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Dinsmore & Shohl LLP
ATTORNEYS

Mark S. Feuer
937.449.2819
mark.feuer@dinslaw.com

January 4, 2011

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Top Hat Plan Exemption
Attn: Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W., Suite N-5700
Washington, DC 20210

RE: PCM Partner Program

Dear Sir/Madam:

The Connor Group (the "Company") is filing this notice on the PCM Partner Program (the "Plan") pursuant to Department of Labor Regulation § 2520.104-23. The Company maintains the Plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The Plan currently covers seven employees.

The Company's address is 6485 Centerville Business Parkway, Centerville, OH 45459, and the Company's Employer Identification Number is 31-1313904.

Sincerely,

DINSMORE & SHOHL LLP


Mark S. Feuer

MSF:mz/46319-1
270417

1100 Courthouse Plaza, SW 10 N. Ludlow Street Dayton, OH 45402
937.449.2800 937.449.2821 fax www.dinslaw.com

Introducing an exciting new program exclusively for PCMs!

- Incredible Rewards
- Company-wide Recognition
- Influential Leadership Role
- Select Training Opportunities

Learn More →



PCM Partner Program

What is it?

The PCM Partner Program is a revolutionary new program designed to recognize the very highest performing PCMs in our organization. It provides never-before-heard-of leadership and training opportunities as well as **significant** rewards.

Selection into this program means you are recognized as being the best of the best.

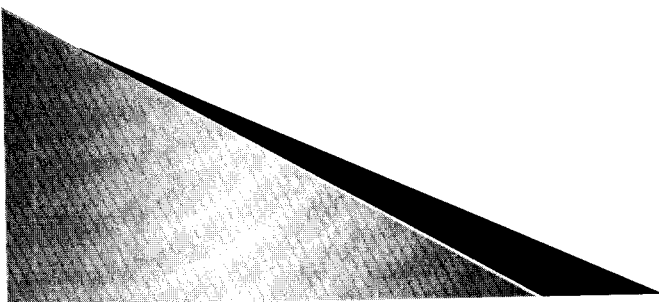
PCM Partners are an elite group of PCMs who have a proven track record of exceptional performance and attitude.

PCM Partners share in the decision making processes which can impact their properties, their regions, and potentially the company.

PCM Partners are given unique opportunities to work with and learn directly from Larry Connor, the Regional SMTs, and other senior management team members.

PCM Partners share in their property's cash flow and receive financial rewards to help them secure their futures.

PCM Partners get recognized in very visible and perceptible ways – including your bio and photo on The Connor Group website, VIP treatment at company functions like the Awards Breakfast, and more.



PCM Partner Program

What are the Qualifications?

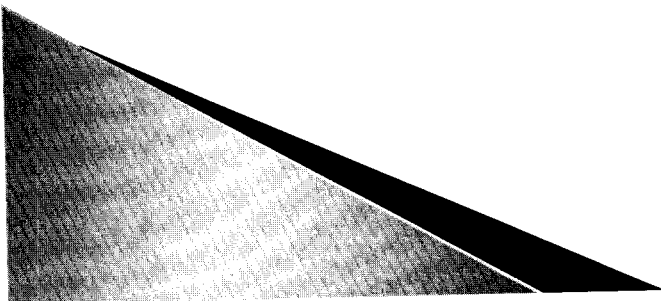
- You must be a PCM for 2 years or more
- You must meet or exceed NOI for the prior 12 months
- Your overall customer service score must be 3.7 or higher for the prior 12 months
- You must score no less than an 8.0 average on systems checks for the prior 12 months
- You must be able to build and retain talented and committed salespeople and maintenance personnel
- You must lead by example and exemplify these key qualities: honesty, integrity, and belief in our core systems

How are PCM Partners selected?

- To become a PCM Partner you must meet the qualifications listed above and have the strong endorsement of your SMT and Regional SMT, at which time a Committee established by The Connor Group (the "Committee") will select PCM Partners from this list

When are PCM Partners selected?

