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SUPERIOR COURT OF C	ALIFORNIA	
COUNTY OF SACRA	MENTO	
CALIFORNIA ASSOCIATION OF PROFESSIONAL SCIENTISTS	CASE NO: 34-2008-0001	4476-CU-WM-GDS
Petitioner,		NT OF FINANCE,
v.		OF FINANCE, AND TROLLER'S
	MEMORAN	DUM OF POINTS
PERSONNEL ADMINISTRATION; DAVID	SUPPORT C	F THEIR
		N TO PETITION FOR ANDATE
CALIFORNIA DEPARTMENT OF FINANCE;		September 19, 2008
MICHAEL GENESI, DIRECTOR OF	Daic.	
FINANCE; STATE CONTROLLER JOHN	Time:	·1:30 p.m.
		1:30 p.m. 33 The Honorable Lloyd
FINANCE; STATE CONTROLLER JOHN CHIANG; and DOES 1 THROUGH 10, INCLUSIVE,	Time: Dept: Judge:	33 The Honorable Lloyd G. Connelly
FINANCE; STATE CONTROLLER JOHN CHIANG; and DOES 1 THROUGH 10,	Time: Dept:	33 The Honorable Lloyd
FINANCE; STATE CONTROLLER JOHN CHIANG; and DOES 1 THROUGH 10, INCLUSIVE,	Time: Dept: Judge: Trial Date:	33 The Honorable Lloyd G. Connelly Not Set
FINANCE; STATE CONTROLLER JOHN CHIANG; and DOES 1 THROUGH 10, INCLUSIVE,	Time: Dept: Judge: Trial Date:	33 The Honorable Lloyd G. Connelly Not Set
FINANCE; STATE CONTROLLER JOHN CHIANG; and DOES 1 THROUGH 10, INCLUSIVE,	Time: Dept: Judge: Trial Date:	33 The Honorable Lloyd G. Connelly Not Set
FINANCE; STATE CONTROLLER JOHN CHIANG; and DOES 1 THROUGH 10, INCLUSIVE,	Time: Dept: Judge: Trial Date:	33 The Honorable Lloyd G. Connelly Not Set
	Attorney General of the State of California CHRISTOPHER E. KRUEGER Senior Assistant Attorney General JONATHAN K. RENNER Supervising Deputy Attorney General KIMBERLY J. GRAHAM, State Bar No. 204210 Deputy Attorney General 1300 I Street, Suite 125 P.O. Box 944255 Sacramento, CA 94244-2550 Telephone: (916) 322-6114 Fax: (916) 324-8835 E-mail: Kimberly Graham@doj.ca.gov Attorneys for Respondents Department of Finance, Michael Genest, Director of Finance, and State Controller John Chiang SUPERIOR COURT OF C COUNTY OF SACRA CALIFORNIA ASSOCIATION OF PROFESSIONAL SCIENTISTS Petitioner, v. STATE OF CALIFORNIA, DEPARTMENT OF PERSONNEL ADMINISTRATION; DAVID GILB, DIRECTOR OF DEPARTMENT OF PERSONNEL ADMINISTRATION; STATE OF CALIFORNIA DEPARTMENT OF FINANCE;	Attorney General of the State of California CHRISTOPHER E. KRUEGER Senior Assistant Attorney General JONATHAN K. RENNER Supervising Deputy Attorney General KIMBERLY J. GRAHAM, State Bar No. 204210 Deputy Attorney General 1300 I Street, Suite 125 P.O. Box 944255 Sacramento, CA 94244-2550 Telephone: (916) 322-6114 Fax: (916) 324-8835 E-mail: Kimberly Graham@doj.ca.gov Attorneys for Respondents Department of Finance, Michael Genest, Director of Finance, and State Controller John Chiang SUPERIOR COURT OF CALIFORNIA COUNTY OF SACRAMENTO CALIFORNIA ASSOCIATION OF PROFESSIONAL SCIENTISTS Petitioner, v. STATE OF CALIFORNIA, DEPARTMENT OF PERSONNEL ADMINISTRATION; DAVID GILB, DIRECTOR OF DEPARTMENT OF PERSONNEL ADMINISTRATION; STATE OF CALIFORNIA DEPARTMENT OF FINANCE; MICHAEL GENEST, DIRECTOR OF Date:

