

Exhibit MMM

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF VERMONT

ALICE H. ALLEN and LAURENCE
ALLEN, d/b/a Al-lens Farm,
GARRETT SITTS and RALPH SITTS,
JONATHAN HAAR and CLAUDIA HAAR,
on behalf of themselves and
all others similarly situated,

Plaintiffs,

vs.

Docket No. 5:09-cv-00230

DAIRY FARMERS OF AMERICA, INC.,
DAIRY MARKETING SERVICES, LLC, and
DEAN FOODS COMPANY,

Defendants.

VIDEO DEPOSITION OF GARY HANMAN
Taken on behalf of the Plaintiffs
May 13, 2011

VIDEO DEPOSITION OF GARY HANMAN, produced,
sworn, and examined on the 13th day of May, 2011, between
the hours of nine o'clock in the forenoon and five o'clock
in the afternoon of that day, at Rouse Hendricks German
May, 1201 Walnut Street, 20th Floor, Kansas City, Missouri,
before SAUNDRA TIPPINS, a Notary Public, and Certified
Court Reporter within and for the States of Missouri and
Kansas, in a certain cause now pending before the U.S.
District Court for the District of Vermont, wherein ALICE
H. ALLEN, et al., are the Plaintiffs, and DAIRY FARMERS OF
AMERICA, INC., et al., are the Defendants.

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17 A I don't -- I'd have to read it, but my
18 recollection is that the initial incentive bonus was not
19 necessarily tied to performance of our joint ventures.

20 Q (By Mr. Pierson) Well, if you look at Schedule
21 B?

22 A What page?

1 Q It's the Bates stamp page 21 at the bottom, I
2 believe.

3 A Twenty-one. I don't find that.

4 Q It's in the bottom right-hand corner. It says
5 GEH 1621.

6 A 1621. Okay. Yes, yes.

7 Q Does this refresh your recollection that your
8 incentive bonus was based principally on the profitability
9 of the joint ventures owned by DFA?

10 A Yes.

11 [--- Highly Confidential

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17 Q (By Mr. Pierson) And what was Mr. Brubaker's
18 job at DFA?

19 A He didn't have a job. He was Chairman of the
20 Board.

21 Q He was Chairman of the Board for DFA when he
22 executed this?

1 A Yes.

2 (The reporter marked Exhibit No. 2.)

3 Q (By Mr. Pierson) I've marked as Exhibit 2 the
4 document which is Bates stamped EY 0000245. Is this the
5 amendment to your employment contract that was executed on
6 January 1 -- that became effective on January 1, 2000?

7 A It appears to be, yes.

8 Q And it also includes an incentive program in
9 Schedule B?

10 A Yes.

11 Q And did that again include incentives based on
12 the performance of DFA's joint ventures?

13 MR. EVERSON: I'm going to object to the
14 form of the question.

15 A What I'm trying to get in my head is I had in
16 my mind that a part of my bonus, whether it's short term or
17 long term, had to do with the performance of our own
18 company-owned manufacturing operations.

19 Q (By Mr. Pierson) Right. But you're not
20 talking about the sale of milk but the manufacturing
21 operations, correct?

22 A Say it again.

1 [--- Highly Confidential

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18 A I don't know. I'm not -- my recollection
19 isn't specific about that amount.

20 Q Do you remember being deposed in the Southeast
21 Milk litigation?

22 A Yes.

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19 Q So you were eligible for the bonus whether the
20 price paid to farmers for milk went up or went down?

21 A In this instance that's correct.

22 Q Was Herman Brubaker still DFA's Chairman of

1 the Board when this agreement was executed?

2 A Yes.

3 (The reporter marked Exhibit No. 3.)

4 Q (By Mr. Pierson) I've marked as Exhibit 3 a
5 document which is Bates stamped GEH 1595. Is this the
6 employment agreement that you entered with DFA in
7 January 2002?

8 A It appears to be, yes.

9 Q And was this agreement also executed on DFA's
10 behalf by Mr. Brubaker?

11 A Yes.

12 Q And was Mr. Brubaker at the time he executed
13 this agreement with you in January 2002 still the Chairman
14 of the Board for DFA?

15 A Yes.

16 [--- Highly Confidential

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1 Q And now, for you, Mr. Brubaker and DFA, that's
2 added a market share bonus; is that correct?

3 A Yes, that's correct.

4 MR. EVERSON: Object to form.

5 [--- Highly Confidential

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9 Q And again, the price paid to DFA farmers for
10 their milk was not a factor in that bonus criteria, was it?

11 MR. HARDY: Objection to form.

12 A No. And you're probably aware that the
13 compensation that I got was the result of a CEO
14 compensation committee, made up of members from the board
15 from each of the seven area councils, and they met on a
16 quarterly basis. And throughout these negotiations, this
17 issue relative to pay price kept coming up, and there was
18 not a very good way that the committee could arrive at how
19 you measure that.

20 Q (By Mr. Pierson) So as --

21 A And so the goal or the objective that they
22 finally arrived at was to see whether or not we are gaining

1 market share or not or losing market share, which would
2 have been a function of our pay price to members or
3 advances, plus other factors, our programs and member
4 services.

5 And so since they couldn't measure the relative pay
6 price compared to all the other variables, the committee
7 basically concluded if we're not competitive, we're going
8 to lose volume.

9 Q Are you testifying, Mr. Hanman, that DFA
10 doesn't know how to measure its pay price?

11 A No, I'm not test...

12 MR. HARDY: Object to the form.

13 MR. EVERSON: Object to the form, arguing.

14 A No, I'm not testing that. I'm testing as to
15 whether or not overall DFA as a corporate board had a hard
16 time determining whether their pay prices and all other
17 factors were competitive.

18 Q (By Mr. Pierson) Does DFA know how to measure
19 its pay price?

20 A Absolutely.

21 [--- Highly Confidential

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12 Q Was this agreement also executed by
13 Mr. Brubaker on behalf of DFA?

14 A Yes.

15 Q Was he still chairman of DFA at this time?

16 A I believe so.

17 (The reporter marked Exhibit No. 4.)

18 Q (By Mr. Pierson) I've marked as Exhibit 4 a
19 document that's Bates stamped GEH 1624. Is this your
20 employment agreement with DFA from January 2003?

21 A It appears to be, yes.

22 Q And you still have the return on equity bonus

1 in this agreement?

2 A Yes.

3 Q And you still have the market share bonus?

4 A Yes.

5 Q And now the agreement has added a member
6 volume bonus?

7 A Yes.

8 Q And that bonus was basically the more milk DFA
9 and its agents sold, the more bonus you would get?

10 A That's correct.

11 Q Now, was this document, was this -- were the
12 compensation -- strike that.

13 Was this employment agreement again executed by
14 Mr. Brubaker?

15 A Yes.

16 Q Now, you stopped being CEO of DFA on
17 December 31st, 2005?

18 A Yes.

19 [--- Highly Confidential

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