- PCM Partners are announced and promoted at the January Awards Breakfasts



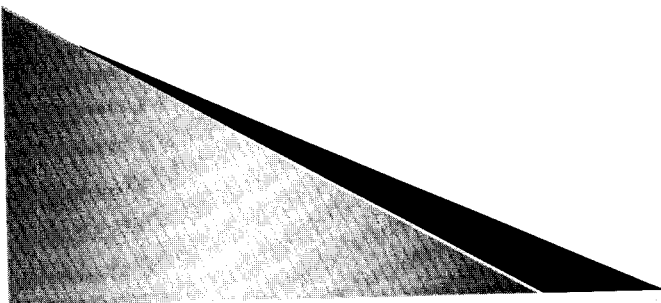
PCM Partner Program

The Pay Off

Earlier in the rollout, you might recall we mentioned some rather *interesting* words ... Recognition, Leadership Role, Training Opportunities, and, our personal favorite, Rewards.

Check out what's in store for our PCM Partners!

- Official title change to PCM Partner
- Your bio and photo on The Connor Group Website
- Your name listed as a member of the Leadership Team in the company directory
- A feature article in a special, new biannual publication
- VIP seating at the biannual Awards Breakfasts
- Membership to the Associate Enrichment Committee where you will serve with the SMT Subcommittee Team
 - Larry Connor, Angie Castle, Sheila Conner, Sean Foreman, Mike McQuiston, Tim Schneider, Bill Williamson, Pat Dorsey, Bob Holzapfel
- A full day of accelerated training with Larry once a year
- Inclusion in one monthly SMT meeting per quarter
- Inclusion in one regional SMT outing per year
- Twice a year ride-along with any Regional SMT

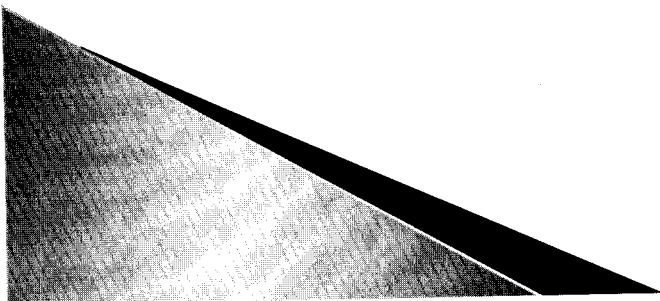


PCM Partner Program

**If that wasn't enough to
capture your attention ...**

Keep reading ...

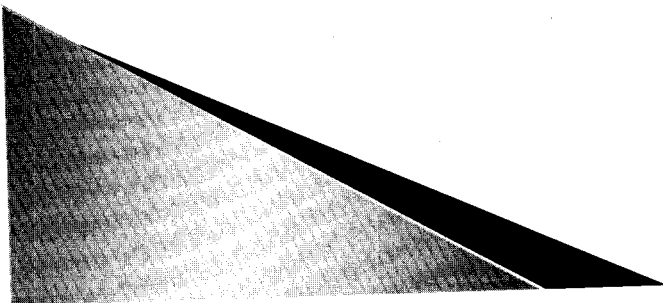
**Because it just keeps
getting better!!**



PCM Partner Program

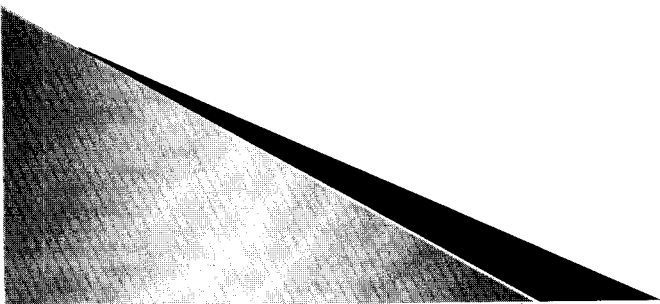
Now we're talking!

