

VCA ANTECH INC  
Form DEF 14A  
April 09, 2012  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**VCA ANTECH, INC.**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
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- (5) Total fee paid:
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
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- (2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:

**Table of Contents**

**VCA Antech, Inc.**

**12401 West Olympic Boulevard**

**Los Angeles, California 90064-1022**

**[www.vcaantech.com](http://www.vcaantech.com)**

April 9, 2012

Dear Fellow Stockholder:

Our 2012 Annual Meeting of Stockholders will be held on Monday, May 21, 2012, at our corporate offices located at 12401 West Olympic Boulevard, Los Angeles, California 90064-1022. Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of Internet Availability of Proxy Materials and Proxy Statement.

Your vote is important. Whether or not you plan to attend the meeting, I urge you to vote your shares as soon as possible. Instructions on the proxy card will tell you how to cast your vote. The Proxy Statement explains more about proxy voting. Please read it carefully.

Thank you for your continued support of our company.

Sincerely,

Robert L. Antin

*Chairman of the Board, Chief Executive Officer and  
President*

**Table of Contents**

**VCA ANTECH, INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

TIME	10:00 a.m. Pacific Time on Monday, May 21, 2012.
PLACE	12401 West Olympic Boulevard Los Angeles, California 90064-1022.
ITEMS OF BUSINESS	(1) To elect two Class I members of the Board of Directors for a term of three years.  (2) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012.  (3) To hold an advisory vote approving the compensation of our named executive officers.  (4) To transact any other business as may properly come before the Annual Meeting and any adjournment or postponement.
RECORD DATE	You can vote if, at the close of business on April 2, 2012, you were a holder of record of our common stock.
PROXY VOTING	All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, you are urged to vote promptly.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS**

**FOR THE STOCKHOLDER MEETING TO BE HELD ON May 21, 2012**

The Notice of Internet Availability of Proxy Materials, the Proxy Statement and our 2011 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

April 9, 2012

Tomas W. Fuller

*Chief Financial Officer, Vice President and Secretary*

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS</u>	1
<u>CORPORATE GOVERNANCE</u>	7
<u>Corporate Governance Guidelines</u>	7
<u>Code of Ethics</u>	7
<u>Committee Responsibilities</u>	7
<u>Independence</u>	7
<u>Stockholder Communication</u>	8
<u>Director Attendance at Annual Meetings</u>	8
<u>Executive Sessions</u>	8
<u>Board Leadership</u>	8
<u>Risk Oversight</u>	8
<u>Outside Advisors</u>	9
<u><i>ITEM 1: ELECTION OF DIRECTORS</i></u>	10
<u>Nominees</u>	10
<u>MANAGEMENT</u>	11
<u>Directors and Executive Officers</u>	11
<u>FURTHER INFORMATION REGARDING THE BOARD OF DIRECTORS</u>	14
<u>Composition</u>	14
<u>Meetings &amp; Committees</u>	14
<u>Audit Committee</u>	14
<u>Compensation Committee</u>	14
<u>Nominating and Corporate Governance Committee</u>	15
<u>Director Attendance</u>	16
<u>Risk Assessment</u>	16
<u>Compensation Committee Interlocks and Insider Participation</u>	16
<u><i>ITEM 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</i></u>	17
<u>AUDIT AND NON-AUDIT FEES</u>	18
<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services</u>	18
<u>REPORT OF AUDIT COMMITTEE</u>	19
<u><i>ITEM 3: ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS</i></u>	20

**Table of Contents**

	<b>Page</b>
<b><u>EXECUTIVE COMPENSATION</u></b>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Summary Compensation Table</u>	34
<u>Grants of Plan-Based Awards in Fiscal 2011</u>	35
<u>Outstanding Equity Awards at Fiscal Year-End</u>	36
<u>Options Exercised and Stock Vested</u>	37
<u>Summary of Equity Compensation Plan</u>	37
<u>Pension Benefits</u>	37
<u>Employment Agreements; Post-Retirement Medical Benefits Coverage Agreements; Post-Termination Consulting Agreements; SERP Agreements; Payments Upon Termination and Change in Control</u>	38
<b><u>REPORT OF COMPENSATION COMMITTEE</u></b>	54
<b><u>DIRECTOR COMPENSATION</u></b>	55
<b><u>CERTAIN TRANSACTIONS WITH RELATED PERSONS</u></b>	57
<u>Transactions with ThinkPets Inc. (formerly known as Zoasis Corporation)</u>	57
<u>Legal Services</u>	57
<b><u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	58
<b><u>PRINCIPAL STOCKHOLDERS</u></b>	59



---

**Table of Contents**

VCA ANTECH, INC.

12401 West Olympic Boulevard

Los Angeles, California 90064-1022

***PROXY STATEMENT***

Our Board of Directors is soliciting proxies to be voted at the 2012 Annual Meeting of Stockholders, which we refer to as the Annual Meeting, to be held on May 21, 2012. Your vote is very important. For this reason, our Board of Directors is requesting that you permit your common stock to be represented at the Annual Meeting by the proxies named on the proxy card. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully. In this Proxy Statement, VCA Antech, Inc. is referred to as the Company, VCA, we, us and our.

In accordance with rules and regulations of the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner, we are now furnishing proxy materials, which include the Proxy Statement, proxy card and the Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which we refer to as the 2011 Annual Report, to our stockholders over the Internet. On April 9, 2012, we mailed the Notice of Internet Availability of Proxy Materials to our stockholders and made available the proxy materials to our stockholders at [www.proxyvote.com](http://www.proxyvote.com).

Because you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you have previously made a permanent election to receive these materials in hard copy. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may submit your proxy. If you received the Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

**QUESTIONS AND ANSWERS**

**Q. Who may vote at the Annual Meeting?**

- A. You may vote your VCA common stock at the Annual Meeting if you were a holder of record of VCA common stock at the close of business on April 2, 2012, which we refer to as the Record Date. At that time, there were 88,935,008 shares of common stock outstanding, and approximately 290 holders of record. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

**Q. What items of business will be voted on at the Annual Meeting?**

- A. There are three items of business scheduled to be voted on at the Annual Meeting:

Election of two members to the Board of Directors.

Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012.

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Advisory vote on the compensation of the Company's named executive officers.

We will also consider other business as may properly come before the Annual Meeting or any adjournments or postponements thereof, including approving any such adjournment or postponement, if necessary. Please note that at this time we are not aware of any such business, and the dates have passed for presenting any stockholder proposals pursuant to our bylaws or pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended.

**Table of Contents**

**Q. How does the Board of Directors recommend that I vote?**

A. Our Board of Directors recommends that you vote:

FOR the election of its nominees to the Board of Directors.

FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012.

FOR the compensation of our named executive officers as disclosed in this Proxy Statement (which disclosure includes the Compensation Discussion and Analysis, the executive compensation tables and the related footnotes and narrative accompanying the tables).

**Q. Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?**

A. Pursuant to rules adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice of Internet Availability of Proxy Materials or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice of Internet Availability of Proxy Materials. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

**Q. How can I get electronic access to the proxy materials?**

A. The Notice of Internet Availability of Proxy Materials provides you with instructions regarding how to:

View our proxy materials for the Annual Meeting on the Internet; and

Instruct us to send future proxy materials to you electronically by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

The Notice of Internet Availability of Proxy Materials, Proxy Statement, proxy card and the 2011 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

**Q. How can I obtain paper or email copies of proxy materials?**

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- A. The Notice of Internet Availability of Proxy Materials contains a toll-free telephone number, an email address, and a website where stockholders can request a paper or an email copy of the Proxy Statement, proxy card and the 2011 Annual Report. These proxy materials are available free of charge.

**Q. How can I vote my shares in person at the Annual Meeting?**

- A. If your shares are registered directly in your name with Computershare, our Transfer Agent, you are considered the stockholder of record with respect to those shares and the Notice of Internet Availability of Proxy Materials is being sent directly to you by VCA. As the stockholder of record, you have the right to vote in person at the meeting. If you choose to do so, you can vote using the ballot provided at the Annual Meeting. Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you decide later not to attend the Annual Meeting.

## **Table of Contents**

Most stockholders of VCA hold their shares in street name through a broker, bank or other nominee rather than directly in their own name. In that case, you are considered the beneficial owner of shares held in street name, and the Notice of Internet Availability of Proxy Materials is being forwarded to you by your broker, bank or other nominee, as applicable. As the beneficial owner, you are also invited to attend the Annual Meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. You will need to contact your broker, trustee or nominee to obtain a legal proxy, and you will need to bring it to the Annual Meeting in order to vote in person.

### **Q. How can I vote my shares without attending the Annual Meeting?**

A. If you are a stockholder of record and you do not wish to vote in person at the Annual Meeting, you may vote by proxy over the Internet by following the instructions provided in the Notice of Internet Availability of Proxy Materials, or, if you received printed copies of the proxy materials, you can also vote by mail or by telephone pursuant to the instructions included on the proxy card.

If you are a beneficial owner of shares held in street name and you do not wish to obtain a legal proxy from your broker, trustee or other nominee giving you a right to vote these shares in person at the Annual Meeting, you may direct the voting of these shares over the Internet by following the instructions provided in the Notice of Internet Availability of Proxy Materials, or if you received printed copies of the proxy materials, you can also vote by mail or by telephone by following the instructions included on the voting instruction card provided to you by your broker, trustee or other nominee.

### **Q. What happens if additional matters are presented at the Annual Meeting?**

A. Other than the three items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxies, Robert L. Antin and Tomas W. Fuller, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

### **Q. What happens if I do not give specific voting instructions?**

A. If you hold shares in your name, and you sign and return a proxy card without giving specific voting instructions, the proxy holders vote your shares in the manner recommended by our Board of Directors on all matters presented in this Proxy Statement, and, with respect to any other matters that properly come before the Annual Meeting, as the proxy holders may determine in their discretion.

If you hold your shares through a broker, bank or other nominee and you do not provide your broker with specific voting instructions, your broker may vote your shares only with respect to certain matters considered routine.

Specifically, your broker may vote in its discretion on the ratification of our independent registered public accounting firm if you do not furnish instructions. Your broker may not vote on the (i) election of directors and (ii) approval of the advisory vote on the compensation of the Company's named executive officers if you do not furnish instructions for those items.

*You should use the voting instruction card provided by the institution that holds your shares to instruct your broker to vote your shares or else your shares will be considered broker non-votes.* If you are the beneficial owner of shares held in the name of a broker, bank or other nominee and do not provide such broker, bank or other nominee with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on a matter without instructions from the beneficial owner and the instructions are not given. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that matter. Thus broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.



**Table of Contents**

**Q. What is the quorum requirement for the Annual Meeting?**

A. A majority of VCA's outstanding shares as of the Record Date must be present, in person or by proxy, at the Annual Meeting in order to hold the Annual Meeting and conduct business. This is called a quorum. Your shares will be counted for purposes of determining if there is a quorum, whether representing votes for, against, withheld or abstained, if you:

are present and vote at the Annual Meeting; or

properly submit a proxy card, vote by telephone or vote over the Internet.

Broker non-votes also are counted as present for the purpose of determining the existence of a quorum at the Annual Meeting.

**Q. How can I change my vote after I return my proxy card?**

A. If you are a stockholder of record, there are three ways you can change your vote or revoke your proxy after you have sent in your proxy form.

First, you may send a written notice to VCA Antech, Inc., c/o Office of Secretary, 12401 West Olympic Boulevard, Los Angeles, California 90064, stating that you would like to revoke your proxy.

Second, you may complete and submit a new proxy form. Any earlier proxies will be revoked automatically.

Third, you may attend the Annual Meeting and vote in person. Any earlier proxy will be revoked. However, attending the Annual Meeting without voting in person will not revoke your proxy.

If your shares are held in street name and you have instructed a broker or other nominee to vote your shares, you must follow directions from your broker or other nominee to change your vote.

**Q. What is the voting requirement to approve each of the items?**

A.

Item 1 Election of directors

The two nominees receiving the highest number of FOR votes at the Annual Meeting will be elected. Abstentions and broker non-votes will not be counted as a FOR vote for any nominee.

Item 2 Ratification of appointment of independent registered public accounting firm

To be approved by the stockholders, this item must receive the FOR vote of a majority of the votes cast on this proposal at the Annual Meeting. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome of this proposal.

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Item 3 Advisory vote on the compensation of the Company's named executive officers

To be approved by the stockholders, this item must receive the FOR vote of a majority of the votes cast on this proposal at the Annual Meeting. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome of this proposal.

**Q. Where can I find the voting results of the Annual Meeting?**

A. We intend to announce preliminary voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K to be filed with the SEC within four business days of the Annual Meeting.



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**Table of Contents**

**Q. Who pays for the cost of this proxy solicitation?**

- A. We will pay the costs of the solicitation of proxies. We may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding the voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone.

**Q. Is there a list of stockholders entitled to vote at the Annual Meeting?**

- A. The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting at our principal executive offices between the hours of 9:00 a.m. and 5:00 p.m. for any purpose relevant to the Annual Meeting. To arrange to view this list during the times specified above, please contact the Secretary of the Company.

**Q. What is the deadline to propose actions for consideration at next year's annual meeting?**

- A. Stockholders who, in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, wish to present proposals for inclusion in the proxy materials to be distributed in connection with the 2013 annual meeting of stockholders must submit their proposals so that they are received at our principal executive offices no later than the close of business December 7, 2012, or in the event the Company's 2013 annual meeting is advanced or delayed more than 30 days from the date of the 2012 annual meeting, within a reasonable time before the Company begins to print and mail the proxy materials for the 2013 annual meeting. As the SEC rules make clear, simply submitting a proposal does not guarantee that it will be included in the Company's proxy materials. In addition, stockholders who wish to introduce a proposal from the floor of the 2013 annual meeting of stockholders (outside the processes of Rule 14a-8), must submit that proposal in writing to the Company at our principal executive offices after February 21, 2013 and no later than March 22, 2013, or, in the event the Company's 2013 annual meeting of stockholders is advanced or delayed more than 30 days from the date of the 2012 annual meeting, not earlier than the 90<sup>th</sup> day before the 2013 annual meeting and not later than the later of (i) the 60<sup>th</sup> day before the 2013 annual meeting or (ii) the 10<sup>th</sup> day following the day on which public announcement of the 2013 annual meeting is first made by the Company.

To be in proper form, a stockholder's notice must include the information required by our bylaws with respect to each proposal submitted. The Company may refuse to consider any proposal that is not timely or otherwise does not meet the requirements of our bylaws or the SEC's rules with respect to the submission of proposals.

You can find a copy of our bylaws in the Investor Relations section of the Company's website ([www.vcaantech.com](http://www.vcaantech.com)) by clicking on Corporate Governance or you may obtain a copy by submitting a request to VCA Antech, Inc., c/o Office of Secretary, 12401 West Olympic Boulevard, Los Angeles, California 90064.