I. INTRODUCTION

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Once all of the immaterial allegations and extraneous information is set aside, this writ presents a very simple question for decision: Did Finance or its director (collectively Finance)^{1/2} fail to perform a ministerial duty or mandatory duty such that CAPS has a clear, present, and beneficial legal right to obtain relief by way of writ of mandate? The answer to this question is "no" for at least three reasons.

First, and foremost, CAPS has not identified any ministerial duty that Finance is obligated to perform. In fact, Finance does not have a ministerial duty to (1) make any determination whether there are funds in existing appropriations to pay for salary increases and/or (2) recommend that the Legislature make appropriations for the CAPS salary increases in the 2008-2009 budget. CAPS has not cited to a single statute that would obligate Finance to take the actions that the union is requesting.

Second, even assuming, arguendo, that there is a duty to make a determination of whether there are existing funds to pay for the salary increases, Finance has already performed this act; specifically, on May 7, 2008, Finance informed DPA that there were no monies available in the department budgets or in Budget Act Item 9800 for the salary increase.

Third, and finally, assuming, arguendo, that there is a duty to recommend that the Legislature make appropriations for the CAPS salary increases in the 2008-2009 budget, Finance is unable to do so because the deadline to make any such recommendations has already passed. Specifically, Government Code section 13308 states that "... Finance shall provide to the Legislature, on or before April 1 of each year, all proposed adjustments to the Governor's Budget" (Gov. Code, § 13308, subd. (c); see also State Administrative Manual (SAM), Chapter 6130 ["By statute, [Finance] is required to give the Legislature all proposed adjustments ... to the Governor's Budget by April 1."].)

^{1.} The State Controller does not take any position on the merits of CAPS' petition and will comply with any and all orders of this Court with regard to any decision issued in this case.

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Finance does not have the power to appropriate money, rather, "[t]he power of appropriation resides exclusively in the Legislature." (Tirapelle, supra, 20 Cal.App.4th at

(Tirapelle, supra, 20 Cal.App.4th at pp. 1320-21.)

p. 1321 (citing California State Employee's Assn v. State of California (1973) 32 Cal.App.3d

While Finance understands CAPS' desire to obtain salary increases for its scientist supervisors, there is simply no ministerial act that Finance can perform in order to provide monies for such salary increases. Therefore, Finance respectfully requests that CAPS's petition for writ of mandate be denied.

II. FACTUAL BACKGROUND

A. The Department Of Finance And Its Role In State Government.

The Department of Finance is in the Executive Branch of California State Government under the Governor's administration. (Gov. Code, § 13000; see also 58 Cal.Jur.3d. (2008) State of California, § 48.) Finance is under the control of an executive officer known as the Director of Finance, who is appointed by the Governor and acts as the Governor's chief fiscal policy advisor. (Gov. Code, §§ 13001, 13002; see also 48 Cal.Jur.3d (2008) State of California, § 48.)

In *Tirapelle v. Davis* (1993) 20 Cal. App.4th 1317 (*Tirapelle*), the California Court of Appeal, Third Appellate District, provided the following summary of Finance and its role in state government:

In our governmental scheme of things, the Department of Finance has general powers of supervision over all matters concerning the financial and business policies of the state. ([Govt. Code,] § 13070.) Every state agency or court for which an appropriation has been made must submit to the Department of Finance a complete and detailed budget setting forth all proposed expenditures and estimated revenues for the ensuing fiscal year. [footnote omitted] (§ 13320.) In the budget submitted to the Department of Finance, each agency must estimate and call attention to the sums necessary for employee compensation, including merit salary adjustments. (§ 19835.5.) Until enactment of the budget act containing appropriations for the fiscal year, the Department of Finance may revise, alter or amend the budget of any state agency. (§ 13322.) The Department of Finance then assists the Governor in preparing the budget which the state Constitution requires the Governor to submit to the Legislature. (§ 13337.)