- Base pay increase of 5% to 10%
- Fully paid health insurance coverage for you and eligible family members
- Annual share in profit based on your property's cash flow:
 - 5% on \$99K or less cash flow
 - 3% on \$100K – \$199K cash flow
 - 2% on \$200K – \$399K cash flow
 - 1% on \$400K – \$799K cash flow
 - ½% on \$800K – \$1.6M cash flow



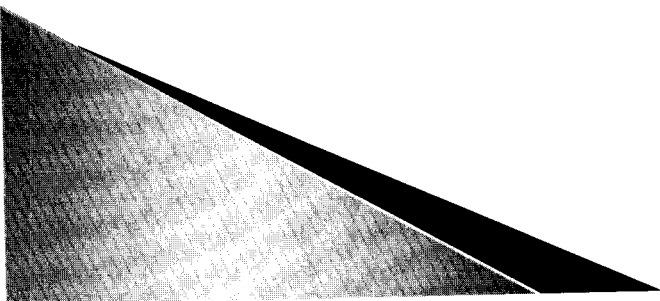
PCM Partner Program

You want more?!?



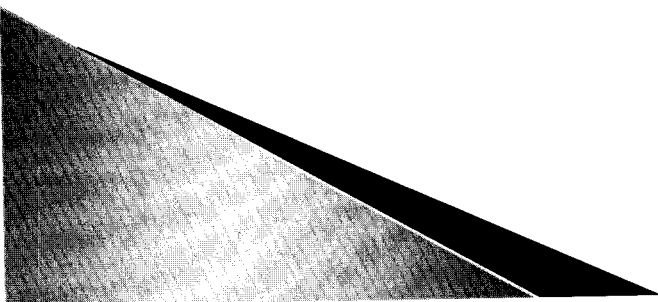
PCM Partner Program

**How about \$10,000
credited to an account
for your benefit for
every year you are a
PCM Partner?!?**



PCM Partner Program

It's okay, we'll wait while you go
back one page and read that again ...



PCM Partner Program

Ready to proceed?

Good! Because you read that right.
For every year you are a PCM Partner,
\$10,000 will be credited to an account for your benefit,
prorated for partial years.

Think of it as a long term “dream annuity.”

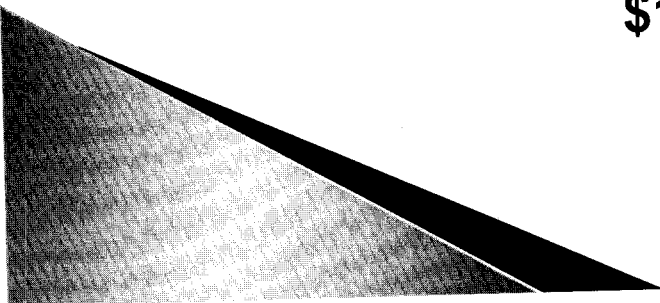
Have you ever thought what it would be like to ...

- ❖ take a cruise around the world ...?
- ❖ pay for your child’s college education ...?
 - ❖ buy a new house ...?
- ❖ get a vacation house on the beach ...?

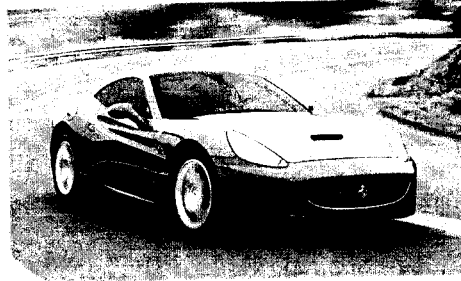
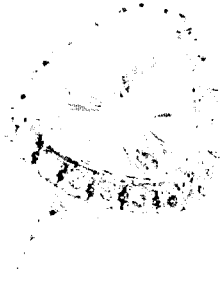
Well, dream big and consider this:

At 10 years you will have accumulated
\$100,000

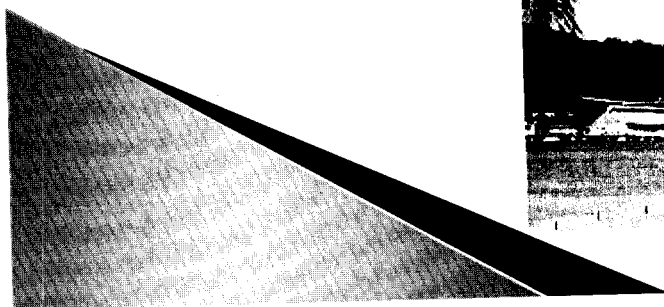
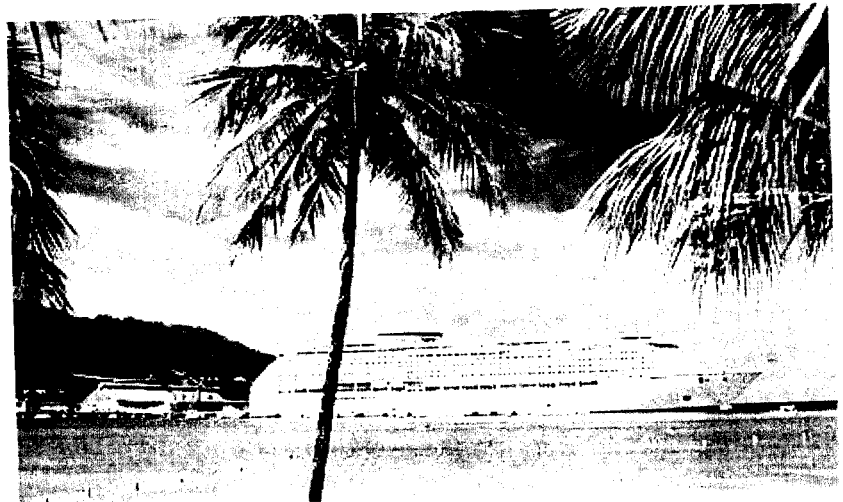
At 15 years you will have accumulated
\$150,000



PCM Partner Program



How big can you dream?



PCM Partner Program

Show Me the Money!

As we illustrated earlier, you can build up a **significant** dream annuity as a PCM Partner.

Because the PCM Partner Program is considered a deferred compensation plan by the IRS, you need to select a specific payment plan for the annual \$10,000 dream annuity fund so you pay income taxes only on what you receive when you receive it.

We have provided three options for you to choose from:

Option 1

- On the date of your 8 year anniversary of becoming a PCM Partner, you receive a **\$20,000** payout*
- On the date of your 10 year anniversary of becoming a PCM Partner, you receive a **\$25,000** payout*
- On the date of your 12 year anniversary of becoming a PCM Partner, you receive a **\$30,000** payout*
- On the date of your 15 year anniversary of becoming a PCM Partner, you receive a **\$75,000** payout*
- On the date of your 16 year anniversary of becoming a PCM Partner, and on your anniversary date every year after, you receive a **\$10,000** payout*

Option 2

- On the date of your 10 year anniversary of becoming a PCM Partner, you receive a **\$50,000** payout*
- On the date of your 15 year anniversary of becoming a PCM Partner, you receive a **\$100,000** payout*
- On the date of your 16 year anniversary of becoming a PCM Partner, and on your anniversary date every year after, you receive a **\$10,000** payout*

Option 3

- On the date of your 15 year anniversary of becoming a PCM Partner, you receive a **\$150,000** payout*
- On the date of your 16 year anniversary of becoming a PCM Partner, and on your anniversary date every year after, you receive a **\$10,000** payout*

You will be asked to choose your payment Option within thirty (30) days of being chosen as a PCM Partner; you will be provided the appropriate form to fill out the first day you are in the Program.

Important Note: We see this program as a long-term investment in you and your future. See Program "Terms and Conditions" for more information on the vesting of your PCM Partner account.

* subject to vesting, all applicable federal, state, and local tax and other withholdings, and limited to the amount remaining in your account

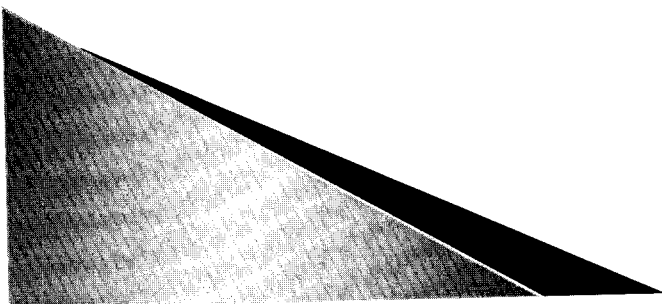
PCM Partner Program

So, what's it all worth?