**Q. How do I nominate a candidate for election as a director?**

- A. Stockholders who wish to nominate a candidate for election as a director at our 2013 annual meeting of stockholders must submit their nomination in writing to the Company at our principal executive offices after February 21, 2013 and no later than March 22, 2013, or, in the event the Company's 2013 annual meeting of stockholders is advanced or delayed more than 30 days from the date of the 2012 annual meeting, not earlier than the 90<sup>th</sup> day before the 2013 annual meeting and not later than the later of (i) the 60<sup>th</sup> day before the 2013 annual meeting or (ii) the 10<sup>th</sup> day following the day on which public announcement of the 2013 annual meeting is first made by the Company. To be in proper form, a stockholder's notice must include the information required by our bylaws with respect to the nomination and all other information regarding the proposed nominee and the nominating



**Table of Contents**

stockholder required by Section 14 of the Exchange Act. The Company may refuse to consider any nomination that is not timely or otherwise does not meet the requirements of our bylaws or the SEC's rules with respect to the submission of director nominations. A written statement from the proposed nominee consenting to be named as a candidate and, if nominated and elected, to serve as a director should accompany any stockholder nomination.

**Q. How can I communicate with the Board of Directors?**

- A. Stockholders may communicate with the Board of Directors by sending a letter to the Board of Directors of VCA Antech, Inc., c/o Office of the Secretary, 12401 West Olympic Boulevard, Los Angeles, California 90064. Each communication must contain a clear notation indicating that it is a Stockholder Board Communication or Stockholder Director Communication, and each communication must identify the author as a stockholder. The Office of the Secretary will receive the correspondence and forward it to the Chairman of the Board or to any individual director or directors to whom the communication is directed, unless the communication is unduly hostile, threatening, illegal, does not reasonably relate to us or our business, or is similarly inappropriate. The Office of the Secretary has authority to discard any inappropriate communications or to take other appropriate actions with respect to any inappropriate communications.

## **Table of Contents**

### **CORPORATE GOVERNANCE**

Our business is managed by our employees under the direction and oversight of the Board of Directors. Except for Robert L. Antin, none of the members of our Board of Directors is an employee of VCA. We keep the members of our Board of Directors informed of our business through discussions with management, materials we provide to them, visits to our offices and their participation in Board of Directors and committee meetings.

We believe transparent, effective, and accountable corporate governance practices are key elements of our relationship with our stockholders. To help our stockholders understand our commitment to this relationship and our governance practices, several of our key governance initiatives are summarized below.

#### **Corporate Governance Guidelines**

Our Board of Directors has adopted Corporate Governance Guidelines which govern, among other things, criteria for membership on the Board of Directors, vacancies on the Board of Directors, director responsibilities, director education, and committee composition and charters. You can access these Corporate Governance Guidelines, along with other materials such as committee charters, on our website at <http://investor.vcaantech.com>.

#### **Code of Ethics**

We have adopted a Code of Ethics and Business Conduct applicable to all of our employees as well as our directors and executive officers. Our Code of Ethics and Business Conduct is designed to set the standards of business conduct and ethics and to help directors and employees resolve ethical issues. Our Code of Ethics and Business Conduct applies to our Chief Executive Officer, Chief Financial Officer, all other senior financial executives, our directors when acting in their capacity as directors and to all of our employees. The purpose of our Code of Ethics and Business Conduct is to ensure to the greatest possible extent that our business is conducted in a consistently legal and ethical manner. Employees may submit concerns or complaints regarding audit, accounting, internal controls or other ethical issues on a confidential basis by means of an anonymous toll-free telephone call or email. We investigate all concerns and complaints. Our Code of Ethics and Business Conduct is posted on our website at <http://investor.vcaantech.com>.

We intend to disclose on our website amendments to, or waivers from, any provision of our Code of Ethics and Business Conduct which applies to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer/Controller and persons performing similar functions and amendments to, or waivers from, any provision of our Code of Ethics and Business Conduct described in Item 406(b) of Regulation S-K.

#### **Committee responsibilities**

VCA has three committees of the Board of Directors: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee meets regularly and has a written charter approved by the Board of Directors. See Further Information Regarding Board of Directors Meetings and Committees contained elsewhere in this Proxy Statement.

#### **Independence**

NASDAQ rules require listed companies to have a board of directors with at least a majority of independent directors. Our Board of Directors has determined that four of our five current directors are independent under the NASDAQ Global Select Market listing standards. Our independent directors are: John M. Baumer, John B. Chickering, Jr., John Heil and Frank Reddick. In determining Mr. Reddick's independence, the Board of Directors considered Mr. Reddick's position as a partner at Akin Gump Strauss Hauer & Feld LLP, which provides legal services to us. In addition, all of the directors currently serving on the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are independent under the NASDAQ Global Select Market listing standards.

## **Table of Contents**

### **Stockholder communication**

Stockholders may communicate with the Board of Directors by sending a letter to the Board of Directors of VCA Antech, Inc., c/o Office of the Secretary, 12401 West Olympic Boulevard, Los Angeles, California 90064. Each communication must contain a clear notation indicating that it is a Stockholder Board Communication or Stockholder Director Communication, and each communication must identify the author as a stockholder. The Office of the Secretary will receive the correspondence and forward it to the Chairman of the Board or to any individual director or directors to whom the communication is directed, unless the communication is unduly hostile, threatening, illegal, does not reasonably relate to us or our business, or is similarly inappropriate. The Office of the Secretary has authority to discard any inappropriate communications or to take other appropriate actions with respect to any inappropriate communications.

### **Director attendance at Annual Meetings**

All directors are encouraged to attend VCA's Annual Meetings of stockholders. Two of our directors attended our 2011 Annual Meeting of Stockholders.

### **Executive sessions**

VCA's independent directors regularly meet in executive session without management present.

### **Board Leadership**

VCA is led by its founder, Robert L. Antin, who has served as Chairman of the Board, Chief Executive Officer and President since our inception in 1986. We believe that combining the role of Chairman of the Board and Chief Executive Officer promotes unified leadership and direction for VCA and provides for a single, clear focus for management to execute the Company's strategy and business plan. Mr. Antin's industry expertise and intimate knowledge of VCA's operations and strategy make him uniquely positioned and qualified to serve in these capacities, and we believe Mr. Antin is seen by our customers, business partners, investors and other stakeholders as providing strong leadership for the Company and the industry.

VCA does not have a lead director and does not believe that appointing a lead director would materially impact the performance of the Board of Directors, as it currently employs a variety of structural and operational controls that serve the same purpose. For example, our independent directors meet regularly in executive sessions. This allows independent directors to speak candidly on any matter of interest, without the Chief Executive Officer or other managers present. Moreover, each committee chair acts as presiding director for Board of Directors discussions on topics within the sphere of his committee. All members of the Board of Directors are free to suggest the inclusion of items on Board of Directors and committee meeting agendas, and, to the fullest extent possible, all meeting materials and presentations are distributed to the Board of Directors in advance, allowing efficient use of time during meetings for questions and comprehensive deliberations. All members of the Board of Directors have direct and complete access to the Company's management at all times, subject to reasonable time constraints and their judgment. Additionally, the Chief Executive Officer's performance and compensation are evaluated and determined by the Compensation Committee, which is comprised solely of independent directors. Finally, each committee of the Board of Directors, all of which are comprised solely of independent directors, has the right at any time to retain independent outside financial, legal or other advisors.

### **Risk Oversight**

The Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of the Company's objectives and to maintain stockholder value. The fully independent Audit Committee is primarily responsible for overseeing the Company's exposure to financial risk and reviewing the steps the Company's management has taken to monitor and control such exposure. The Audit Committee meets

**Table of Contents**

at least six times per year, in addition to periodic meetings with management and internal and independent auditors to accomplish its purpose. Additionally, each of the committees of the Board of Directors considers the risks within its area of responsibilities. We believe that the leadership structure of our Board of Directors supports its effective oversight of the Company's risk management.

**Outside advisors**

The Board of Directors, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee may each retain outside advisors and consultants of their choosing at VCA's expense.

The Compensation Committee engaged Mercer in 2011 to serve as consultant to the Committee and to assist it by reviewing and updating the relevant group of peer companies against which to assess the Company's executive and director compensation, providing market data and recommendations on the Named Executive Officers' and non-executive directors' compensation and reviewing the Company's executive and director compensation plans or practices to advise whether any such plans or practices should be modified to improve effectiveness.

**Table of Contents**

**ITEM 1: ELECTION OF DIRECTORS**

We have five members on our Board of Directors. Four of the five members of our Board of Directors have been determined by our Board of Directors to meet the independence requirements of the NASDAQ Global Select Market listing standards.

As provided in our Amended and Restated Certificate of Incorporation, the Board of Directors has been grouped into three classes, as nearly equal in number as possible, which are elected for staggered terms. Our Class I directors will be elected at this Annual Meeting and will hold office for three years until the 2015 annual meeting and thereafter until his successor is duly elected and qualified. The term of our Class II director expires at our 2013 annual meeting. The terms of our Class III directors expire at our 2014 annual meeting. In accordance with our Corporate Governance Guidelines, any director appointed to fill a vacant seat in a class other than the class of directors whose terms expire at the next annual meeting of stockholders will stand for re-election at the next annual meeting of stockholders.

Although we know of no reason why the nominees would not be able to serve, if either nominee is unavailable for election, the proxies will vote your common stock to approve the election of any substitute nominee proposed by our Nominating and Corporate Governance Committee. The Board of Directors may choose to reduce the size of the Board, as permitted by our bylaws, provided we maintain the number of independent directors required by the listing standards of the NASDAQ Global Select Market. The Board of Directors has no reason to believe that VCA's nominees will be unwilling or unable to serve if elected as directors.

**Nominees**

Our nominees for election as Class I directors, John M. Baumer and Frank Reddick, are currently members of our Board of Directors, who meet the independence requirements of the NASDAQ Global Select Market listing standards, and have agreed to be named in this Proxy Statement and to serve if elected.

The Board of Directors proposes the following candidates for election as Class I directors:

**Class I Director Nominees**

John M. Baumer

Frank Reddick

The principal occupation and certain other information about the nominees, our other directors and our executive officers are set forth on the following pages.

The two nominees receiving a plurality of the votes cast at the Annual Meeting will be elected as Class I directors. All proxies will be voted to approve the election of the nominees listed above unless a contrary vote is indicated on the proxy card or voting instruction card. Abstentions, withheld votes and broker non-votes will not be treated as a vote for any particular director and will not affect the outcome of the election of directors.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES IDENTIFIED ABOVE.**

**Table of Contents****MANAGEMENT****Directors and Executive Officers**

The following persons serve as our directors:

<b>Directors</b>	<b>Age</b>	<b>Present Position</b>
<u>Class I Directors</u>		
John M. Baumer	44	Director
Frank Reddick	59	Director
<u>Class II Director</u>		
Robert L. Antin	62	Chairman of the Board
<u>Class III Directors</u>		
John B. Chickering, Jr.	63	Director
John Heil	59	Director

The following persons serve as our executive officers:

<b>Executive Officers</b>	<b>Age</b>	<b>Present Position</b>
Robert L. Antin	62	Chief Executive Officer and President
Arthur J. Antin	65	Chief Operating Officer and Senior Vice President
Neil Tauber	61	Senior Vice President of Development
Tomas W. Fuller	54	Chief Financial Officer, Principal Accounting Officer, Vice President and Secretary
Josh Drake	44	President of Antech Diagnostics

Our executive officers are appointed by and serve at the discretion of our Board of Directors. Robert L. Antin and Arthur J. Antin are brothers. There are no other family relationships between any director and/or any executive officer.

*Robert L. Antin*, one of our founders, has served as our Chairman of the Board, Chief Executive Officer and President since our inception in 1986. From September 1983 to 1985, Mr. Antin was President, Chief Executive Officer, a director and co-founder of AlternaCare Corp., a publicly held company that owned, operated and developed freestanding out-patient surgical centers. From July 1978 until September 1983, Mr. Antin was an officer of American Medical International, Inc., an owner and operator of health care facilities. Mr. Antin received his MBA with a certification in hospital and health administration from Cornell University. Mr. Antin's background as one of our founders and his service as our Chief Executive Officer and President since our inception enables him to bring to the Board of Directors valuable insights and perspectives about the Company, its business, operations and prospects, as well as the animal healthcare industry generally.

*John M. Baumer* has served as our director since September 2000. Mr. Baumer is a partner of Leonard Green & Partners, LP, where he has been employed since May 1999. Prior to joining Leonard Green & Partners, LP, he served as a Vice President in the Corporate Finance Division of Donaldson, Lufkin & Jenrette Securities Corporation, or DLJ, in Los Angeles. Prior to joining DLJ in 1995, Mr. Baumer worked at Fidelity Investments and Arthur Andersen LLP. Mr. Baumer currently serves on the board of directors of Rite Aid Corporation. Mr. Baumer is a 1990 graduate of the University of Notre Dame. He received his MBA from the Wharton School at the University of Pennsylvania. Mr. Baumer's experience in private equity investment makes him a valuable part of the Board of Directors, particularly as it relates to financings, operations, market developments, and strategic relationships, as well as enabling him to provide keen insight in the area of stockholder relations.

*John B. Chickering, Jr.* has served as one of our directors since April 2004 and previously served as a director from 1988 to 2000. Mr. Chickering is a certified public accountant (inactive). Mr. Chickering is currently a



**Table of Contents**

private investor and independent consultant. Mr. Chickering served in a variety of executive positions within Time Warner, Inc. and Warner Bros., Inc., most recently as the Vice President – Financial Administration for Warner Bros. International Television Distribution until February 1996. Prior to his employment at Warner Bros., Mr. Chickering served as a staff accountant at KPMG Peat Marwick from August 1975 to June 1977. For the past six years, Mr. Chickering has served as Chairman of the Board of the Shakespeare Society of America, a privately held non-profit company with a 40 year history of operating theatrical productions, a museum, a rare book reference library, extensive archives and a visual art collection. In October 2010, Mr. Chickering filed for personal bankruptcy under Chapter 11 of the United States Bankruptcy Code. Mr. Chickering holds an MBA degree with emphasis in accounting and finance from Cornell University. Mr. Chickering’s extensive corporate finance experience, his accounting experience and his knowledge of accounting principles and financial reporting rules and regulations enables Mr. Chickering to provide valuable service to the Board of Directors as chairman of the Audit Committee. Additionally, Mr. Chickering’s many years of experience as an executive of a public company enables him to make significant contributions to the deliberations of the Board of Directors, especially in connection with evaluating the financial performance of the Company.

*John Heil* has served as one of our directors since February 2002 and previously served as a director from 1995 to 2000. Mr. Heil has served as a member of Tempur-Pedic International’s Board of Directors since March 2008 and currently serves on that board’s nominating and governance committee and compensation committee. Mr. Heil currently serves as President of United Pet Group, Inc., a global manufacturer and marketer of pet supplies and subsidiary of Spectrum Brands, Inc. Mr. Heil also serves on Spectrum Brands’ Executive Committee. Prior to joining United Pet Group, Mr. Heil spent twenty-five years with the H. J. Heinz Company in various executive and general management positions including President and Managing Director of Heinz Pet Products and President of Heinz Specialty Pet Foods. Mr. Heil holds a BA degree in economics from Lycoming College. On February 3, 2009, Spectrum Brands, Inc. and its United States subsidiaries (the “Spectrum Debtors”) filed voluntary petitions in the United States Bankruptcy Court for the Western District of Texas (the “Bankruptcy Court”) seeking reorganization relief under the provisions of Chapter 11 of Title 11 of the United States Bankruptcy Code. On July 15, 2009, the Bankruptcy Court entered a written order confirming the Spectrum Debtors’ plan of reorganization. On August 28, 2009, the plan of reorganization became effective and the Spectrum Debtors emerged from reorganization proceedings under the United States Bankruptcy Code. Mr. Heil’s experience in the pet care industry is of particular value to the Board of Directors as it provides a breadth and depth of understanding and insight that directly relates to the business of the Company. Additionally, Mr. Heil’s significant executive experience positions him to provide operational, financial and strategic planning insights with respect to the growth of the Company’s business and brand.

