

June 2007

APPROVED

PRE-EMPTIVE RETENTION AND EQUITY INCREASE FOR PAUL A. STATON AS CHIEF FINANCIAL OFFICER, UCLA HOSPITAL SYSTEM, LOS ANGELES CAMPUS

Action under interim authority was requested for the pre-emptive retention and equity increase for Paul A. Staton. This request was in direct response to a critical need to retain the senior management team at the UCLA Medical Center following the resignation of the current Chief Executive Officer.

Compensation:

- (1) An equity increase of \$41,200 (16.0 percent) resulting in an annual base salary of \$298,800 (at the midpoint of SLCG grade 110 Minimum \$233,200 Midpoint \$298,800 Maximum \$364,300).
- (2) Per policy, continuing eligibility to participate in the Clinical Enterprise Management Recognition Plan (CEMRP) with a maximum target of up to 20 percent of base salary (\$59,760).
- (3) Per policy, continued participation in the Senior Management Supplemental Benefit Program (5% of base salary).
- (4) An effective date of July 1, 2007.

Additional items of compensation include:

- Per Policy, Standard Pension and Health and Welfare benefits and standard Senior Management benefits including Senior Manager Life Insurance, Executive Business Travel Insurance, Senior Management Supplemental Benefit Program and Executive Salary Continuation for Disability.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by The Regents.

BACKGROUND

Mr. Staton serves as a key member of the Hospital System's senior executive team with lead responsibility for financial planning and reporting. In this position he has been an important part of the dramatic financial turnaround at the UCLA Hospital System. Mr. Staton has received an offer of employment from a competing institution. In view of the recently announced departure of Dr. David Callender, Associate Vice Chancellor and CEO of the Hospital System, beginning July 1, 2007, UCLA cannot afford to lose another key position at this time. The proposed increase is expected to help solidify Mr. Staton's continued commitment to the UCLA Hospital System.

**COMPENSATION FOR PAUL A. STATON AS CHIEF FINANCIAL OFFICER, UCLA HOSPITAL SYSTEM,
LOS ANGELES CAMPUS**

Position Slotted in Grade 110 – Minimum \$233,200, Midpoint \$298,800, Maximum \$364,300

Page 1 of 2

ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
SALARY AND OTHER CASH PAYMENTS					
· Annual Base Salary	X		\$298,800	NO	REGENTS
· Health Sciences Compensation Plan		X			
· Additional Salary (Stipend, add-ons, etc.)		X			
· Clinical Enterprise Management Recognition Plan- up to 20% *example payout calculated at 20%	X		\$59,760	NO	REGENTS
· Any other bonuses/Incentives		X			
· Annual Incentive Plan (Treasurer's Office only)		X			
· Senior Management Supplemental Benefit Program - eligible to receive 5% as contribution to retirement plan for total annual amount at current base salary	X		\$14,940	NO	REGENTS
BENEFITS AND PERQUISITES					
· Standard Benefits Package (Health, UCRP, Vision, Dental, etc.)	X			NO	
· Automobile Allowance		X			
· Leased Automobile		X			
· Senior Manager Life Insurance	X			NO	
· Executive Business Travel Insurance	X			NO	
· Exec. Salary Continuation for Disability	X			NO	
· Mortgage Origination Program (MOP) Loan		X			
· Supplemental Home Loan Program (SHLP)		X			
· University-provided Housing (President/Chancellors)		X			
· Educational Expenses		X			
· Other Perqs – please list below		X			
ONE-TIME PAYMENTS/REIMBURSEMENTS					
· Payment in Lieu of Sabbatical Pay		X			
· Relocation Allowance		X			
· Temporary Housing Allowance - 1 month per policy		X			
· Payment in lieu of Vacation Pay		X			
· Moving Expenses/Movement of Household Goods		X			

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ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
FUTURE BENEFITS					
· Post-retirement Employment Agreements		X			
· Consultant/Independent Contractor Compensation Agreement		X			
· Severance/Separation Agreement		X			
· Sabbatical/Administrative Leave		X			
· Special Health Benefits or Other Benefits		X			
OTHER					
· Administrative Fund Allocation		X			
· Corporate Board Service		X			
· Other (Specify)		X			
TOTAL ANNUAL EMPLOYEE COMPENSATION (Including, if applicable, Salary, Perquisites, One-time Payments, Future Benefits, and Other)			\$373,500		

[Please note that all payments, reimbursements, special benefits, etc. should be listed on this form in order to be authorized by the President and The Regents. This information will be released to the Public.]

The only compensation permitted is what is listed on the summary page that accompanied the item.