

CAUSE NO. 2007-27181

PROFESSIONAL JANITORIAL	§	IN THE DISTRICT OF
SERVICE OF HOUSTON, INC.,	§	
Plaintiff,	§	
	§	
v.	§	HARRIS COUNTY, TEXAS
	§	
SERVICE EMPLOYEES	§	
INTERNATIONAL UNION LOCAL 5,	§	
Defendant.	§	61st JUDICIAL DISTRICT

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**ORDER DENYING SERVICE EMPLOYEES INTERNATIONAL  
UNION LOCAL 5'S MOTION TO SET BOND AND ORDERING DISCOVERY**

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Today the Court considered Defendant Service Employees International Union Local 5's ("SEIU") Motion to Set Bond (the "Motion"), and Plaintiff Professional Janitorial Service of Houston, Inc.'s ("PJS") Motion for Issuance of Letter Rogatory ("Letter Request"). Having considered the applicable law, the argument of the parties, and the Court's requirements for setting a supersedeas bond in an amount supported by appropriate evidence, the Court **DEFERS** ruling on the Motion to Set Bond and **DEFERS** ruling on the Letter Request until further hearing.

The Court overruled Defendant's objections to discovery asserted at the November 7, 2016 hearing, as stated in the transcript.

In relation to both motions, the Court further finds that the following net-worth and hardship-related discovery is necessary before the Court can set a bond amount. The Court therefore **ORDERS** SEIU to produce to PJS within 14 days of this order:

1. All documents listed on Exhibit 3 to the report dated October 26, 2016 from Michael B. Easley CPA / ABV / CFF to Randy Roach and Michael Rubin, which is attached to SEIU's Motion to Set Bond filed on October 31, 2016.
2. All indemnity agreements between Service Employees International Union ("International") and SEIU or SEIU Texas.

3. All e-mails, letters/memos, faxes, or text messages relating to subsidies or other monetary disbursements that International has made to SEIU or SEIU Texas from May 3, 2007 to the present.
4. All e-mails, letters/memos, faxes, or text messages relating to any discussions about whether International will or may continue providing subsidies or other monetary disbursements to SEIU Texas in 2016, 2017, or later.
5. All SEIU Texas final or draft budgets for 2017.
6. All e-mails, letters/memos, faxes, or text messages related to SEIU Texas's preparation of or revisions to its budgets for 2016 and 2017.
7. All credit card statements for 2015 to present.
8. The contract reflecting, as described in the Easley report, "the contractual arrangement through December 31, 2016" that provides for International subsidies to SEIU Texas and all e-mails, letters/memos, faxes, or text messages relating to any extension of, renewal or, or amendments to that contract or a similar subsidy arrangement for 2017 or later.
9. All SEIU or SEIU Texas bank statements from 2013 to present.
10. All SEIU Texas bylaws and constitutions in effect from 2013 to present.
11. In connection with Easley's contention that SEIU could only reduce its workforce by 40% before it could not fully serve its current membership, produce, for 2015 to present: Job descriptions for all SEIU Texas personnel, and a spreadsheet sufficient to identify the salaries and benefits paid to each, and any memos or emails that discuss potential economic-based termination or layoff of any particular employee, position, or department.
12. For 2013 to present, all emails, letters, or memos that discuss SEIU Texas's use of the modified cash method of accounting rather than the accrual method.
13. SEIU and SEIU Texas's annual and/or quarterly budgets for 2007 to the present, and balance sheets and statements of assets or liabilities for 2013 to the present.
14. For the period from January 1, 2013 to the present, all e-mails, letters/memos, or faxes, between or among, on the one hand, SEIU or SEIU Texas and, on the other hand, International that relate to SEIU or SEIU Texas budgets or to any subsidies or other monetary disbursements that International has made to or on behalf of SEIU or SEIU Texas.

15. A spreadsheet detailing all invoices or fee statements relating to any payment International is making for the legal expenses, including attorneys' fees and court costs, incurred in the above-captioned lawsuit or any appeal therefrom.
16. All e-mails, letters/memos, faxes, or text messages relating to International's setting agendas, or prescribing policies to SEIU or SEIU Texas for the Justice for Janitors Campaign subject to the above-captioned lawsuit from 2006 to the present.
17. All e-mails, letters/memos, faxes, or text messages relating to International's supervision of the Justice for Janitors Campaign pursued by SEIU or SEIU Texas that is subject to the above-captioned lawsuit from 2006 to the present.
18. All e-mails, letters/memos, faxes, or text messages relating to International's authorization, approval, or consultation with SEIU or SEIU Texas relating to the legal strategy employed by SEIU's attorneys and legal staff in the above-captioned lawsuit or any appeal therefrom from 2006 to the present.
19. All e-mails, letters/memos, faxes, or text messages you have exchanged with any surety company / bonding agency about obtaining a supersedeas bond in this case.
20. All loan agreements to which you have been a party in or after 2015.