*Frank Reddick* has served as one of our directors since February 2002. For more than the past ten years, Mr. Reddick has been a partner in Akin Gump Strauss Hauer & Feld LLP, a global, full service law firm. Mr. Reddick co-chairs Akin Gump’s firm-wide corporate practice group. Mr. Reddick is principally engaged in the practice of corporate and securities law, with a concentration on corporate finance, mergers and acquisitions, corporate governance, joint ventures and other strategic alliances. Mr. Reddick holds a JD from the University of California, Hastings College of the Law. Mr. Reddick frequently speaks on corporate governance matters. Mr. Reddick’s formal legal training and his experience as a partner of a major international law firm provides a background and perspective that complements the skill sets of the other members of the Board of Directors.

*Arthur J. Antin*, one of our founders, has served as our Chief Operating Officer and Senior Vice President since our inception. From 1986 until June 2004, Mr. Antin also served as our Secretary and as a director. From October 1983 to September 1986, Mr. Antin served as Director of Marketing/Investor Relations of AlternaCare Corp. At AlternaCare Corp., Mr. Antin developed and implemented marketing strategies for a network of outpatient surgical centers. Mr. Antin received an MA in Community Health from New York University.

*Neil Tauber*, one of our founders, has served as our Senior Vice President of Development since our inception. From 1984 to 1986, Mr. Tauber served as the Director of Corporate Development at AlternaCare Corp. At AlternaCare Corp., Mr. Tauber was responsible for the acquisition of new businesses and syndication to hospitals

**Table of Contents**

and physician groups. From 1981 to 1984, Mr. Tauber served as Chief Operating Officer of MDM Services, a wholly owned subsidiary of Mediq, a publicly held health care company, where he was responsible for operating and developing a network of retail dental centers and industrial medical clinics. Mr. Tauber holds an MBA from Wagner College.

*Tomas W. Fuller* joined us in January 1988 and served as Vice President and Controller until September 1991 when he became Chief Financial Officer. In June 2004, Mr. Fuller became Secretary. From 1980 to 1987, Mr. Fuller worked at Arthur Andersen LLP, the last two years of which he served as audit manager. Mr. Fuller received his BA in economics from the University of California at Los Angeles.

*Josh Drake* joined us in 1992. In February 2008, Mr. Drake became President of Antech Diagnostics, our laboratory division. Over the past five years, Josh Drake has held various positions at VCA Antech, including Group Vice President of our animal hospital division, Group Vice President of Antech Diagnostics and Senior Vice President of Antech Diagnostics. Mr. Drake received his BS in economics from the University of California at Santa Barbara.

## **Table of Contents**

### **FURTHER INFORMATION REGARDING THE BOARD OF DIRECTORS**

#### **Composition**

Four of the five members of our Board of Directors have been determined by our Board of Directors to meet the independence requirements of the NASDAQ Global Select Market listing standards. We refer to each of these directors as an independent director.

#### **Meetings & Committees**

During fiscal 2011, the Board of Directors held nine meetings and acted twice by unanimous written consent. VCA's independent directors regularly meet in executive session without management present.

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, all of which are constituted solely of independent directors. During fiscal 2011, our Committees met an aggregate of eighteen times.

#### **Audit Committee**

The Audit Committee consists of John M. Baumer, John B. Chickering, Jr. (Chairman) and John Heil, each an independent director and each financially literate as required by the NASDAQ Global Select Market listing standards. Our Board of Directors has determined that Messrs. Baumer, Chickering and Heil qualify as audit committee financial expert[s] as that term is defined in Item 407(d)(5)(ii) of Regulation S-K of the Exchange Act. During fiscal 2011, the Audit Committee held nine meetings.

Among other matters, the Audit Committee:

engages and replaces the independent registered public accounting firm as appropriate;

evaluates the performance and independence of and pre-approves all services provided by the independent registered public accounting firm;

discusses with management, the internal auditor and the independent registered public accounting firm the quality of our accounting principles and financial reporting; and

oversees our internal controls.

Our Audit Committee charter is posted on our website at <http://investor.vcaantech.com>.

#### **Compensation Committee**

The Compensation Committee consists of John B. Chickering, Jr. (Chairman) and John M. Baumer, each an independent director and outside director (as such term is defined in Treasury Regulation 1.162-27(e)(3)).

During fiscal 2011, the Compensation Committee held eight meetings. The Compensation Committee:

assists the Board of Directors in ensuring a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management, and compensation plans are appropriate and competitive and properly reflect the objectives and performance of management and the Company;

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establishes the compensation of all of our executive officers; and

administers the Company's incentive programs, including the VCA Antech, Inc. 2006 Equity Incentive Plan and the VCA Antech, Inc. 2007 Annual Cash Incentive Plan, which we refer to collectively as the Plans.

The Compensation Committee is responsible for overseeing the determination, implementation and administration of remuneration, including compensation, benefits and perquisites, of all executive officers and

## **Table of Contents**

other members of senior management whose remuneration is the responsibility of the Board of Directors. The Compensation Committee seeks the views of our Chief Executive Officer with respect to establishing appropriate compensation packages for the executive officers (other than the Chief Executive Officer). The Compensation Committee also has the authority to delegate its responsibilities to subcommittees of the Compensation Committee if it determines such delegation would be in the best interest of the Company.

The Compensation Committee generally meets in executive session, with no member of management being present at the meetings. In addition, the Compensation Committee may request that any of our directors, officers or employees, or other persons attend its meetings to provide advice, counsel or pertinent information as the Compensation Committee requests.

The Compensation Committee has the sole authority to retain independent counsel or other advisors, as it deems necessary in connection with its responsibilities at the Company's expense. The Compensation Committee also has the sole authority to retain and terminate compensation consultants.

Our Compensation Committee charter is posted on our website at <http://investor.vcaantech.com>.

## **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee consists of John B. Chickering, Jr. (Chairman) and John M. Baumer, each an independent director. During fiscal 2011, the Nominating and Corporate Governance Committee held one meeting. The principal responsibilities of the Nominating and Corporate Governance Committee are to propose to the Board of Directors a slate of nominees for election by the stockholders at our Annual Meetings and to review and reassess the adequacy of the Corporate Governance Guidelines and recommend any proposed changes to the Board of Directors.

In considering director candidates, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials and does not have any specific minimum qualifications that must be met in order to be recommended as a nominee. The Nominating and Corporate Governance Committee does believe, however, that all members of the Board of Directors should have high personal and professional ethics, integrity, practical wisdom and mature judgment, no conflict of interest that would interfere with their performance as a director of a public corporation, a commitment to serve on the Board of Directors over a period of several years, a willingness to represent the best interests of all stockholders and objectively appraise management performance and sufficient time to devote to matters of the Board of Directors.

The Board of Directors and the Nominating and Corporate Governance Committee believe that diversity with respect to viewpoint, skills and experience is an important factor in Board composition. Additionally, in April 2011, the Board of Directors amended the Corporate Governance Guidelines to clarify that gender, age and ethnic diversity are considered by the Nominating and Corporate Governance Committee when seeking and evaluating director candidates. The Board of Directors and the Nominating and Corporate Governance Committee also consider a variety of other factors, attributes and criteria, including each candidate's (i) general understanding of marketing, finance and other disciplines relevant to the success of publicly traded companies, (ii) understanding of the Company's business, (iii) education and professional background, personal and professional integrity, (iv) knowledge, skills and expertise and (v) personal accomplishments to assure appropriate Board composition, taking into account the current Board members and the specific needs of the Company and the Board of Directors.

Our Nominating and Corporate Governance Committee may employ a variety of methods for identifying and evaluating nominees for director, including stockholder recommendations. The Nominating and Corporate Governance Committee will consider candidates recommended by our stockholders, provided that the recommendations are made in accordance with the procedures required under our Bylaws, as summarized in the Questions and Answers section of this Proxy Statement. The Nominating and Corporate Governance

## **Table of Contents**

Committee will not evaluate candidates differently based on who made the recommendation for consideration. Our Nominating and Corporate Governance Committee charter is posted on our website at <http://investor.vcaantech.com>.

### **Director Attendance**

In fiscal 2011, all directors attended 75% or more of the aggregate of (i) the total number of meetings held by the Board of Directors, excluding meetings for which the director was required to recuse himself and (ii) the total number of meetings held by all committees on which they served. The Company encourages, but does not require, all directors and director nominees to attend our annual meetings of stockholders. Two of our directors attended our 2011 Annual Meeting of Stockholders.

### **Risk Assessment**

In 2011, certain members of the Company's senior management and the Compensation Committee, in consultation with outside counsel, assessed whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. This assessment included reviewing various elements of the Company's compensation policies and practices. Among other things, the Compensation Committee considered that (a) the compensation program for the executive officers and other key personnel adequately balances the components of total compensation (i.e., annual base salary, annual cash performance awards and/or cash bonuses and long-term equity awards), (b) the annual base salary for all employees, including executive officers, provides a level of assured cash compensation that reduces incentive for risk-taking, (c) the annual cash bonus component of non-executive employees' total compensation is small compared to the annual base salary component and, as a result, unlikely to give rise to excessive risk-taking by non-executive employees, (d) the annual cash performance awards to executive officers are typically based on the Company's Adjusted EBITDA or other similar performance metrics that correlate such awards to the Company's overall financial performance, and (e) the Company's performance-based equity awards typically have a three-year vesting period that ensures that the employees' interests align with the Company's stockholders' interests and reduces incentive for short-term risk taking behavior. Based on this review, the Compensation Committee determined that risks arising from the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

### **Compensation Committee Interlocks and Insider Participation**

From January 1, 2011 to May 30, 2011, the Compensation Committee of our Board of Directors consisted of John B. Chickering, Jr., John M. Baumer and Frank Reddick. Mr. Reddick resigned from our Compensation Committee effective May 31, 2011. All of the Compensation Committee determinations for the Named Executive Officers for 2011 were made following Mr. Reddick's resignation. None of the members of the Compensation Committee was one of our officers or employees at any time during fiscal 2011. Mr. Reddick is a partner at Akin Gump Strauss Hauer & Feld LLP, which provided legal services to us during fiscal 2011 and is providing legal services to us in fiscal 2012. In 2011, the Company paid Akin Gump Strauss Hauer & Feld LLP \$1.6 million for legal services. Nevertheless, Mr. Reddick is not disqualified from serving as an independent director on our Board of Directors under the NASDAQ Global Select Market listing standards because of the relatively small amount of fees we paid to Akin Gump Strauss Hauer & Feld LLP in fiscal years 2011, 2010 and 2009 in relation to our total revenues and the total revenues of Akin Gump Strauss Hauer & Feld LLP for those same periods.

None of our executive officers served as a member of the board of directors or compensation committee of any entity that has or has had one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

**Table of Contents**

***ITEM 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM***

The Audit Committee has engaged the firm of KPMG LLP to continue to serve as our independent registered public accounting firm for the current fiscal year ending December 31, 2012. KPMG LLP has served as VCA's principal independent registered public accounting firm since June 14, 2002.

We are asking the stockholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. The ratification of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2012, will require the affirmative vote of a majority of the votes cast at the Annual Meeting. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome of this proposal. All proxies will be voted to approve the appointment unless a contrary vote is indicated on the proxy card.

We anticipate that representatives of KPMG LLP will attend the Annual Meeting for the purpose of responding to appropriate questions. The representatives of KPMG LLP will be afforded an opportunity to make a statement if they so desire at the Annual Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

**Table of Contents****AUDIT AND NON-AUDIT FEES**

The following table sets forth the aggregate fees billed to us by KPMG LLP, our independent registered public accounting firm, for professional services rendered during the fiscal years ended December 31, 2011 and 2010.

	<b>2011</b>	<b>2010</b>
Audit fees	\$ 1,832,375	\$ 1,786,000
Tax fees (1)	\$ 83,554	\$ 108,863
<b>Total</b>	<b>\$ 1,915,929</b>	<b>\$ 1,894,863</b>

(1) Represents fees for consultation on the tax impact of certain transactions in 2011 and 2010.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services**

The Audit Committee has established a policy with respect to the pre-approval of audit and permissible non-audit services and fees provided by the independent registered public accounting firm. The Audit Committee's pre-approval policy requires that all audit and permissible non-audit services and fees be pre-approved by the Audit Committee. Specific pre-approval is not required for permissible non-audit services provided that they:

do not, in the aggregate, amount to more than five percent of total revenues paid by the Company to the independent registered public accounting firm in the fiscal year in which the services are provided;

were not recognized by the Company as non-audit services at the time of the relevant engagement; and

are promptly brought to the attention of the Audit Committee and approved by the Audit Committee (or its designated representatives) prior to the completion of the annual audit.

Pursuant to the pre-approval policy, the Audit Committee's Chairman is delegated the authority to pre-approve audit services and fees, provided he reports those approvals at the next meeting of the Audit Committee. The term of any pre-approval granted by the Audit Committee with respect to a given service is twelve months. All fees in excess of pre-approved levels require specific pre-approval by the Audit Committee. All audit and permissible non-audit services provided to us in connection to fiscal 2011 were approved by the Audit Committee.



**Table of Contents**

**REPORT OF AUDIT COMMITTEE**

*The Audit Committee Report does not constitute soliciting material, and shall not be deemed filed with the Securities and Exchange Commission or to be subject to Regulation 14A or 14C as promulgated by the Securities and Exchange Commission, or to the liabilities of Section 18 of the Securities Exchange Act of 1934.*

The Committee is responsible for overseeing, on behalf of the Board of Directors, the Company's accounting and financial reporting process and the audits of VCA's financial statements. The Committee acts only in an oversight capacity and relies on the work and assurances of management, which has the primary responsibility for the financial reporting process, including the system of internal controls, and the financial statements.

The Committee has:

reviewed and discussed the audited financial statements with management and the independent registered public accounting firm;

discussed with the independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 61 (Communication With Audit Committees); and

received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the audit committee concerning independence, and discussed with the independent registered public accounting firm the independent accountant's independence from the Company and its management.

The Committee also has considered whether the independent registered public accounting firm's provision of non-audit services to the Company is compatible with the accountant's independence. The Committee has concluded that the independent registered public accounting firm is independent from the Company and its management.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, for filing with the Securities and Exchange Commission.

Audit Committee

*John M. Baumer*

*John B. Chickering, Jr.*

*John Heil*

**Table of Contents**

***ITEM 3: ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS***

Item 3 is an advisory vote on the compensation of our Named Executive Officers. The Compensation Discussion and Analysis beginning on page 21 of this Proxy Statement describes the Company's compensation program and the compensation decisions made by the Board of Directors and the Compensation Committee with respect to our Named Executive Officers. The Board of Directors is asking our stockholders to cast a non-binding advisory vote on the following resolution:

RESOLVED, that the stockholders of the Company approve, on an advisory basis, the compensation of the executive officers of the Company named in the Summary Compensation Table, as disclosed in the Company's Proxy Statement for the Company's 2012 Annual Meeting of Stockholders (which disclosure includes the Compensation Discussion and Analysis, the executive compensation tables and the related footnotes and narrative accompanying the tables).