We've tabulated the benefits, taking into account several factors, to show you what this program is worth to you on an **annual** basis ... and *it's impressive!*

<u>Benefit</u>	<u>Annual Benefit Amount</u>
Base Pay Increase (5% - 10%)	\$ 2,500 to \$ 5,000
Health Insurance Coverage	\$ 1,140 to \$ 2,963
Share Property Cash Flow	\$ 4,000 to \$ 8,000
\$10K Dream Annuity	\$ 10,000 to \$ 10,000
Annual Total	\$ 17,640 to \$ 25,963

Consider this: if you multiply the Annual Benefit Amount by 15 years, even at the low estimate end of the scale you are looking at *more than a quarter million dollars* in benefits – and that's a conservative number considering the rising cost of health care insurance!



PCM Partner Program

What else do you need to know?

Here are answers to a few questions you might have:

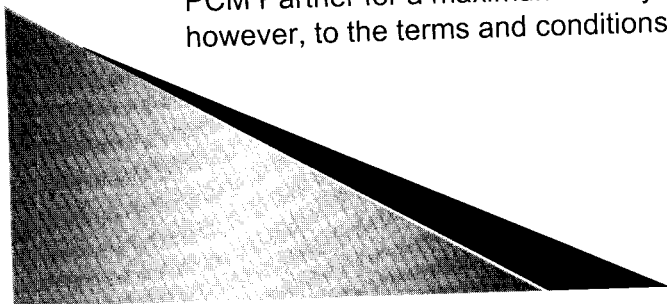
- Q** What happens to my PCM Partner interest if I cease to be a PCM Partner because I am promoted to a different position?
- A** You retain the amount you have accrued in the PCM Partner Program to date – prorated for any partial years – whether it is a share in the property cash flow year-to-date or the annual \$10,000. At the date you are promoted you will cease adding money or time to future property cash flow payouts and the annual \$10,000 credit.

Example #1: Susan, a PCM Partner for three and a half years, is promoted to Area Manager. Here is what happens with regards to her annual \$10,000 credit:
 $3.5 \text{ years} \times \$10,000 = \$35,000$. This amount will remain in an account and she will have access to the monies using the same withdrawal schedule option she selected upon induction to the program.

If Susan selected Option 1, for example, she will receive \$20,000 (minus all applicable withholdings) on what would have been her 8 year anniversary date as a PCM Partner. She will receive the remaining \$15,000 (minus all applicable withholdings) on what would have been her 10 year anniversary date as a PCM Partner. (**Note:** Susan would not receive \$25,000 on her 10 year anniversary date as a PCM Partner because monies put into the account stopped the day she was promoted which was 3.5 years into the program for a maximum of \$35,000.)

Example #2: Jill, a PCM Partner for four years is promoted in July. Jill will receive a property cash flow payment for the first half / six months of the year she was a PCM Partner.

- Q** What happens if the program is terminated?
- A** We firmly believe the PCM Partnership Program will work, but nothing is 100% certain. The program will be periodically evaluated by the Regional SMTs and Larry from a cost/benefit perspective. If for any reason a decision is made to terminate the program, anyone who is a PCM Partner on the date of termination will retain all of the benefits outlined in this document for each year that such person remains a PCM Partner for a maximum of 15 years of becoming a PCM Partner, subject, however, to the terms and conditions of the program.



PCM Partner Program

Q What are the payout schedules for the various rewards?

A Property cash flow distributions will occur during the first quarter of the year of the following year for which the amounts are calculated – essentially after we have closed the books on the property's year-end numbers. We anticipate mailing cash flow distribution checks in the February to March timeframe.

The annual \$10,000 reward will be credited to an account on each anniversary date in which you were inducted into the Program. Payment of these amounts will be made as provided under the payment Option you elect and as provided in the Program "Terms and Conditions" section.

Q What performance criteria must a PCM Partner maintain annually to stay in the program?