The Defendant is further **ORDERED** to provide written answers to PJS to the following interrogatories within fourteen (14) days from the date this Order issues, and Defendant shall supply a sworn verification of the answers as required by Tex. R. Civ. P. 197.2(d). "You" and "your" refers to SEIU Texas as successor of SEIU:

1. Identify how much money you have remitted to International from 2007 to present.
2. Identify how much money you project you will remit to International in 2017.
3. Identify all sureties or bonding agencies to which you have applied for bonds in connection with this lawsuit and, for each entity, state the amount of the bond sought, the primary contact person you dealt with, whether the bond was granted or denied, the amount of bond (if any) that the entity offered to provide, and the ultimate resolution of your communications with that company about a bond.
4. State the number of members you have had in each month from 2015 to present.
5. Identify all entities from which you have borrowed money from 2013 to present, the amount(s) borrowed, the purpose(s) for the loan, the date(s) of each transaction, and your primary contact at that entity.

6. From 2013 to present, identify every year that your receipts have exceeded disbursements, and the amount by which receipts have exceeded disbursements. If disbursements have exceeded receipts for any year, indicate the amount by which disbursements have exceeded receipts.
7. From 2013 to present, identify all payments of your debt made by any other entity, including the nature of the debt, the entity paying the debt, the amount paid, and the amount outstanding.
8. From 2013 to present, identify all representations that International or any other Service Employees International Union has ever made that it will provide financial support to you.
9. From 2013 to present, identify all plans, communications, or discussions you have made concerning the prospect of declaring bankruptcy.
10. From 2013 to present, identify all plans, communications, or discussion you have made concerning the prospect of reorganizing your local union into a new entity.
11. Intentionally omitted; covered by previous orders(s).
12. Intentionally omitted; covered by previous orders(s).
13. Identify all individuals and entities with authority to direct your attorneys to act on your behalf in the above-captioned lawsuit.
14. Identify all individuals and entities who advised your attorneys how to act on your behalf in the above-captioned lawsuit.
15. Identify all current or former officers or employees of International who were present for any portion of the trial in the above-captioned lawsuit and state in general their purpose for attending trial.
16. Identify all agreements, whether formal or informal, that you have with any other entity to pay your legal expenses relating to the above-captioned lawsuit, and any appeal thereof, stating the parties to the agreement, when it was made, and the terms of the agreement.
17. From your 2017 budget, identify the projected payor of legal fees and expenses related to this lawsuit and identify the individuals responsible for setting your 2017 legal budget related to this lawsuit.


The Defendant shall further make the following individuals available for deposition within twenty-one (21) days after this Order issues and, in any event, no later than 14 days before any hearing on setting a supersedeas bond in this case:

1. Michael B. Easley CPA / ABV / CFF;
2. Elsa Caballero;
3. William Dempsey;
4. Nancy Zabak;
5. Alicia Junco; and
6. Any additional affiants that Defendant puts forth in support of its attempts to set bond.
7. Plaintiff shall provide to Defendant on November 7, 2016 available dates for the depositions of the individuals designated above.

Defendant may amend and/or resubmit the Easley Report by November 28, 2016. If PJS desires to submit its own expert report or designation, it must do so by December 2, 2016, and must make its expert available for deposition on or before December 4, 2016.

If SEIU contends that any of the materials covered by this Order are privileged and withholds the information on that basis, SEIU shall within fourteen (14) days after this Order issues expressly make the claim, and describe the nature of the documents, communications, or tangible thing not produced or disclosed—and do so in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the claim, as per the Court's instructions at the hearing on November 7, 2016. In other words, SEIU shall supply a privilege log to PJS on the same day it produces documents responsive to this order.

It is so **ORDERED** this 7th day of November 2016:

Signed:   
11/7/2016  
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HON. ERIN LUNCEFORD  
Judge Presiding