While the advisory vote the Board of Directors is asking you to cast is non-binding, the Board of Directors and the Compensation Committee value the view of the Company's stockholders and will review and consider the voting results when making future decisions regarding our executive compensation program. The Company currently intends to hold such advisory votes on an annual basis and the next such vote will be held at the Company's 2013 annual meeting of stockholders. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome of the proposal.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL, ON A NON-BINDING ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT (WHICH DISCLOSURE INCLUDES THE COMPENSATION DISCUSSION AND ANALYSIS, THE EXECUTIVE COMPENSATION TABLES AND THE RELATED FOOTNOTES AND NARRATIVE ACCOMPANYING THE TABLES).**

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

**Introduction**

Our executive compensation program is designed to attract and retain the employees who lead our business and reward these executives for their performance. This Compensation Discussion and Analysis explains our executive compensation program philosophy and objectives. This Compensation Discussion and Analysis also addresses how the Compensation Committee makes decisions with regards to the compensation program for our Named Executive Officers and each element thereof. The Board of Directors has determined that for fiscal year 2011, the following executives are the Company's Named Executive Officers:

Robert L. Antin, Chairman of the Board, Chief Executive Officer and President;

Arthur J. Antin, Chief Operating Officer and Senior Vice President;

Tomas W. Fuller, Chief Financial Officer, Vice President and Secretary;

Neil Tauber, Senior Vice President of Development; and

Josh Drake, President of Antech Diagnostics.

In addition, the compensation and benefits provided to our Named Executive Officers in 2011 are set forth in detail in the Summary Compensation Table and other tables that follow this analysis, and in the footnotes and narrative to such tables.

**Compensation Program Highlights**

Our compensation program incorporates the following compensation governance practices that we believe are beneficial to our shareholders:

A substantial majority of the total compensation opportunity for our executives is incentive-based and can be earned only upon the achievement of corporate performance objectives designed to enhance stockholder value. Performance is assessed on a formulaic basis.

In 2011, performance-based compensation (consisting of cash and equity performance awards) accounted for 92% of total direct compensation (consisting of salary and cash and equity performance awards) for our Chief Executive Officer and an average 85% of total direct compensation for our other four Named Executive Officers. The following graph illustrates the performance-based compensation elements for each Named Executive Officer as a percentage of total direct compensation.

**Table of Contents**

In 2011, all of the long-term incentive compensation granted to our Named Executive Officers is performance-based. A majority of the long-term incentive compensation is in the form of equity awards that vest upon achievement of performance goals established by the Compensation Committee and then over a four year period. Consequently, the ultimate value of the awards will depend on the performance of the Company's stock over a multiple year period.

With the assistance of its compensation consultant, the Compensation Committee established for benchmarking purposes a Comparison Group of 11 companies with similar revenues, revenue growth, business focus and operating models as the Company. There are only a small number of animal health care companies that are public, so the Compensation Committee has included in the Comparison Group companies in the healthcare industry and growth companies in general industry that require multiple locations and a large employee base, such as retail, restaurants, leisure facilities and specialty stores, with a focus on companies with a revenue base of between \$600 million and \$3.0 billion. The Compensation Committee believes that this Comparison Group is representative of companies within our industry, companies of similar complexity to us or companies within our geographic proximity with whom we compete for talented employees.

The Compensation Committee recognizes that the Company is smaller than many of the companies included in the Comparison Group. The Compensation Committee has taken this into account in setting compensation for our Named Executive Officers, positioning total direct compensation and each of the principal elements of compensation between the 25<sup>th</sup> and 50<sup>th</sup> percentile of the Comparison Group. Total cash compensation (salary plus cash performance award) for our Chief Executive Officer for 2011 was slightly above the 25<sup>th</sup> percentile and the three year average performance stock award (2009-2011) was at the 25<sup>th</sup> percentile when compared to our Comparison Group.

In 2012, we adopted stock ownership and retention guidelines under which our directors are expected to maintain stock ownership of at least 4x their annual cash retainer, our Chief Executive Officer is expected to maintain stock ownership of at least 4x base salary and our other Named Executive Officers are expected to maintain stock ownership of at least 2x base salary. Named Executive Officers must also retain for 24 months 100% of net shares acquired from the exercise of options or the vesting of restricted stock granted under our Equity Incentive Plan.

We prohibit any form of short sales and/or dealing in puts and calls of the Company's common stock by our executives and our directors under our Code of Conduct.

Our Equity Incentive Plan allows the Company to withhold or recapture awards from current and former employees if the employee breaches its employment, confidentiality or other agreements with the Company, commits any act involving willful malfeasance or breach of fiduciary duty, commits any theft, embezzlement or certain other acts of misconduct.

Our Compensation Committee retains discretion to modify, reduce or eliminate any annual cash performance award. In 2011 our Compensation Committee exercised this discretion to reduce the annual cash performance awards for our Named Executive Officers upon the recommendation of our Chief Executive Officer. In the exercise of this discretion, the Compensation Committee took into account the decline in the stock performance of the Company during 2011.

We offer limited personal-benefit perquisites to Named Executive Officers, and we do not reimburse our Named Executive Officers for personal-benefit perquisites.

Our Compensation Committee is comprised entirely of independent directors.



## **Table of Contents**

Our Compensation Committee is advised by an independent compensation consultant. This consultant is retained by the Compensation Committee directly and is independent of management.

Our Compensation Committee conducts an annual review and assessment of potential compensation-related risks in our programs and concluded that our compensation programs do not encourage behaviors that would create risks reasonably likely to have a material adverse effect on the Company.

### **Key Performance Achievements in 2011**

Our compensation program is designed to motivate and reward the Named Executive Officers for the achievement of our business performance targets, goals and objectives, which in turn enhance stockholder value over the long-term.

Our revenues and profitability over the last three years have been adversely impacted by the continuing economic downturn and other macro-economic trends. Nevertheless, in 2011 under the leadership of our management team, we contributed to long-term stockholder value in the following ways:

Total revenue for 2011 increased 7.5% over the prior year to a 12-month record of \$1.49 billion,

Cash Flows from operations increased \$23.0 million to \$191.1 million in 2011, representing 13.7% of total revenue,

The trend of 11 straight quarters of negative same store sales revenue in our Animal Hospital segment during a difficult economic environment was reversed with two successive quarters of positive same store sales revenues in the Animal Hospital segment in the last half of 2011,

We acquired 27 animal hospitals located in the United States, representing \$90 million of annualized revenue, including the acquisition of BrightHeart Veterinary Centers, which operates nine animal hospitals, eight of which focus on the delivery of specialty and emergency medicine,

We expanded the breadth of our product offerings to the veterinary community with the acquisition of Vetstreet, the nation's largest provider of online communications, professional education and marketing solutions to the veterinary community, and

We laid the groundwork for the acquisition of the remaining equity interests in Associate Veterinary Clinics (consummated in January 2012), which operates 44 hospitals in three Canadian provinces.

### **Executive Compensation Program Objectives and Overview**

We believe that compensation of our Named Executive Officers and other officers should be directly and materially linked to our operating performance. We believe that the performance of individual officers is best viewed through the impact of their performance on our performance as reflected by achievement of annual Company performance targets that we consider to be drivers of long-term stockholder value. As a result, for Named Executive Officers, our compensation programs focus on our performance, rather than individual performance. This compensation program recognizes that our executives with the most senior leadership positions within our organization have the greatest ability to influence our performance. As a result, both the annual and long-term incentive awards as a percentage of total compensation for our Named Executive Officers are greater than that of our other employees.

The fundamental objectives of our executive compensation program are to attract, retain and motivate top-quality officers through compensation that is competitive with the market and industry in which we compete for talent



**Table of Contents**

and align the interests of our officers and senior management with the interests of our stockholders. We seek to promote service longevity and to provide our executives with long-term wealth accumulation opportunities, assuming that we are able to maintain a high-level of financial and stock performance. The Compensation Committee evaluates both performance and compensation annually to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of our Comparison Group (as discussed below).

Overall, we have designed our executive compensation program to:

support our business strategy and business plan by clearly communicating what is expected of our Named Executive Officers and other officers with respect to goals and by rewarding them for the achievement of results relative to goals;

recruit, motivate and retain executive talent; and

create a direct performance alignment with value for stockholders.

We believe that each element of our executive compensation program (as described below) helps us to achieve one or more of our compensation objectives.

The compensation paid to our Named Executive Officers in 2009, 2010 and 2011 is set forth in the Summary Compensation Table on page 34 of this Proxy Statement. Year-over-year comparisons of the compensation of our Named Executive Officers are difficult to make in light of the fact that we did not grant any equity performance awards in 2009 and 2010. Our Compensation Committee's goal is that the overall equity performance awards granted to our Named Executive Officers be reasonably comparable to the aggregate equity performance awards granted by our Comparison Group to their named executive officers over the same three-year period. Therefore, our Compensation Committee believes that it is more meaningful to use the three-year average equity performance award for the three-year period ended 2011 when making such comparisons. The following sets forth a comparison of the total cash and equity performance awards for our Named Executive Officers prepared on this basis and should not be considered a substitute for the Summary Compensation Table.

Name and Principal Position	Year	Salary	Cash Bonus (1)	3-Year Average Equity Performance Award (2)	All Other Compensation	Total
Robert L. Antin, Chairman of the Board,	2011	\$ 928,013	\$ 928,013	\$ 3,371,666	\$ 83,818	\$ 5,311,510
	2010	\$ 910,167	\$ 928,013	\$ 3,371,667	\$ 87,161	\$ 5,297,008
	2009	\$ 892,320	\$ 892,320	\$ 3,371,667	\$ 77,289	\$ 5,233,596
Chief Executive Officer and President						
Arthur J. Antin, Chief Operating Officer and Senior Vice President	2011	\$ 590,554	\$ 531,499	\$ 1,685,833	\$ 75,151	\$ 2,883,037
	2010	\$ 579,197	\$ 531,498	\$ 1,685,833	\$ 59,797	\$ 2,856,325
Neil Tauber, Senior Vice President of Development	2011	\$ 399,327	\$ 279,529	\$ 741,766	\$ 83,604	\$ 1,504,226
	2010	\$ 391,648	\$ 279,529	\$ 741,767	\$ 65,548	\$ 1,478,492
	2009	\$ 383,968	\$ 268,778	\$ 741,767	\$ 84,571	\$ 1,479,084



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<b>Tomas W. Fuller,</b>	2011	\$ 399,327	\$ 279,529	\$ 809,200	\$ 32,550	\$ 1,520,606
	2010	\$ 391,648	\$ 279,529	\$ 809,200	\$ 26,032	\$ 1,506,409
Chief Financial Officer, Vice						
President and Secretary	2009	\$ 383,968	\$ 268,777	\$ 809,200	\$ 42,617	\$ 1,504,562
<b>Josh Drake,</b>	2011	\$ 338,000	\$ 125,000	\$ 337,166	\$ 32,653	\$ 832,819
	2010	\$ 331,500	\$ 135,000	\$ 782,887	\$ 23,466	\$ 1,272,853
President, Antech Diagnostics	2009	\$ 325,000	\$ 130,000	\$ 337,167	\$ 21,638	\$ 813,805

- (1) Amounts shown in this column are the aggregate of amounts presented in the Bonus and Non-Equity Incentive Plan Compensation columns in the Summary Compensation Table on page 34 of this Proxy Statement.
- (2) The three-year average equity performance award for the three-year period ended 2011 are reflected as if granted in each year presented.

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**Table of Contents**

For purposes of the foregoing, we have not included the value of the Supplemental Executive Retirement Program agreements, which we refer to as SERPs, granted to our four most senior Named Executive Officers in 2010. These grants were made in recognition of over 20 years of service by each of these Named Executive Officers, during which the Company did not provide any deferred compensation or other retirement benefit.

***Response to 2011 Say on Pay Vote***

At our 2011 Annual Meeting, our advisory vote on executive compensation passed by a vote of 58% of votes cast. The vote outcome was highly disappointing to VCA, our Board of Directors and our Compensation Committee. In our discussions with our stockholders during the period leading up to our annual meeting and afterwards, we learned that many of our stockholders had concerns regarding the SERPs we put in place in 2010 for our four most senior Named Executive Officers and the mix of our fixed versus performance based compensation. The Compensation Committee's determination to provide SERPs for our four most senior Named Executive Officers, each of whom had provided service to the Company in excess of 20 years, was in recognition of their prior service and was to provide continued incentives to retain their services. The Compensation Committee continues to carefully evaluate all elements of the Company's executive compensation program to strengthen its alignment with the performance of the Company in light of the feedback received from our stockholders. Partially in response to this feedback, the Compensation Committee took the following actions in 2011 and has undertaken a review of the structure of its compensation program for 2012:

Base salaries for our four most senior Named Executive Officers were held constant in 2011.

Pursuant to our policy, adopted in 2010, cash bonus awards to Named Executive Officers for 2011 were performance based (in prior years we had made discretionary cash bonuses).

We added a second performance metric (total revenue) for our annual cash performance awards and increased the potential leverage in both our cash performance award program and our equity performance award program.

While the Company achieved performance measures that would have entitled our senior Named Executive Officers a target cash performance award, the Compensation Committee, noting the decline in the Company's stock performance over 2011, exercised its negative discretion to reduce the cash performance awards, resulting in a decrease for our Chief Executive Officer of 33% of what he would have otherwise been entitled to and a decrease for the other three most senior Named Executive Officers that averaged 11% of what they would have otherwise been entitled to.

The Company granted performance based restricted stock awards and imposed a four-year vesting period. Consequently, the ultimate value of the awards will depend on the performance of the Company's stock over this four-year period.

The Compensation Committee has adopted a policy requiring Named Executive Officers to hold shares granted pursuant to the Company's Equity Incentive Plan (both shares underlying options and restricted shares) for an additional 24 months following the date such shares vest pursuant to the Equity Incentive Plan. This policy will be in effect for all grants commencing with those made in 2012.

**Overview of Executive Compensation Determinations**

In setting compensation for our Named Executive Officers, the Compensation Committee reviews our performance over the prior three years, focusing in particular on our revenue and Adjusted EBITDA growth in relation to performance targets established for the year, each Named Executive Officer's individual circumstances, including cash and equity-based compensation paid to each Named Executive Officer in the past three years and prior periods, as well as the accumulated value of all cash and equity-based compensation awarded to each Named Executive Officer. The Compensation Committee also conducts discussions with our



## **Table of Contents**

Chief Executive Officer regarding the performance of our other Named Executive Officers, and meets in executive sessions to discuss the performance of the Chief Executive Officer. Those discussions, together with the Compensation Committee's review of each Named Executive Officer's historical compensation and accumulated long-term incentive pay, allow the Compensation Committee to make compensation decisions in light of each Named Executive Officer's achievement and other circumstances.

### **Compensation Decision Making Process**

The Compensation Committee oversees our executive compensation and benefit plans and practices, while establishing management compensation policies and procedures to be reflected in the compensation program offered to our executive officers. The Compensation Committee operates under the written charter approved by the entire Board of Directors, a copy of which is available at <http://www.vcaantech.com>. When necessary, the Compensation Committee recommends amendments to its charter to the Board of Directors for approval.