103, 107-08.) In addition, Finance does not have the power to set employee compensation. Instead, "that is a legislative function which ... the Legislature has delegated to the [Department of Personnel Administration]." (*Tirapelle*, supra, 20 Cal.App.4th at p. 1322, fn. 8 (citing Pacific Legal Foundation v. Brown (1981) 29 Cal.3d 168, 189, 193).) "In general, DPA has jurisdiction over the state's financial relationship with its employees, including matters of salary...." (*Tirapelle*, supra, 20 Cal.App.4th at p. 1322.)

B. DPA's Recommendation For A Salary Increase And DOF's Response.

On April 28, 2008, the Department of Personnel Administration (DPA) sent a letter to CAPS enclosing a copy of DPA's findings on the salary hearings conducted regarding the compensation of various supervising scientific classifications pursuant to Government Code Section 19826. (Petition, at ¶¶ 24-26; see also Declaration of Christopher J. Voight in support of Verified Petition for Writ of Mandate and Complaint for Declaratory Relief (Voight Dec.), at ¶ 5 & ex. A.) The letter indicated that pursuant to that same code section, DPA was forwarding the information to Finance to make a determination on whether the recommended adjustments were within existing salary appropriations, and that a copy of DPA's findings would be sent to Finance for their determination. (Voight Dec., at ¶¶ 5, 16 & ex. A.)

On May 7, 2008, the Director of Finance sent a letter to DPA's Director stating the following:

Section 19826(a) of the Government Code prohibits the Department of Personnel Administration from making adjustments to salaries that require expenditures in excess of existing appropriations. Funds for the recommended salary increases for the 14 supervising scientific classifications have not been appropriated in either department budgets or Budget Act Item 9800.

(Declaration of Timothy S. Lynn (Lynn Dec.), at ¶ 3 & ex. 1.)

On June 27, 2008, DPA sent a letter to CAPS' Staff Director, Christopher J. Voight, amending its findings and stating that although CAPS contends that there are appropriations contained in the 9800 Item of the State budget to pay for the salary increases, "DPA is not aware of any money the Department of Finance (DOF) has identified for this pay adjustment. As you

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know, when funds are unavailable for salary adjustments, expenditures must be approved by the Legislature." (Request for Judicial Notice (RJN), at ex. 1.)

On June 27, 2008, CAPS filed the instant petition for writ of mandate in Sacramento County Superior Court.

C. Summary Of CAPS' Allegations Against DOF, Its Director, And The State Controller.

capes petition alleges that "Finance has a duty to determine whether the higher salaries can be paid within existing appropriations." (Petition, at ¶ 51.) Capes then alleges that "[u]pon a determination that payment of the salaries called for in the DPA Director's Decision dated April 28, 2008 will not exceed appropriations, Respondent State Controller Chiang has a ministerial duty to pay the increased salaries called for in the DPA Director's Decision." (Id., at ¶ 52.) Capes also alleges that "[i]f DPA determines that it will increase the salaries for engineering supervisors ... Finance has a duty to include in the proposed budget for 2008-2009 for the Legislature's consideration an increase that would move the salaries of the fourteen classes from where they are to where the correlating supervising engineering classes will be effective July 1, 2008 or otherwise pay those increased salaries out of the 9800 Item, or any other provision for salary, of the 2008-2009 State Budget." (Id., at ¶¶ 40 & 53.) Lastly, Capes alleges that Finance, its director, and the State Controller "have a clear, present and ministerial duty to conform to the laws of the State of California and to avoid violations of the law." (Id., at ¶ 54.)

