunately I still have some serious concerns about ChevronTexaco's approach to my IC payout on the Sunkist deals...especially as I read your update message below and again consider our conversation of 10/4/2003. I want to ensure my inputs are adequately considered (by an outside facilitator) before the CES Incentive Compensation Review Committee issues an opinion and makes the decision potentially tougher to rectify.

Attached please find an electronic version of the STEPS Process Facilitator Request Form (Step #2 of the corporate Problem Resolution Process), as well as; 1.) The 'old' CES STIP Plan document, 3.) My Final PMP-2002 Document (because the 2002 STIP Plan uses it as the performance measure for 'individual performance') and 3.) The 'new 7/1/2003' CES Sales IC Plan document.

You are well aware of my dilemma with regard to getting what I believe is proper and fair Incentive Compensation consideration for my 2 unique Sunkist BOO Contracts. You are also aware of my objection to ChevronTexaco's August 2003 position...claiming that I had somehow already been compensated 'out-of-plan' (earlier than the STIP plan and PMP-2002 measurements allowed) on these contracts in 2002, and my objection to the unusually high Discount Rate (10%) that ChevronTexaco is planning to use in the NPV calculation of the 10 year Revenue Inflows.

PTF R26 0010

For the record, my understanding is that the Tank Farm went operational in early August of '03, and the Main Plant went operational in September. Even so, I feel that it would be grossly unfair to penalize me financially, in any way, for CES' Operations Group's complete mismanagement of the implementation of these projects and the extremely late delivery of both of these projects to our Customer (originally promised to the Customer in January of 2003).

I look forward to your assistance to getting this in front of a fresh set of 'non-biased' eyes to help us drive this to 'win-win' resolution.

Thanks and Regards,

Landis



STEPS facilitator
request form...



2002 STIP CES
EES.doc (44 KB)



Maez Landis PMP
2002 2-25-02 F...



2003 SALES
CENTIVE PLAN BDA

-----Original Message-----

From: Verma, Puneet (pune)
Sent: Tuesday, October 14, 2003 11:27 AM
To: Maez, Landis (maez)
Subject: RE: JC Concerns**Strictly Private**

Landis,

I'm not sure what value will be added by taking the actions outlined below at this time, however, it's your decision and you have the right to take whatever action you think appropriate. Considering the ongoing conversations we've been having regarding this topic, I'm not sure where your impression is coming from that little progress is being made to come to a resolution.

Here's an update of what's happening regarding a decision as best as I know today. As I mentioned last week, Jeffrey met w/ Jim Davis to further discuss BOO transaction compensation. Subsequent to Jeffrey's meeting w/ Jim last week, Jeffrey met w/ Barbara Daniel and Ravinder Bumbra regarding this matter. The Compensation Committee is actively working on this matter. A few important milestones were reached last week as follows:

- The Compensation Committee has the data it needs to make a decision on this matter;
 - It has been agreed that the Sunkist deals should be considered as "transition deals"; and
 - The method and process of BOO transactions incentive payments has been agreed upon.
- As you can see from the milestones above, things are moving the right direction.

Regarding the compensation itself, the Committee has accepted the "NPV of the Facilities Payment" methodology you and I discussed a couple of weeks ago. They are in process of doing the payout calculation at this time. It's important to note that it has also be decided that BOO transaction incentive will be paid out when the plant becomes operational. For the Sunkist deals, I think that'll be Q4 this year. The incentive for these deals should be paid w/ the other Q4 incentive payments.

Per our pervious discussions, because your 2002 STIP was based on the Sunkist transactions as well, the amount paid in 2002 will be deducted for the newly agreed to BOO incentive calculations and the remaining portion will be paid.

PTF R26 0011

I hope this information will be helpful in bringing you up to speed on what is happening in to resolve in matter. I'll call you to review all this information later today.

Puneet Verma, Director

ChevronTexaco
Chevron Energy Solutions Company
Tel. (703)748-1744 Fax. (703)748-1724

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PTF R26 0012