The Compensation Committee has the authority to retain independent counsel or other consultants, as it deems necessary, in connection with its responsibilities at the Company's expense. The Compensation Committee engaged Mercer in 2011 to assist the Committee by reviewing and updating the relevant group of peer companies against which to assess the Company's executive and director compensation, providing market data and recommendations on the Named Executive Officers' and non-executive directors' compensation and reviewing the Company's executive and director compensation plans or practices to advise whether any such plans or practices should be modified to improve effectiveness.

The Compensation Committee may request that any of our directors, officers or employees, or other persons attend its meetings to provide advice, counsel or pertinent information as the Committee requests.

Our Chief Executive Officer is involved in the design and implementation of our executive compensation programs. He typically provides his input through consultation with the Chairman of the Compensation Committee and typically is not present at Compensation Committee meetings. Our Chief Executive Officer annually reviews the performance of each executive officer (other than the Chief Executive Officer whose performance is reviewed by the Compensation Committee) and presents his conclusions and recommendations regarding base salary and incentive award amounts for each executive officer (other than the Chief Executive Officer) to the Compensation Committee for its consideration. The Compensation Committee can exercise its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations.

### **Compensation Program Elements**

Our compensation program consists of the following principal elements:

annual base salary;

annual cash bonus;

equity compensation;

perquisites and other executive benefits; and

retirement, termination and other separation of service benefits.

#### *Base Salary*

Our employees are paid a fixed base salary based on the responsibilities of their positions, the skills and experience required for the job, business performance, labor market conditions and by reference to market median salary levels. Our Named Executive Officers' salaries are reviewed annually and salary increases typically take effect in July of each year, unless business circumstances require otherwise.



## **Table of Contents**

### *Annual Cash Bonuses*

Our annual cash performance awards and bonuses are intended to reward our Named Executive Officers for performance over our fiscal year. They also align our Named Executive Officers' interests with those of our stockholders and help us attract, motivate and retain executives. Historically, annual cash performance awards have been tied to achieving pre-established objective performance goals established pursuant to the VCA Antech, Inc. 2007 Cash Incentive Plan. Under this plan, each participant is eligible to receive a predetermined maximum annual award if the maximum objective performance levels have been satisfied. Lower awards are set for target performance and minimum threshold performance. Furthermore, under this plan, the Compensation Committee may reduce the amount of awards in its sole discretion.

The performance measures we have generally used are total revenue and Adjusted EBITDA, which are the principal financial metrics used by management in managing our business. Each year we set our financial measures, targets and bonus payout schedules with reference to achieving pre-set levels of desired financial performance, and with consideration given to our annual and long-term financial plan, macroeconomic conditions and our goal to provide to our Named Executive Officers a competitive compensation package. Actual payments are typically made in cash to all participants no later than the 15<sup>th</sup> day of the third month following the end of our fiscal year, based on the degree to which the objectives have been achieved, as certified and approved by our Compensation Committee.

### *Equity Compensation*

The Company's equity compensation is an important element of our overall compensation program, and is designed to reward participants the way stockholders are rewarded: through growth in the value of our common stock. At the end of fiscal 2011, approximately 170 employees held equity awards under the Company's Equity Incentive Plan. The purpose of the grants is to align employees' interests with the interests of our stockholders, reward employees for enhancing stockholder value, encourage retention and provide a means to increase ownership of our common stock. We also grant equity awards on a selective basis as part of new hire agreements, to encourage retention or to reward extraordinary results.

The level of long-term incentive compensation is determined based on an evaluation of competitive factors in conjunction with total compensation provided to Named Executive Officers and the overall goals of the compensation program described herein. We do not have, nor do we intend to have, a program, plan or practice to select the grant dates of equity awards for Named Executive Officers in coordination with the release of material non-public information. Although there is no specified grant date for equity awards, the Compensation Committee has adopted a policy pursuant to which it will, at a regularly scheduled Compensation Committee meeting, set in advance of the meeting date, consider the grant of equity awards to the Named Executive Officers. The Compensation Committee adopted this policy to mitigate against the perception that grant dates are set to achieve benefits for the Named Executive Officers.

Our Compensation Committee granted equity performance awards to our Named Executive Officers in fiscal year 2011. Prior to 2011, the last time equity performance awards were granted to our Named Executive Officers was in fiscal year 2008. Equity performance awards granted to Named Executive Officers are tied to achieving pre-established objective performance goals established pursuant to the VCA Antech, Inc. 2006 Equity Incentive Plan. Under this plan, each participant is eligible to receive a predetermined maximum annual award if the maximum objective performance levels have been satisfied. Lower awards are set for target performance and minimum threshold performance.

The purpose of the equity performance awards is to reward our Named Executive Officers for performance over our fiscal year, align our Named Executive Officers' interests with those of our stockholders and help us attract, motivate and retain executives by ensuring that our compensation programs are competitive with our peer companies. Therefore, although our Compensation Committee has not adopted a practice of annual grants, its

## **Table of Contents**

goal is that, on average over any three year period, the equity performance awards granted to our Named Executive Officers be reasonably comparable to the aggregate equity performance awards granted by our peer companies to their named executive officers over the same period.

### *Perquisites and Other Executive Benefits*

In order to better enable us to attract and retain highly skilled executive and other officers and to round out a competitive compensation package for our executive and other officers, we provide our executive and other officers with perquisites and other personal benefits that we believe are reasonable and consistent with our overall compensation philosophy and objectives. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to our Named Executive Officers.

The Named Executive Officers, among other things, are provided use of automobiles and are reimbursed for their out-of-pocket medical expenses.

### *Supplemental Executive Retirement Programs*

We have entered into SERPs with our four most senior Named Executive Officers in recognition of their more than 20 years of service to the Company and to provide continued incentives to retain their services. Prior to 2010, the Company had not provided any deferred compensation or other retirement benefit for the applicable Named Executive Officers, other than continuation of medical coverage. The SERPs are structured so that full payment benefits vest over periods ranging from 3-5 years, which provide an additional retention incentive for our four most senior Named Executive Officers. Details of the SERP benefits and the amounts accrued by each applicable Named Executive Officer are found under the heading Pension Benefits on page 37 of this Proxy Statement.

### *Post-Termination Consulting Agreements*

We have entered into agreements with our Chief Executive Officer and Chief Operating Officer for the provision of consulting services following the termination of their service to the Company. Each of the Chief Executive Officer and the Chief Operating Officer have been employed by the Company since it was founded. These agreements are intended to effect a smooth and orderly transition of the duties and leadership to their successors, to allow the Company to take advantage of their special knowledge of the industry, the Company and our customers and to protect trade secret information obtained by the officers during the course of their employment during the term of their consulting agreements and thereafter. Each agreement was reviewed and approved by the Compensation Committee and subsequently by the full Board of Directors. Details of the consulting agreements are described under Employment Agreements; Post-Retirement Medical Benefits Coverage Agreements; SERP Agreements; Payments Upon Termination and Change in Control on page 38 of this Proxy Statement.

### *Termination and Change in Control Payments*

We have entered into employment agreements with three of our Named Executive Officers and into severance agreements with our other two Named Executive Officers. These agreements, which are designed to promote stability and continuity of senior management, provide for termination and Change in Control payments. We also have entered into post-retirement medical benefits coverage agreements with our four most senior Named Executive Officers as recognition of each officer's extended service to the Company. A summary of these severance payments and post-termination benefits is set forth under the heading Employment Agreements; Post-Retirement Medical Benefits Coverage Agreements; SERP Agreements; Payments Upon Termination and Change in Control on page 38 of this Proxy Statement.

**Table of Contents****Determination of Fiscal Year 2011 Compensation***Base Salaries*

The Compensation Committee typically reviews and adjusts Base Salaries effective on July 1 of each year. The Compensation Committee targets base salaries for Named Executive Officers at between the 25<sup>th</sup> and 50<sup>th</sup> percentile when compared to our Comparison Group. Base Salaries for our Named Executive Officers were generally at the 25<sup>th</sup> percentile for 2011. The Compensation Committee elected to not raise Base Salaries for our Named Executive Officers for fiscal 2011. As a result, the Base Salaries for fiscal 2011 for our Named Executive Officers remained unchanged from those effective as of July 1, 2010 and were as follows:

<b>Named Executive Officer</b>	<b>2010 Base Salary</b>	<b>2011 Base Salary</b>
Robert L. Antin	\$ 928,013	\$ 928,013
Arthur J. Antin	\$ 590,554	\$ 590,554
Neil Tauber	\$ 399,327	\$ 399,327
Tomas W. Fuller	\$ 399,327	\$ 399,327
Josh Drake	\$ 338,000	\$ 338,000

*Annual Cash Bonuses*

In 2011 the Compensation Committee granted cash performance awards to our Named Executive Officers and established performance goals for the payment of the performance awards. For 2011, the Compensation Committee selected total revenue and Adjusted EBITDA as the performance goals against which 2011 bonuses would be earned by our Named Executive Officers. Adjusted EBITDA is based on our Consolidated Adjusted EBITDA (as defined in our principal bank agreement), as further adjusted by (a) adding (1) amortization or write-off of debt discount, (2) integration costs incurred in connection with business combinations, (3) extraordinary, unusual or non-recurring losses or expense (including, without limitation, severance expenses, non-recurring retention bonuses, inducement payments to newly hired employees and restructuring costs), (4) charges resulting from foreign exchange losses and (5) reasonable expenses related to equity offerings or acquisitions, recapitalizations, divestitures or asset sales and (b) subtracting income resulting from foreign exchange gains. The Compensation Committee used Adjusted EBITDA because it excludes the effect of significant items that the Compensation Committee believes are not representative of our core operations for the period presented.

The Compensation Committee targets cash performance awards for Named Executive Officers at between the 25<sup>th</sup> and 50<sup>th</sup> percentile when compared to the Comparison Group. Actual awards in 2011 were generally positioned at or above the 25<sup>th</sup> percentile.

The cash performance awards (expressed as a percentage of Base Salary) attainable upon achievement of the pre-established performance goals were as follows:

<b>Cash Performance Award</b>	<b>Low Performance Goal</b>	<b>Target Performance Goal</b>	<b>High Performance Goal</b>
Robert L. Antin	100%	150%	200%
Arthur J. Antin	90%	100%	125%
Tomas W. Fuller	70%	80%	90%
Neil Tauber	70%	75%	85%



**Table of Contents**

The performance goals established resulted in total revenue targets for fiscal 2011 as follows: Low Performance Goal \$1,441 million; Target Performance Goal \$1,471 million; and High Performance Goal \$1,492 million and Adjusted EBITDA targets for fiscal 2011 as follows: Low Performance Goal \$250.0 million; Target Performance Goal \$283.0 million; and High Performance Goal \$292.0 million.

We achieved total revenue and Adjusted EBITDA for 2011 that resulted in the Named Executive Officers being eligible for cash performance awards at the Target Performance Goal level. However, upon the recommendation of our Chief Executive Officer, the Compensation Committee determined it was appropriate to exercise negative discretion and reduced the cash performance awards payable to our Named Executive Officers to the Low Performance Goal level. As a result, each Named Executive Officer earned the following cash performance award:

Named Executive Officer	Cash Performance Award Earned (Based on Performance Goal Satisfied)	Amount by which Cash Performance Award was Reduced	Cash Performance Award Received
Robert L. Antin	\$ 1,392,019	\$ 464,006	\$ 928,013
Arthur J. Antin	\$ 590,554	\$ 59,055	\$ 531,499
Tomas W. Fuller	\$ 319,461	\$ 39,932	\$ 279,529
Neil Tauber	\$ 299,495	\$ 19,966	\$ 279,529

In addition to the cash performance awards discussed above, the Compensation Committee awarded Josh Drake, President of Antech Diagnostics, a cash award of \$125,000 for services rendered during the year ended December 31, 2011. In determining Mr. Drake's cash award, the Compensation Committee compared the economic performance of the Company and Antech Diagnostics, the division Mr. Drake leads, against certain pre-established economic objectives and considered the Chief Executive Officer's assessment of Mr. Drake's performance during the year ended December 31, 2011.

*2011 Long-Term Incentives*

In 2011 the Compensation Committee granted equity performance awards to our Named Executive Officers and established performance goals for the payment of the performance awards. The 2011 equity performance awards consisted of grants of restricted shares of our common stock. In determining the number of restricted shares subject to the equity performance awards, the Compensation Committee considered Mercer's recommendations for all Named Executive Officers, our Chief Executive Officer's recommendations for all Named Executive Officers (other than himself) and the fact that we had not awarded equity awards to our Named Executive Officers (other than Josh Drake) since 2008. For 2011, the Compensation Committee selected Adjusted EBITDA (as defined in the Annual Cash Performance Awards section above) as the performance goal against which 2011 equity performance awards would be earned by our Named Executive Officers. The Compensation Committee used Adjusted EBITDA because it excludes the effect of significant items that we believe are not representative of our core operations for the period presented.

The Compensation Committee targets equity performance awards for Named Executive Officers at between the 25<sup>th</sup> and 50<sup>th</sup> percentile when compared to the Comparison Group. We last granted equity performance awards to our Named Executive Officers (other than Josh Drake) in 2008. In 2011, the Compensation Committee made a grant of equity performance awards that resulted in a three-year average award (at the target level) at the 25<sup>th</sup> percentile when compared to our Comparison Group. The Compensation Committee has adopted a policy to make annual grants in future years in order to normalize our compensation policies on a year-over-year basis.

**Table of Contents**

The equity performance awards attainable upon achievement of the pre-established performance goals were as follows:

<b>Equity Performance Award Shares</b>	<b>Low Performance Goal</b>	<b>Target Performance Goal</b>	<b>High Performance Goal</b>
Robert L. Antin	450,000 restricted shares	500,000 restricted shares	500,000 restricted shares
Arthur J. Antin	225,000 restricted shares	250,000 restricted shares	275,000 restricted shares
Tomas W. Fuller	105,000 restricted shares	120,000 restricted shares	135,000 restricted shares
Neil Tauber	100,000 restricted shares	110,000 restricted shares	125,000 restricted shares
Josh Drake	45,000 restricted shares	50,000 restricted shares	55,000 restricted shares

The performance goals established resulted in Adjusted EBITDA targets for fiscal 2011 as follows: Low Performance Goal \$250.0 million; Target Performance Goal \$283.0 million; and High Performance Goal \$292.0 million.

The Compensation Committee believed that the performance required to earn an award at the Low Performance Goal level was reasonably attainable, but that the performance required to earn an award at the Target Performance Goal and High Performance Goal levels was more challenging.

In March 2012, the Compensation Committee certified that the Company had satisfied the Target Performance Goal. As a result, each Named Executive Officer earned the following equity performance award:

<b>Named Executive Officer</b>	<b>Equity Performance Award Earned</b>
Robert L. Antin	500,000 restricted shares
Arthur J. Antin	250,000 restricted shares
Tomas W. Fuller	120,000 restricted shares
Neil Tauber	110,000 restricted shares
Josh Drake	50,000 restricted shares

The restricted shares earned upon satisfaction of the Target Performance Goal will further vest in four installments, 25% (rounded up to the nearest whole share) on each of June 24, 2012, June 24, 2013, June 24, 2014 and June 24, 2015 provided the Named Executive Officer continues to be employed by us an executive officer as of such date. The earned portion of any Named Executive Officer's equity performance award will cease to vest on such date as such Named Executive Officer ceases to be employed by us as an executive officer and shall not continue to vest during the pendency of any non-senior executive employment with, or consultancy arrangement with, us. As a consequence, the ultimate value of the awards will depend on the performance of the Company's stock over this four-year period.