In its points and authorities in support of its petition, CAPS makes a reference that "[if] Finance somehow determines that the salary increases cannot be paid in the 2007-2008 fiscal year as they would exceed existing appropriations, the increased salaries must be placed in the proposed budget for the Legislature's consideration or must otherwise be paid out of the 2008-2009 State Budget Act' 9800 item or any other provision for the payment of salary."

(Points and Authorities in Support of Verified Petition for Writ of Mandate and Complaint for Declaratory Relief (CAPS' P&As), at p. 11:13-16.) However, there is no mention of the state

officer or department that would allegedly have a ministerial duty to perform this act, or a citation to any statutory authority.²/

III. STANDARDS FOR A TRADITIONAL WRIT OF MANDATE

Mandamus lies to compel the performance of a clear, present, and ministerial duty where the petitioner has a beneficial right to performance of that duty. (*Carrancho v. California Air Resources Board* (2003) 111 Cal.App.4th 1255, 1264-65.) To warrant relief by writ of mandate, a petitioner must demonstrate that the public entity had a ministerial duty to perform, that is, a duty that the entity is required to perform in a prescribed manner without any exercise of judgment or opinion concerning the propriety of the act. (*California Ass'n for Health Services at Home v. Department of Health Services* (2007) 148 Cal.App.4th 696, 704). 31

An action in ordinary mandamus is proper where the claim is that an agency has failed to act as required by law, and it will issue only to compel the performance of an act specially enjoined by law. (Conlan v. Bonta (2002) 102 Cal.App.4th 745, 752; Wallace v. Board of Education of City of Los Angeles (1944) 63 Cal.App.2d 611, 616.) Courts have held that if a statute that clearly defines the specific duties or course of conduct that a governing body must take, it creates a ministerial duty and eliminates any element of discretion. (Rodriguez v. Solis (1991) 1 Cal.App.4th 495, 504-05; Great Western Sav. & Loan Assn. v. City of Los Angeles (1973) 31 Cal.App.3d 403, 413.) "In short, where a statute requires an officer to do a prescribed act on a prescribed contingency, his functions are ministerial." (People ex rel. Fund American Companies v. California Ins. Co. (1974) 43 Cal.App.3d 423, 431-432.)

- 2. Finance, the Director, and the Controller respectfully object to the Court's consideration of this allegation. This allegation was not contained in the petition, and therefore was not verified by the party beneficially interested in the issuance of the writ. (Code Civ. Proc., § 1086.) Consequently, this Court should not consider this allegation when deciding the merits of the writ petition. (Krueger v. Superior Court (1979) 89 Cal. App. 3d 934, 939.)
- 3. Additionally, mandamus will lie to correct an abuse of discretion by an officer or a board. (Inglin v. Hoppin (1909) 156 Cal. 483, 491.) However, abuse of discretion is not an issue in this case; CAPS does not allege in its petition or its supporting brief that the Director of Finance or the State Controller have abused their discretion with regard to any actions, or lack thereof, in this case.

IV. LEGAL ARGUMENT

A. Finance Does Not Owe CAPS Any Ministerial Duties.

As stated above, CAPS has the burden to establish that Finance has a ministerial duty to perform the acts its is requesting; namely, determining whether there are existing funds to pay the recommended salary increases for CAPS' scientist supervisors and recommending that the Legislature make provisions for the salary increases in the 2008-2009 Budget. (Petition, at ¶¶ 40, 51 & 53; CAPS' P&As), at p. 11:13-16.) CAPS, however, has not identified any statute that requires the Department of Finance to take the actions it demands. In fact, both the petition and its supporting brief are completely devoid of a reference to any statute that mandates Finance to take any such actions.