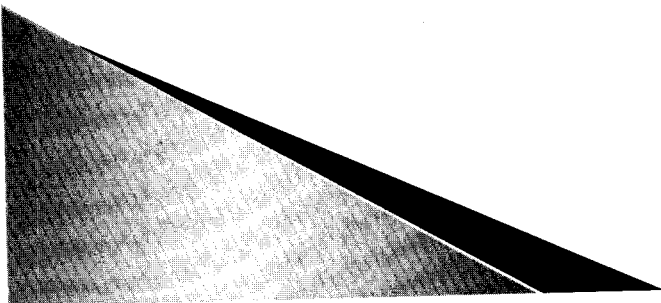
A PCM Partners are treated just like members of the Senior Management Team (SMTs). This means they receive semiannual evaluations from their direct supervisor and Regional SMT. At the beginning of each year all SMTs are given specific personnel objectives, financial objectives, and customer satisfaction objectives. So, too, will PCM Partners. Each PCM Partner's criteria is ultimately set by the SMT and Regional SMT with input from them. Performance is based on a cumulative performance in all three of these areas, not an isolated objective.

Q What happens if my property is refinanced and we increase the debt service which then lowers my property's cash flow?

A This is one of the reasons we have a built-in sliding scale. The potential cash flow distribution percentage goes up at lower cash flow levels. Although this is not an exact match, it should keep you in the same general range of potential cash distribution from property cash flow.

Q More questions?

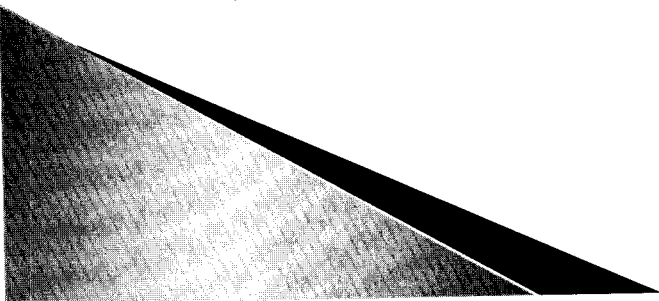
A Contact Michele Peed in the Central Support Office



PCM Partner Program

Terms and Conditions

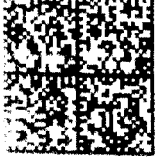
1. The PCM Partner Program (the "Program") will be administered by the Committee. The Committee has the right to (a) change, modify, or terminate the Program in its sole discretion; (b) determine an individual's eligibility/continued eligibility for the Program in its sole discretion; (c) terminate an individual or an individual's participation in the Program in its sole discretion; and (d) interpret and administer the Program in its sole discretion, all such decisions being final and binding.
2. Notwithstanding this Program, all participants remain employees at will and either the employee or The Connor Group can terminate the employment relationship at any time.
3. All participants of this Program must select a specific payment plan option for the annual \$10,000 fund within 30 days of induction into the Program by executing a Payment Election Form. Once a selection has been made, the payment election cannot be changed, but the designation of a beneficiary may be changed from time to time if received by the Committee in writing. In the event of the participant's death or the participant becoming permanently disabled within the meaning of Section 409A of the Internal Revenue Code and any of related rules and regulations, which are hereby incorporated by reference, the amount credited to the participant as a PCM Partner up to the date of death or permanent disability, prorated for any partial years, will be paid in one lump sum payment (minus all applicable withholdings) to the participant, or to the participant's designated beneficiary within ninety (90) days after the date of such event.
4. If a participant of this program leaves the company or, while still with the company ceases to be a PCM Partner other than because of a promotion, at any time before the date of their eight (8) year anniversary, or is terminated from the company at any time whether before or after eight (8) years, **all monies** in the annual \$10,000 account not previously paid are forfeited except if such event is the result of the participant's death or permanent disability.
5. Neither a participant, nor her beneficiary, nor any other individual, shall have any right by way of anticipation or otherwise to alienate, sell, transfer, assign, pledge, charge or otherwise dispose of any benefits which may become payable under the Program, prior to the time that payment of any such benefit is made, and any attempted participation, alienation, sale, transfer assignment, pledge, charge, or other disposition shall be null and void. Furthermore, none of the benefits payable under the program shall be subject to the claim or legal process of the creditors of any participant or of the beneficiary, spouse or former spouse of any participant or of any other person or entity.
6. The program shall be construed and governed by the law of the State of Ohio.



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