**Additional Compensation Matters***Market Analysis*

In establishing annual compensation for our Named Executive Officers, the Compensation Committee takes into account compensation levels at similarly situated companies for similar positions, referred to as benchmarking, in establishing base salaries, annual cash performance awards and/or cash bonuses and equity awards for our Named Executive Officers. The Compensation Committee uses benchmarking as a point of reference for measurement, and the Compensation Committee has discretion in determining how much weight to place on the

## **Table of Contents**

benchmarking analysis. Benchmarking helps the Compensation Committee assess whether the individual pay components and total compensation of our Named Executive Officers are appropriate when compared to industry standards. With the assistance of its compensation consultant, the Compensation Committee identified a group of comparison companies for benchmarking purposes, which we refer to as our Comparison Group. The Compensation Committee recognizes that the Company is smaller than many of the companies included in the Comparison Group. The Compensation Committee has taken this into account in setting compensation for our Named Executive Officers, positioning total direct compensation and each of the principal elements of compensation between the 25<sup>th</sup> and 50<sup>th</sup> percentile of the Comparison Group.

In 2011, the Compensation Committee engaged Mercer as its compensation consultant. Among other things, Mercer assisted the Compensation Committee in updating the Company's Comparison Group, which was last determined in 2009. Mercer selected and proposed companies for inclusion in the comparison group that have similar revenues, revenue growth, business focus and operating models as compared to the Company. Our Comparison Group includes 11 companies (named below) with similar revenues, revenue growth, business focus and operating models as the Company. There are only a small number of animal health care companies that are public, so the Compensation Committee has included in the Comparison Group companies in the healthcare industry and growth companies in the general industry that require multiple locations and a large employee base, such as retail, restaurants, leisure facilities and specialty stores, with a focus on companies with a revenue base of between \$600 million and \$3.0 billion.

The Compensation Committee reviewed Mercer's proposals and selected the following Comparison Group: (i) PetSmart, Inc., (ii) Tiffany & Co, (iii) Magellan Health Services, Inc., (iv) C. R. Bard, Inc., (v) Guess?, Inc., (vi) HealthSouth Corporation, (vii) Chipotle Mexican Grill, Inc., (viii) Hologic, Inc., (ix) Lincare Holdings Inc., (x) Mednax, Inc. and (xi) Idexx Laboratories, Inc. The Comparison Group for 2011 remained largely unchanged from the comparison group established in 2009 except for the removal of Beckman Coulter Inc. because it no longer fell within the metrics established for the Comparison Group due to its increased revenue base following a merger transaction in 2010. The Compensation Committee believes that this Comparison Group is representative of companies within our industry, companies of similar complexity to us or companies within our geographic proximity with whom we compete for talented employees. The information gathered from this Comparison Group included base salary, annual cash performance awards and/or cash bonuses and equity awards.

In addition to benchmarking, the Compensation Committee reviews the Named Executive Officer's historical compensation, the Named Executive Officer's compensation in relation to other officers and corporate performance. The Compensation Committee also takes into account internal equity considerations in making its executive compensation decisions.

### *Adjustment or Recovery of Awards*

Our Equity Incentive Plan allows the Company to withhold or recapture awards from current and former employees if the employee breaches its employment, confidentiality or other agreements with the Company, commits any act involving willful malfeasance or breach of fiduciary duty, commits any theft, embezzlement or certain other acts of misconduct.

Further, under Section 304 of the Sarbanes-Oxley Act, if we were required to restate our financial results due to material noncompliance with any financial reporting requirements as a result of misconduct, the Chief Executive Officer and Chief Financial Officer could be required to reimburse the Company for (1) any bonus or other incentive-based or equity-based compensation received during the twelve months following the first public issuance or filing with the SEC of the non-complying document and (2) any profits realized from the sale of securities of the Company during those twelve months.

**Table of Contents**

*Stock Ownership*

Our Board of Directors believes that our executive officers and directors should have a meaningful stake in our Company, which encourages a focus on our long-term success and aligns their interests with the interests of our stockholders. Therefore, we have adopted formal stock ownership and retention guidelines for our Named Executive Officers and non-employee directors:

<b>Position</b>	<b>Minimum Ownership Guidelines</b> (Dollar Value of Shares)
Directors	4x Annual Cash Retainer
Chief Executive Officer	4x Base Salary
Other Named Executive Officers	2x Base Salary

Shares owned outright, unvested restricted stock and vested options are counted towards these guidelines. Unearned performance shares are not counted toward these guidelines.

As of December 31, 2011, all of our directors and Named Executive Officers complied with the stock ownership guidelines.

Any Named Executive Officer who is not in compliance with the applicable stock ownership guideline must retain 50% of the net shares of our common stock acquired via the exercise of options or the vesting of restricted stock granted under the Company's equity incentive programs, until the guideline has been met.

In addition, any Named Executive Officer who acquires shares of our common stock via the exercise of options or the vesting of restricted stock granted after the adoption of the stock ownership and retention guidelines in 2012 under the Company's equity incentive programs must retain 100% of the net shares acquired for at least 24 months following the applicable vesting date or until such time as the individual ceases to be a Named Executive Officer of the Company. For the purposes of this and the prior paragraph, net shares means the shares remaining after taking into account the sale of shares to pay taxes and/or the option exercise price. Certain exclusions apply to these retention requirements, including transfers for estate planning purposes and transfers to family members if the recipients thereof agree to be bound by the retention requirements.

*Tax Implications*

The Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Code, which provides that the Company may not deduct non-performance based compensation of more than \$1,000,000 that is paid to certain executive officers. However, in order to maintain flexibility in compensating our Named Executive Officers in a manner designed to promote varying corporate goals, we have not adopted a policy that all compensation must be deductible. All compensation paid to the Named Executive Officers for fiscal year 2011 will be fully deductible.

**Table of Contents****Summary Compensation Table**

The following table sets forth all compensation paid or earned by Named Executive Officers for services rendered to us for the years ended December 31, 2011, 2010 and 2009.

Name and Principal Position	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total
<b>Robert L. Antin,</b> Chairman of the Board, Chief Executive Officer and President	2011	\$928,013	\$--	\$10,115,000(6)	\$--	\$928,013	\$223,751	\$83,818	\$12,278,595
	2010	\$910,167	\$--	\$--	\$--	\$928,013	\$3,340,973	\$87,161	\$5,266,314
	2009	\$892,320	\$892,320	\$--	\$--	\$--	\$--	\$77,289	\$1,861,929
<b>Arthur J. Antin,</b> Chief Operating Officer and Senior Vice President	2011	\$590,554	\$--	\$5,057,500(6)	\$--	\$531,499	\$158,410	\$75,151	\$6,413,114
	2010	\$579,197	\$--	\$--	\$--	\$531,498	\$2,365,317	\$59,797	\$3,535,809
	2009	\$567,840	\$511,056	\$--	\$--	\$--	\$--	\$76,689	\$1,155,585
<b>Neil Tauber,</b> Senior Vice President of Development	2011	\$399,327	\$--	\$2,225,300(6)	\$--	\$279,529	\$272,999	\$83,604	\$3,260,759
	2010	\$391,648	\$--	\$--	\$--	\$279,529	\$223,898	\$65,548	\$960,623
	2009	\$383,968	\$268,778	\$--	\$--	\$--	\$--	\$84,571	\$737,317
<b>Tomas W. Fuller,</b> Chief Financial Officer, Vice President and Secretary	2011	\$399,327	\$--	\$2,427,600(6)	\$--	\$279,529	\$228,423	\$32,550	\$3,367,429
	2010	\$391,648	\$--	\$--	\$--	\$279,529	\$187,339	\$26,032	\$884,548
	2009	\$383,968	\$268,777	\$--	\$--	\$--	\$--	\$42,617	\$695,362
<b>Josh Drake,</b> President, Antech Diagnostics	2011	\$338,000	\$--	\$1,011,500(6)	\$--	\$125,000	\$--	\$32,653	\$1,507,153
	2010	\$331,500	\$23,189	\$445,720	\$--	\$111,811	\$--	\$23,466	\$935,686
	2009	\$325,000	\$130,000	\$--	\$--	\$--	\$--	\$21,638	\$476,638

(1) All of the bonuses paid to the Named Executive Officers as reflected in this column were discretionary cash bonuses.

(2) In accordance with SEC requirements, these amounts reflect the aggregate grant date fair value computed in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 related to awards to executive officers in fiscal 2009, 2010, and 2011. No estimate of forfeitures has been included in such calculations. For the assumptions used in the calculation of these amounts

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see Note 9 to the Company's audited financial statements in the Company's Annual Report for the fiscal year ended December 31, 2011.

- (3) The amounts in this column represent the cash awards paid for the applicable fiscal year to the Named Executive Officers under the VCA Antech, Inc. 2007 Cash Incentive Plan, which is discussed in further detail on pages 27 and 29 of this Proxy Statement.
- (4) The amounts in this column represent the aggregate change in the actuarial present value of each Named Executive Officer's accumulated benefit under his SERP.
- (5) All Other Compensation for the fiscal year ended December 31, 2011, consists of the following:

	Robert L. Antin	Arthur J. Antin	Neil Tauber	Tomas W. Fuller	Josh Drake
Automobile lease, auto insurance and auto maintenance (a)	\$ 46,348	\$ 35,141	\$ 35,833	\$ 10,814	\$ 9,600
Medical insurance premiums and reimbursements	35,933	38,473	46,234	20,199	21,428
401(k) Company contribution	1,537	1,537	1,537	1,537	1,625
<b>Total</b>	<b>\$ 83,818</b>	<b>\$ 75,151</b>	<b>\$ 83,604</b>	<b>\$ 32,550</b>	<b>\$ 32,653</b>

(a) For disclosure purposes, the annual cost of the Company leased automobile was determined based on 100% of the Annual Lease Value as provided in the Code.

- (6) These amounts reflect the grant date fair value based upon achievement of the Target Performance Goal, excluding the effect of estimated forfeitures. The amounts reported do not reflect compensation actually received by the Named Executive Officers. If the highest level of performance were to be assumed the grant date value of the performance awards would be \$10,115,000 for the

**Table of Contents**

award to Robert L. Antin, \$5,563,250 for the award to Arthur J. Antin, \$2,528,750 for the award to Neil Tauber, \$2,731,050 for the award to Tomas W. Fuller, and \$1,112,650 for the award to Josh Drake. The grant date fair value of the shares awarded and actually earned during our 2011 fiscal year was: \$10,115,000 for Robert L. Antin, \$5,057,500 for Arthur J. Antin, \$2,225,300 for Neil Tauber, \$2,427,600 for Tomas W. Fuller, and \$1,011,500 for Josh Drake.

**Grants of Plan-Based Awards in Fiscal 2011**

All equity grants to Named Executive Officers were made under the VCA Antech, Inc. 2006 Equity Incentive Plan. The following table sets forth certain information regarding the grant of plan-based equity awards made during the fiscal year ended December 31, 2011.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Award			Estimated Future Payouts Under Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares or Units			All Other Option Awards: Number of Securities or Underlying Options	Grant Date Fair Value of 2011 Equity Awards (2)
		Threshold	Target	Maximum	Threshold	Target	Maximum	Units	Options	Base Price of Option Awards		
		(\$)	(\$)	(\$)	(#)	(#)	(#)	(#)	(#)	(\$/Sh)		
Robert L. Antin	6/24/11	--	--	--	450,000	500,000	500,000	--	--	--	\$10,115,000	
Arthur J. Antin	6/24/11	--	--	--	225,000	250,000	275,000	--	--	--	\$5,057,500	
Neil Tauber	6/24/11	--	--	--	100,000	110,000	125,000	--	--	--	\$2,225,300	
Tomas W. Fuller	6/24/11	--	--	--	105,000	120,000	135,000	--	--	--	\$2,427,600	
Josh Drake	6/24/11	--	--	--	45,000	50,000	55,000	--	--	--	\$1,011,500	

- (1) The amounts shown in these columns reflect the threshold, target and maximum number of restricted stock shares issuable in respect of the performance-based restricted stock awards granted to the named executive officers in fiscal year 2011. As described in greater detail commencing on page 30 of this Proxy Statement, the threshold represents the number of restricted stock shares payable upon achievement of the low performance goal levels; the target represents the number of restricted stock shares payable upon achievement of the target performance goal levels; and the maximum represents the number of restricted stock shares payable upon achievement of the high performance goal levels. The restricted stock awards will vest in four installments: 25% (rounded up to the nearest whole share) on June 24, 2012; 25% (rounded up to the nearest whole share) on June 24, 2013; 25% (rounded up to the nearest whole share) on June 24, 2014; and the remainder on June 24, 2015.
- (2) In accordance with SEC requirements, these amounts reflect the aggregate grant date fair value based upon achievement of the Target Performance Goal, excluding the effect of estimated forfeitures. The amounts reported do not reflect compensation actually received by the Named Executive Officers.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth the number of securities underlying outstanding plan awards for each Named Executive Officer as of December 31, 2011.

Name	Grant Date	Option Awards				Option Expiration Date	Grant Date	Stock Awards	
		Number of Securities Underlying Unexercised Options		Option Exercise Price (\$)	Number of Shares or Units of Stock That Have Not Vested (#)			Market Value of Shares or Units of Stock That Have Not Vested (\$)(6)	
		(#)	(#)(1)						
Robert L. Antin	12/18/2002	169,877	--	\$7.00	12/17/2012				
	10/28/2008	129,987	65,013	\$17.04	10/28/2013	3/13/2008	13,656(2)	\$269,706	
	--	--	--	--	--	6/24/2011	500,000(3)	\$9,875,000	
Arthur J. Antin	12/18/2002	210,000	--	\$7.00	12/17/2012				
	10/28/2008	73,326	36,674	\$17.04	10/28/2013	3/13/2008	8,305(2)	\$164,024	
	--	--	--	--	--	6/24/2011	250,000(3)	\$4,937,500	
Neil Tauber	10/28/2008	66,660	33,340	\$17.04	10/28/2013				
	--	--	--	--	--	3/18/2008	5,937(2)	\$117,256	
	--	--	--	--	--	6/24/2011	110,000(3)	\$2,172,500	
Tomas W. Fuller	12/18/2002	170,000	--	\$7.00	12/17/2012				
	10/28/2008	63,327	31,673	\$17.04	10/28/2013	3/13/2008	7,125(2)	\$140,719	
	--	--	--	--	--	6/24/2011	120,000(3)	\$2,370,000	
Josh Drake	10/21/2005	80,000	--	\$23.68	10/31/2012				
	10/28/2008	29,997	15,003	\$17.04	10/28/2013	3/18/2008	5,000(4)	\$98,750	
	--	--	--	--	--	9/17/2010	16,500(5)	\$325,875	
	--	--	--	--	--	6/24/2011	50,000(3)	\$987,500	

(1) These options vested on February 20, 2012.

(2) Reflects shares of restricted stock earned under the performance-based award granted to the Named Executive Officer in fiscal 2008. The shares of restricted stock reflected on the table vested on March 13, 2012.

(3) Reflects shares of restricted stock earned under the performance-based award granted to the Named Executive Officer in fiscal 2011. One-quarter of the shares of restricted stock reflected on the table (rounded up to the nearest whole share) will vest on each of June 24, 2012, June 24, 2013, June 24, 2014 and June 24, 2015.