In reviewing the state laws applicable to Finance, nowhere is there any responsibility on Finance to perform the acts requested by CAPS. (Gov. Code., § 13000 et seq.) As discussed above, Finance's primary responsibility is to "supervis[e] over all matters concerning the financial and business policies of the state." (*Tirapelle*, *supra*, 20 Cal.App.4th at pp. 1320-21.) Finance does not decide how state monies are spent, rather, that duty resides exclusively with the Legislature. (*Humbert v. Dunn* (1890) 84 Cal. 57, 58 [noting that the California Constitution's provision "that no money shall be drawn from the treasury but in consequence of appropriations made by law is intended to secure to the legislative department of the government the exclusive power of deciding how, when, and for what purpose public funds shall be applied in carrying on the government."].)

Thus, it is with the Legislature, not Finance, that CAPS should seek financing for the salary increases it desires for its scientist supervisors. While Finance is sympathetic to the plight of the underpaid CAPS members, the remedy that CAPS seeks may only be obtained from the Legislature by way of an appropriation. (See *County of San Diego v. State of California* (2008)164 Cal.App.4th 580, 612-13 [stating the Civil Code section 3523, which states "for every wrong there is a remedy" "does not permit a remedy through the courts when the remedy is with the Legislature."].)

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B. CAPS' Allegation That Finance Must Determine Whether Increased Salaries Can Be Paid From Existing Appropriations Is Without Legal Merit.

CAPS has not provided a single reference to a statute or case law in its petition or legal opening brief that obligates Finance to determine whether the salary increases recommended by DPA can be paid from existing appropriations. For example, although CAPS repeatedly refers to Government Code section 19826, subdivision (a), in its petition and opening brief, no where does the statute reference any duty by Finance to perform a specific act requested by CAPS. To the contrary, the Government Code provision simply describes DPA's obligations to adjust salaries for public employees:

The [DPA] shall establish and adjust salary ranges for each class of position in the state civil service subject to any merit limits contained in Article VII of the California Constitution. The salary range shall be based on the principle that like salaries shall be paid for comparable duties and responsibilities. In establishing or changing these ranges, consideration shall be given to the prevailing rates for comparable service in other public employment and in private business. [DPA] shall make no adjustments that require expenditures in excess of existing appropriations that may be used for salary increase purposes. [DPA] may make a change in salary range retroactive to the date of application of this change.

(Gov. Code, § 19826, subd (a).) This statute expressly applies only to DPA and it makes no reference to Finance. Accordingly, section 19826, subdivision (a), does not create any ministerial duties that must be performed by Finance.

Even assuming, arguendo, that this Court determines that Finance has a ministerial duty to determine if existing funds are available to pay the DPA recommended salary increases, that "duty" has already been performed. In a letter dated May 7, 2008, the Director informed DPA's Director that DPA was not permitted to make any salary adjustments that would exceed existing appropriations, and that there were no monies in either the department budgets or the Budget Act Item 9800 to cover the recommended salary adjustments. (Lynn Dec, at ¶3 & ex. 1.) Simply stated, Finance informed DPA that there were no monies in either the budgets of the departments employing the scientist supervisors or

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Merit. CAPS Has Failed To Identify Any Duty On The Part Of Finance To

CAPS' Suggestion That Finance Must Place Increased Salaries

In The Proposed Budget For 2008-2009 Is Without Legal

Recommend Salary Increases For Scientist Supervisors In The 2008-2009 Budget

CAPS contends in its petition and opening brief that Finance has the ministerial duty to recommend to the Legislature that the salary increases recommended by DPA for the scientist supervisors be included in the 2008-2009 Budget. But again, CAPS has not made a single reference to a statute or case law in its petition or legal opening brief that obligates Finance to do so.

Even assuming, arguendo, that there is a duty on Finance to recommend that the Legislature make appropriations for the salary increases in the 2008-2009 budget, Finance is unable to do so because the statutory scheme established by the Legislature to finalize the state budget does not allow Finance to submit any proposed changes to the budget after April 1, 2008. Specifically, Government Code section 13308 states that "... Finance shall provide to the Legislature, on or before April 1 of each year, all proposed adjustments to the Governor's Budget" (Gov. Code, § 13308, subd. (c).) The date of April 1, 2008, has already come and gone, and thus Finance is legally unable to present to the Legislature any recommendations for changes to the State Budget.