(4) Reflects shares of restricted stock granted to the Named Executive Officer in fiscal 2008. The shares of restricted stock reflected on the table vested on March 13, 2012.

(5) Reflects shares of restricted stock granted to the Named Executive Officer in fiscal 2010. One-third of the shares of restricted stock reflected on the table (rounded up to the nearest whole share) will vest on each of September 17, 2012, September 17, 2013 and September 17, 2014.

(6) Calculated based on the closing price of the Company's common stock at the end of the fiscal year ended December 31, 2011.





**Table of Contents****Options Exercised and Stock Vested**

The following table sets forth information regarding the stock option awards that were exercised by each of our Named Executive Officers and restricted stock awards that vested during the fiscal year ended December 31, 2011.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
Robert L. Antin	120,123	\$1,567,605	38,563	\$ 967,433
Arthur J. Antin	20,000	\$193,600	24,125	\$ 605,221
Neil Tauber	--	\$--	19,375	\$ 486,044
Tomas W. Fuller	--	\$--	21,750	\$ 545,633
Josh Drake	--	\$--	18,500	\$ 419,632

(1) The dollar amount represents the difference between the aggregate market price of the shares of common stock underlying the options at exercise and the aggregate exercise price of the options.

(2) The dollar amount represents the aggregate market price of the shares of common stock on the vesting date.

**Summary of Equity Compensation Plan**

The following table sets forth information concerning all equity compensation plans and individual compensation arrangements in effect during the fiscal year ended December 31, 2011.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans			
Approved by Security Holders	3,775,930	\$ 16.92	2,646,923
Equity Compensation Plans Not Approved By Security Holders			
Approved By Security Holders	--	--	--
Total	3,775,930	\$ 16.92	2,646,923

**Pension Benefits**

The table below reflects benefits accrued under the SERP for each of Robert L. Antin, Arthur J. Antin, Neil Tauber and Tomas W. Fuller as of December 31, 2011.

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Name	Name of Plan	Number of Years of Credited Service (#)(1)	Present Value of Accumulated Benefit \$(2)	Payments During Last Year (\$)
Robert L. Antin	SERP for Robert L. Antin	4	\$3,564,724	\$ 0
Arthur J. Antin	SERP for Arthur J. Antin	4	\$2,523,727	\$ 0
Neil Tauber	SERP for Neil Tauber	1	\$496,897	\$ 0
Tomas W. Fuller	SERP for Tomas W. Fuller	1	\$415,763	\$ 0
Josh Drake	--	--	--	--

- (1) For purposes of calculating the present value of the accumulated benefit for the SERP Beneficiaries (as defined below), Mr. R. Antin and Mr. A. Antin were credited service through December 31, 2012 and Mr. Tauber and Mr. Fuller were credited service through December 31, 2011.
- (2) For purposes of calculating the present value of the accumulated benefit for the SERP Beneficiaries, we used Final Salary for Mr. R. Antin as of December 31, 2015 (assuming increases in annual base compensation of 4% per year), for Mr. A. Antin as of December 31, 2014 (assuming increases in annual base compensation of 4% per year), and for Messrs. Tauber and Fuller as of December 31, 2011.

**Table of Contents**

On June 30, 2010, the Company executed a SERP agreement with each of the following Named Executive Officers of the Company: Robert L. Antin, Arthur J. Antin, Neil Tauber and Tomas W. Fuller (each, a SERP Beneficiary). Pursuant to each SERP agreement, each SERP Beneficiary will be entitled to monthly benefit payments when he reaches a specified age identified in the chart below (the Benefit Commencement Date). The annual amount of the benefit payments to each SERP Beneficiary will be equal to the vested percentage, up to a maximum of 50%, of Final Salary as of the date his employment terminates. Final Salary is equal to the greater of (i) annual base compensation paid in cash pursuant to the SERP Beneficiary's employment agreement or other employment arrangement with the Company immediately prior to the Benefit Commencement Date, or (ii) the average annual base compensation paid in cash pursuant to the SERP Beneficiary's employment agreement for the three highest years during the ten year period ending on December 31st immediately preceding the Benefit Commencement Date. The vested percentage on the date each SERP Beneficiary's employment terminates is as follows:

SERP Beneficiary	Benefit Commencement Date(1)	Vested Percentage on Effective Date of SERP	Vested Percentage on 12/31/10	Vested Percentage on 12/31/11	Vested Percentage on 12/31/12	Vested Percentage on 12/31/13	Vested Percentage on 12/31/14
Robert L. Antin	Age 66	20%	30%	40%	50%	--	--
Arthur J. Antin	Age 67	20%	30%	40%	50%	--	--
Neil Tauber	Age 66	--	10%	20%	30%	40%	50%
Tomas W. Fuller	Age 62	--	10%	20%	30%	40%	50%

- (1) The Benefit Commencement Date is the first day of the calendar month following the month during which the SERP Beneficiary attains the age set forth in this column.

The payments to which each SERP Beneficiary is entitled will extend for 12 years following the Benefit Commencement Date. None of the SERP Beneficiaries are eligible for early retirement under the SERP, because none of the SERP Beneficiaries have reached the age that would trigger the Benefit Commencement Date. For further discussion regarding each SERP agreement, see Employment Agreements; Post-Retirement Medical Benefits Coverage Agreements; Post-Termination Consulting Agreements; SERP Agreements; Payments Upon Termination and Change in Control on page 38 of this Proxy Statement.

**Employment Agreements; Post-Retirement Medical Benefits Coverage Agreements; Post-Termination Consulting Agreements; SERP Agreements; Payments Upon Termination and Change in Control**

We have employment agreements with Robert L. Antin, Arthur J. Antin and Tomas W. Fuller, and severance agreements with Neil Tauber and Josh Drake. Each of these agreements provide for certain payments upon termination or Change in Control. For purposes of this Proxy Statement, a Change in Control shall be deemed to have occurred if (a) there shall be consummated (x) any consolidation or merger of the Company into or with another person (as such term is used in Sections 13(d)(3) and 14(d)(2) of Exchange Act) pursuant to which shares of the Company's common stock would be converted into cash, securities or other property, other than any consolidation or merger of the Company in which the persons who were stockholders of the Company immediately prior to the consummation of such consolidation or merger are the beneficial owners (within the meaning of Rule 13d-3 under the Exchange Act), immediately following the consummation of such consolidation or merger, of 62.5% or more of the combined voting power of the then outstanding voting securities of the person surviving or resulting from such consolidation or merger, or (y) any sale, lease or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, or (b) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company, or (c) any person shall become the beneficial owner of 25% or more of the Company's outstanding common stock, or (d) during any period of two consecutive years, individuals who at the beginning of such period constitute the entire Board of Directors cease for any reason to constitute a majority thereof unless the election, or the nomination for election by the Company's stockholders, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

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**Table of Contents**

In addition, we have post-retirement medical benefits coverage agreements, post-termination consulting agreements and SERP agreements with certain of our Named Executive Officers, as follows:

***Robert L. Antin***

**Employment Agreement**

Mr. R. Antin's employment agreement, dated as of November 27, 2001, as amended, provides for Mr. R. Antin to serve as our Chairman of the Board, Chief Executive Officer and President for a term of five years from any given date, such that there shall always be a minimum of at least five years remaining under his employment agreement. The employment agreement provides for Mr. R. Antin to receive an annual base salary of \$520,000, subject to annual increase based on comparable compensation packages provided to executives in similarly situated companies, and to participate in a bonus plan based on annual performance standards to be established by the Compensation Committee. Mr. R. Antin also is entitled to specified perquisites.

If Mr. R. Antin's employment is terminated due to his death, the employment agreement provides that we will pay Mr. R. Antin's estate his accrued and unpaid salary, his accrued and unused vacation and sick pay, his base salary during the scheduled term of the employment agreement, accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination (other than performance-based equity awards) and continue to provide family medical benefits. If Mr. R. Antin's employment is terminated due to his disability, the employment agreement provides that we will pay Mr. R. Antin his accrued and unpaid salary, his accrued and unused vacation and sick pay, his remaining base salary during the remaining scheduled term of the employment agreement (reduced by any amounts paid under long-term disability insurance policy maintained by us for the benefit of Mr. R. Antin), accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination (other than performance-based equity awards) and continue to provide specified benefits and perquisites. In the case of termination due to death or disability, any options that accelerate on the date of termination will remain exercisable for the full term.

If Mr. R. Antin terminates the employment agreement for good reason, if we terminate the employment agreement without cause or in the event of a Change in Control, in which event the employment of Mr. R. Antin terminates automatically, we will pay Mr. R. Antin his accrued and unpaid salary, his accrued and unused vacation and sick pay, his remaining base salary during the remaining scheduled term of the employment agreement and an amount equal to five times the greater of Mr. R. Antin's last annual bonus or the average of all bonuses paid to Mr. R. Antin under the employment agreement. In addition, we will accelerate the vesting of his equity awards and continue to provide specified benefits and perquisites. In these circumstances, Mr. R. Antin may exercise his options, which are accelerated on the date of termination, immediately upon termination and thereafter during the term of the option. For purposes hereof, good reason means as the result of (x) a willful breach of any of the material obligations of the Company to Mr. R. Antin under his employment agreement, consulting agreement or SERP agreement, as applicable, or (y) the office where Mr. R. Antin is required to perform his duties to the Company is relocated to a location outside of Los Angeles County, California; provided, however, that in either case Mr. R. Antin delivered written notice to the Company within 90 days of the condition's initial existence and the Company failed to cure the condition within 30 days.

If Mr. R. Antin terminates the employment agreement without good reason or we terminate the employment agreement for cause, Mr. R. Antin is entitled to receive all accrued and unpaid salary and other compensation and all accrued and unused vacation and sick pay. For purposes of this paragraph, for cause means for a conviction (including any plea of guilty or no contest) of (x) any felony involving the embezzlement, theft or misappropriation of monies or other property, of the Company or otherwise, or (y) any crime of moral turpitude.

If any of the payments due Mr. R. Antin upon termination qualify as excess parachute payments under the Code, Mr. R. Antin also is entitled to an additional payment to cover the tax consequences associated with excess parachute payments.

**Table of Contents**

In the event of a Change in Control and at our request, Mr. R. Antin is obligated to continue to serve under the same terms and conditions of his employment agreement for a period of up to 180 days following the termination date at his then-current base salary.

**Post-Retirement Medical Benefits Coverage Agreement**

Mr. R. Antin's post-retirement medical benefits coverage agreement, effective as of December 27, 2007, provides that Mr. R. Antin and his family will continue to receive medical benefits coverage from the date employment is terminated until the last to occur of Mr. R. Antin's death, the death of Mr. R. Antin's spouse, or the end of the year in which each of Mr. R. Antin's children has a birthday. The medical benefits coverage afforded to Mr. R. Antin and his family after the termination of his employment will be at least as favorable as the most favorable level, type and basis of medical coverage provided to Mr. R. Antin and his family at any time during the five years prior to termination. Upon Mr. R. Antin's eligibility for Medicare or a similar program, Mr. R. Antin will have the option to enroll in Medicare or such similar program. If Mr. R. Antin or any eligible family member elects to enroll in such program, the Company's obligation under the post-retirement medical benefits coverage agreement will be limited to providing Medicare supplementary coverage and Executive Medical Excess Claims Insurance or a substantially similar policy. If the continuation of medical benefits coverage is subject to taxation under Section 409A(a)(1) of the Code as a result of the failure of the post-retirement medical benefits coverage agreement to comply with Section 409A, the Company will make a payment to Mr. R. Antin equal to all federal, state and local taxes incurred by Mr. R. Antin as a result thereof.

**Post-Termination Consulting Agreement**

Mr. R. Antin's consulting agreement, dated as of June 28, 2010, provides that Mr. R. Antin will provide business consulting and advice to the Company following his full-time employment with the Company. The term of Mr. R. Antin's consulting agreement commences on the date of Mr. R. Antin's voluntary termination, i.e., resignation as Chief Executive Officer of the Company other than for good reason, following a Change in Control or resulting from Mr. R. Antin's disability, and continues for the next five years. Mr. R. Antin will receive annual compensation equal to 100% of his Final Compensation for the first and second years of the term of his consulting agreement, and 75% of his Final Compensation during the third, fourth and fifth years of the term of his consulting agreement. Final Compensation is the greater of (i) Mr. R. Antin's annual base compensation paid in cash immediately prior to Mr. R. Antin's voluntary termination, plus the highest bonus earned by Mr. R. Antin with respect to services rendered during the four preceding full calendar years before Mr. R. Antin's voluntary termination, or (ii) the average of Mr. R. Antin's annual base compensation paid in cash plus any bonus earned with respect to services rendered during the two highest compensation years during the five-year period ending on December 31st immediately preceding Mr. R. Antin's voluntary termination. During the term of his consulting agreement, Mr. R. Antin also will be entitled to insurance and welfare benefits and certain other perquisites detailed in his consulting agreement.

If the consulting agreement is terminated as a result of his death or disability, or by the Company without cause, by Mr. R. Antin for good reason, or upon a Change in Control, Mr. R. Antin will be entitled to the amount he would have earned over the remaining term of his consulting agreement. In addition, in such event, vesting will accelerate on all outstanding stock options and other equity awards held by Mr. R. Antin (except that in the case of Mr. R. Antin's death or disability only those awards that would otherwise have vested and become exercisable during the 24 months immediately following the date of his death or disability, respectively, will accelerate). If any of the payments or benefits due Mr. R. Antin under his consulting agreement or any other plan, agreement or arrangement qualify as excess parachute payments under the Code, Mr. R. Antin also is entitled to an additional payment to cover the tax consequences associated with excess parachute payments.

If Mr. R. Antin terminates his consulting agreement without good reason or the Company terminates his consulting agreement with cause, Mr. R. Antin would not be entitled to any payments under his consulting agreement.

**Table of Contents****SERP Agreement**

Mr. R. Antin's SERP agreement, dated as of June 28, 2010, provides that Mr. R. Antin will be entitled to monthly benefit payments when he reaches the age of 66 (i.e., the Benefit Commencement Date). Commencing on the Benefit Commencement Date, Mr. R. Antin is entitled to 144 monthly payments in an amount equal to 1/12<sup>th</sup> of the applicable vested percentage of his Final Salary. However, if before or coincident with his separation from service (as defined Section 1.409A-1(h)(1) of the Treasury Regulations) there occurs a Change in Control, an involuntary termination by the Company without cause, a voluntary termination by Mr. R. Antin for good reason, or Mr. R. Antin's death or disability, the applicable percentage will be fully vested at 50%. If before the Benefit Commencement Date, there is a Change in Control that qualifies as a change in control event within the meaning of Treasury Regulation section 1.409A-3(i)(5) or Mr. R. Antin dies or becomes disabled, then the actuarial equivalent of the monthly benefits owing to Mr. R. Antin must be paid in a lump sum on the date of such event. In addition, if a Change in Control that is also a change in control event occurs after the Benefit Commencement Date, then the SERP agreement terminates and the actuarial equivalent of any remaining monthly benefits owing to Mr. R. Antin must be paid in a lump sum on the date of such change in control event. For further discussion regarding Mr. R. Antin's SERP agreement, see Pension Benefits on page 37 of this Proxy Statement.