- 4. CAPS' contention that it "has not been officially informed whether Finance has made a determination of whether the increased salaries are within existing appropriations[]" is false. (CAPS' P&As, at p. 9:18-19.) On June 27, 2008, DPA sent a letter to CAPS' Staff Director, Christopher J. Voight, informing him that "DPA is not aware of any money the Department of Finance (DOF) has identified for this pay adjustment." (RJN, at ex. 1.)
- 5. There are two additional instances where Finance may submit changes to the Legislature regarding the proposed budget: (1) proposed adjustments to the Governor's Budget in appropriations for capital outlay, which are due on or before May 1st; and (2) any proposals to reduce expenditures to reflect updated revenue estimates, known as the "May Revise," which is due on or before May 14th of each year. However, neither of these two instances are applicable in this case, and thus it is the April 1st deadline that applies here.

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2. Section 13322 Does Not Create A Ministerial Duty Upon Finance To Submit A Recommendation To The Legislature Regarding Salary Increases.

Although not discussed in CAPS petition or points and authorities, Finance anticipates that CAPS may argue that Section 13322 of the Government Code creates a ministerial duty upon them to act in accordance with CAPS' demand that a recommendation to the Legislature be made to pay the salary increases out of the 2008-2009 Budget. Such an argument, however, would be misguided. Section 13322 provides that an alteration to a department's budget may only occur in certain circumstances:

Until enactment of the budget act containing the appropriations funding the fiscal year budget, the department *may* revise, alter, or amend any fiscal year budget, if, in its opinion, revision, alteration or amendment is required in the interest of the State. The department shall notify the head of the State agency or court of any revision, alteration, or amendment of its fiscal year budget.

(Gov. Code, § 13322; emphasis added.) The use of the language "may" indicates a legislative intent that Finance has the *discretion* to revise, alter, or amend the budget – it is not a mandatory obligation. (See *Lara v. Board of Supervisors* (1976) 59 Cal. App. 3d 399, 407 [finding that "[a]lthough 'may' may be construed to be mandatory where the object to be obtained compels such a construction, or where that construction is necessary to give effect to the legislative intent, in the absence of such special circumstances, it should be interpreted as permissive or conferring discretion."].) Because Finance has the discretion as to whether a revision, alteration or amendment to the budget is necessary, Finance cannot be compelled to exercise its discretion by a writ of mandate. (See *US Ecology, Inc. v. State of California* (2001) 92 Cal. App. 4th 113, 138 [holding that mandamus cannot be used to compel the exercise of discretion in a particular manner or to order a specific result when the underlying decision is purely discretionary].)

Moreover, this section is limited to the altering of budgets of state agencies, not the overall state budget, and does not include any provision regarding an alteration due to changes in employee compensation.

In sum, there is simply no legally required act that Finance can be ordered to take to ensure that there are funds to pay for the recommended salary increases.

IV. CONCLUSION

Based on the foregoing, there is no ministerial act that Finance, its Director, or the State Controller can be ordered to perform that will provide monies for the salary increases requested by the supervisor scientists. Such relief may only be obtained from the legislature by way of an appropriation for monies designated for such salary increases. Consequently, Finance, the Director, and the State Controller respectfully request that CAPS' petition for writ of mandate be dismissed without leave to amend.

Dated: August 22, 2008

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Respectfully submitted,

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name:

California Association of Professional Scientists v. State of California, et al. Sacramento County Superior Court No.: 34-2008-00014476-CU-WM-GDS

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On August 25, 2008, I served the attached DEPARTMENT OF FINANCE, DIRECTOR OF FINANCE, AND STATE CONTROLLER'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF THEIR OPPOSITION TO PETITION FOR WRIT OF MANDATE; by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Gerald James Law Office of Gerald James 660 J Street, Suite 480 Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on August 25, 2008, at Sacramento, California.

Christine A. McCartney

Declarant

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