*The following table describes the potential payments to Mr. Robert L. Antin upon termination or Change in Control.*

Payments &	By						
	Death	Disability	By Officer for Cause	By Officer Without Cause	Company Without Cause	By Company for Cause	Change in Control
<b>Benefits Upon Termination (1)</b>							
<b>Accrued &amp; Unpaid Salary (2)</b>	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846	\$ 17,846
<b>Cash Severance (3)</b>	4,640,065	4,638,065	9,280,130	--	9,280,130	--	9,280,130
<b>Acceleration of Equity Awards (4)</b>	5,383,391	5,383,391	10,320,891	--	10,320,891	--	10,320,891
<b>Automobile</b>	--	268,905	268,905	--	268,905	--	268,905
<b>Club Membership</b>	--	170,110	170,110	--	170,110	--	170,110
<b>Group Life and Other Company Insurance Plans (5)</b>	1,384	3,555	3,555	--	3,555	--	3,555
<b>Post-Retirement Medical Benefits (6)</b>	1,015,391	1,015,391	1,015,391	1,015,391	1,015,391	1,015,391	1,015,391
<b>SERP Agreement</b>	6,774,418	6,774,418	6,774,418	--	6,774,418	--	6,774,418
<b>Excise Tax / Gross-Up (7)</b>	--	--	--	--	--	--	5,564,928
<b>Total</b>	\$17,832,495	\$18,271,681	\$27,851,246	\$1,033,237	\$27,851,246	\$1,033,237	\$33,416,174

- (1) Upon the termination of Mr. R. Antin's employment or a Change in Control, Mr. R. Antin will receive a lump-sum payment consisting of (a) accrued and unpaid salary, (b) accrued and unpaid vacation, (c) cash severance and (d) an additional amount to cover the tax consequences associated with excess parachute payments under the Code, if any. All other payments set forth above, other than those set forth in the Acceleration of Equity Awards and Post-Retirement Medical Benefits rows, will be paid over a five-year period. For example, during such five-year period, Mr. R. Antin will receive an average annual payment of \$53,781 towards the cost of an automobile.
- (2) Reflects Mr. R. Antin's accrued and unpaid salary as of December 31, 2011.
- (3) For purposes of calculating the cash severance payable to Mr. R. Antin, we used his annual base salary as of December 31, 2011 (\$928,013) and the last annual cash bonus paid to Mr. R. Antin (\$928,013).





**Table of Contents**

- (4) As of December 31, 2011, 65,013 stock options and 513,656 shares of restricted stock held by Mr. R. Antin were unvested. Amounts do not include the value of 38,966 shares of fully vested restricted stock granted in 2009 as payment in lieu of 2008 cash bonuses that is deemed settled upon the first to occur of the following: May 1, 2012, the date of the senior executive's separation from service, death or disability, or the date of a Change in Control.
- (5) Consists of payment of vision, death, disability and long-term disability insurance premiums for Mr. R. Antin.
- (6) Consists of projected future costs of medical and dental insurance premiums to be paid on behalf of Mr. R. Antin, including approximately \$13,142 per year for executive medical excess claims insurance coverage. The average annual premium expense for executive medical excess claims insurance was calculated by dividing the sum of the premium expenses for executive medical excess claims insurance paid by the Company on behalf of Mr. R. Antin for the last five fiscal years (2007-2011) by five. In accordance with the terms of the executive medical excess claims insurance plan maintained by the Company, Mr. R. Antin is entitled to a maximum annual reimbursement for out-of-pocket medical expenses of \$212,000. If Mr. R. Antin was reimbursed the maximum amount per year during the period during which he is entitled to such benefits (assuming a life expectancy of 23 years as of December 31, 2011), we estimate that the amount set forth in the Post-Retirement Medical Benefits row would increase by \$4,546,250.
- (7) If the receipt by Mr. R. Antin of the post-retirement medical benefits coverage described in footnote 6 above is treated as an excess parachute payment, we estimate that the amount set forth in the Excise Tax/Gross-Up row would increase by \$455,713.

**Arthur J. Antin**

**Employment Agreement**

Mr. A. Antin's employment agreement, dated as of November 27, 2001, as amended, provides for Mr. A. Antin to serve as our Chief Operating Officer, Senior Vice President and Secretary for a term equal to three years from any given date, such that there shall always be a minimum of at least three years remaining under his employment agreement. (Mr. A. Antin no longer serves as the Company's Secretary.) The employment agreement provides for Mr. A. Antin to receive an annual base salary of \$416,000, subject to annual increase based on comparable compensation packages provided to executives in similarly situated companies, and to participate in a bonus plan based on annual performance standards to be established by the compensation committee. Mr. A. Antin also is entitled to specified perquisites.

If Mr. A. Antin's employment is terminated due to his death, the employment agreement provides that we will pay Mr. A. Antin's estate his accrued and unpaid salary, his accrued and unused vacation and sick pay, his base salary during the scheduled term of the employment agreement, accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination (other than performance-based equity awards) and continue to provide family medical benefits. If Mr. A. Antin's employment is terminated due to his disability, the employment agreement provides that we will pay Mr. A. Antin his accrued and unpaid salary, his accrued and unused vacation and sick pay, his remaining base salary during the remaining scheduled term of the employment agreement (reduced by any amounts paid under long-term disability insurance policy maintained by us for the benefit of Mr. A. Antin), accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination (other than performance-based equity awards) and continue to provide specified benefits and perquisites. In the case of termination due to death or disability, any option that is accelerated on the date of termination will remain exercisable for the full term.

If Mr. A. Antin terminates the employment agreement for good reason, if we terminate the employment agreement without cause or in the event of a Change in Control, in which event the employment of Mr. A. Antin terminates automatically, we will pay Mr. A. Antin his accrued and unpaid salary, his accrued and unused vacation and sick pay, his remaining base salary during the remaining scheduled term of the employment agreement and an amount equal to three times the greater of Mr. A. Antin's last annual bonus or the average of all bonuses paid to Mr. A. Antin under the employment agreement. In addition, we will accelerate the vesting of his equity awards and continue to provide specified benefits and perquisites. In these circumstances, Mr. A. Antin may exercise his options that are accelerated on the date of termination during the full term of the option. For purposes hereof, good reason means as the result of (x) a willful breach of any of the material obligations of the Company to Mr. A. Antin under his employment agreement, consulting agreement or SERP agreement, as

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## **Table of Contents**

applicable, or (y) the office where Mr. A. Antin is required to perform his duties to the Company is relocated to a location outside of Los Angeles County, California; provided, however, that in either case Mr. A. Antin delivered written notice to the Company within 90 days of the condition's initial existence and the Company failed to cure the condition within 30 days.

If Mr. A. Antin terminates the employment agreement without good reason or we terminate the employment agreement for cause, Mr. A. Antin is entitled to receive all accrued and unpaid salary and other compensation and all accrued and unused vacation and sick pay. For purposes of this paragraph, for "cause" means for a conviction (including any plea of guilty or no contest) of (x) any felony involving the embezzlement, theft or misappropriation of monies or other property, of the Company or otherwise, or (y) any crime of moral turpitude.

If any of the payments due Mr. A. Antin upon termination qualify as "excess parachute payments" under the Code, Mr. A. Antin also is entitled to an additional payment to cover the tax consequences associated with excess parachute payments.

In the event of a Change in Control and at our request, Mr. A. Antin is obligated to continue to serve under the same terms and conditions of his employment agreement for a period of up to 180 days following the termination date at his then-current base salary.

### **Post-Retirement Medical Benefits Coverage Agreement**

Mr. A. Antin's post-retirement medical benefits coverage agreement, effective as of December 27, 2007, provides that Mr. A. Antin and his family will continue to receive medical benefits coverage commencing on or after the date that Mr. A. Antin attains age 60 until the last to occur of Mr. A. Antin's death, the death of Mr. A. Antin's spouse, or the end of the year in which each of Mr. A. Antin's children has a birthday. The medical benefits coverage afforded to Mr. A. Antin and his family after the termination of his employment will be at least as favorable as the most favorable level, type and basis of medical coverage provided to Mr. A. Antin and his family at any time during the five years prior to termination. Upon Mr. A. Antin's eligibility for Medicare or a similar program, Mr. A. Antin will have the option to enroll in Medicare or such similar program. If Mr. A. Antin or any eligible family member elects to enroll in such program, the Company's obligation under the post-retirement medical benefits coverage agreement will be limited to providing Medicare supplementary coverage and Executive Medical Excess Claims Insurance or a substantially similar policy. The coverage provided by the Company is secondary to any employer's group medical plan in which Mr. A. Antin or an eligible family member participates as an active employee, any employer's group medical plan in which Mr. A. Antin is covered as the spouse or dependent or an active employee, any individual medical benefits coverage under which Mr. A. Antin or an eligible family member is covered, or Medicare coverage. If the continuation of medical benefits coverage is subject to taxation under Section 409A(a)(1) of the Code as a result of the failure of the post-retirement medical benefits coverage agreement to comply with Section 409A, the Company will make a payment to Mr. A. Antin equal to all federal, state and local taxes incurred by Mr. A. Antin as a result thereof. Furthermore, the Company's obligation to provide post-retirement medical benefits coverage to Mr. A. Antin will cease if he causes any person or entity controlled by him to induce or attempt to induce (a) any employee of the Company or any of its affiliates to leave the Company or any of its affiliates or (b) any customer, supplier, vendor, licensee, distributor, contractor or other business relation of the Company or any of its affiliates to cease doing business with, or knowingly adversely alter its business relationship with, the Company or any of its affiliates.

### **Post-Termination Consulting Agreement**

Mr. A. Antin's consulting agreement, dated as of June 28, 2010, provides that Mr. A. Antin will provide business consulting and advice to the Company following his full-time employment with the Company. The term of the Mr. A. Antin's consulting agreement commences on the date of Mr. A. Antin's voluntary termination, i.e., his resignation as Chief Operating Officer and Senior Vice President of the Company other than for good reason,

**Table of Contents**

following a Change in Control or resulting from Mr. A. Antin's disability, and continues for the next four years. Mr. A. Antin will receive annual compensation equal to 100% of his Final Compensation for the first year of the term of his consulting agreement, 75% of his Final Compensation during the second year of the term, 50% of his Final Compensation during the third year of the term and 25% of his Final Compensation during the fourth year of the term. Final Compensation is the greater of (i) Mr. A. Antin's annual base compensation paid in cash immediately prior to Mr. A. Antin's voluntary termination, plus the highest bonus earned by Mr. A. Antin with respect to services rendered during the four preceding full calendar years before Mr. A. Antin's voluntary termination or (ii) the average of Mr. A. Antin's annual base compensation paid in cash plus any bonus earned with respect to services rendered during the two highest compensation years during the five-year period ending on December 31st immediately preceding Mr. A. Antin's voluntary termination. During the term of his consulting agreement, Mr. A. Antin also will be entitled to insurance and welfare benefits and certain other perquisites detailed in his consulting agreement.

If the consulting agreement is terminated as a result of his death or disability, or by the Company without cause, by Mr. A. Antin for good reason, or upon a Change in Control, Mr. A. Antin will be entitled to the amount he would have earned over the remaining term of the consulting agreement. In addition, in such event, vesting will accelerate on all outstanding stock options and other equity awards held by Mr. A. Antin (except that in the case of Mr. A. Antin's death or disability only those awards that would otherwise have vested and become exercisable during the 24 months immediately following the date of his death or disability, respectively, will accelerate). If any of the payments or benefits due Mr. A. Antin under his consulting agreement or any other plan, agreement or arrangement qualify as excess parachute payments under the Code, Mr. A. Antin also is entitled to an additional payment to cover the tax consequences associated with excess parachute payments.

If Mr. A. Antin terminates his consulting agreement without good reason or the Company terminates his consulting agreement with cause, Mr. A. Antin would not be entitled to any payments under his consulting agreement.

**SERP Agreement**

Mr. A. Antin's SERP agreement, dated as of June 28, 2010, provides that Mr. A. Antin will be entitled to monthly benefit payments when he reaches the age of 67 (i.e., the Benefit Commencement Date). Commencing on the Benefit Commencement Date, Mr. A. Antin is entitled to 144 monthly payments in an amount equal to 1/12<sup>th</sup> of the applicable vested percentage of his Final Salary. However, if before or coincident with his separation from service (as defined Section 1.409A-1(h)(1) of the Treasury Regulations) there occurs a Change in Control, an involuntary termination by the Company without cause, a voluntary termination by Mr. A. Antin for good reason, or Mr. A. Antin's death or disability, the applicable percentage will be fully vested at 50%. If before the Benefit Commencement Date, there is a Change in Control that qualifies as a change in control event within the meaning of Treasury Regulation section 1.409A-3(i)(5) or Mr. A. Antin dies or becomes disabled, then the actuarial equivalent of the monthly benefits owing to Mr. A. Antin must be paid in a lump sum on the date of such event. In addition, if a Change in Control that is also a change in control event occurs after the Benefit Commencement Date, then the SERP agreement terminates and the actuarial equivalent of any remaining monthly benefits owing to Mr. A. Antin must be paid in a lump sum on the date of such change in control event. For further discussion regarding Mr. A. Antin's SERP agreement, see Pension Benefits on page 37 of this Proxy Statement.

**Table of Contents**

The following table describes the potential payments to Mr. Arthur J. Antin upon termination or Change in Control.

Payments & Benefits Upon Termination (1)	Death	Disability	By Officer for Cause	By Officer Without Cause	By Company Without Cause	By Company for Cause	Change in Control
<b>Accrued &amp; Unpaid Salary (2)</b>	\$ 11,357	\$ 11,357	\$ 11,357	\$ 11,357	\$ 11,357	\$ 11,357	\$ 11,357
<b>Cash Severance (3)</b>	1,771,662	1,770,462	3,366,159	--	3,366,159	--	3,366,159
<b>Acceleration of Equity Awards (4)</b>	2,732,161	2,732,161	5,200,911	--	5,200,911	--	5,200,911
<b>Automobile</b>	--	116,321	116,321	--	116,321	--	116,321
<b>Club Membership</b>	--	64,702	64,702	--	64,702	--	64,702
<b>Group Life and Other Company Insurance Plans (5)</b>	1,257	2,560	2,560	--	2,560	--	2,560
<b>Post- Retirement Medical Benefits (6)</b>	806,309	806,309	806,309	806,309	806,309	806,309	806,309
<b>SERP Agreement</b>	4,145,188	4,145,188	4,145,188	--	4,145,188	--	4,145,188
<b>Excise Tax / Gross-Up (7)</b>	--	--	--	--	--	--	2,019,246
<b>Total</b>	\$ 9,467,934	\$ 9,649,060	\$ 13,713,507	\$ 817,666	\$ 13,713,507	\$ 817,666	\$ 15,732,753

- (1) Upon the termination of Mr. A. Antin's employment or a Change in Control, Mr. A. Antin will receive a lump-sum payment consisting of (a) accrued and unpaid salary, (b) accrued and unpaid vacation, (c) cash severance and (d) an additional amount to cover the tax consequences associated with excess parachute payments under the Code, if any. All other payments set forth above, other than those set forth in the Acceleration of Equity Awards and Post-Retirement Medical Benefits rows, will be paid over a three-year period. For example, during such three-year period, Mr. A. Antin will receive an average annual payment of \$38,774 towards the cost of an automobile.
- (2) Reflects Mr. A. Antin's accrued and unpaid salary as of December 31, 2011.
- (3) For purposes of calculating the cash severance payable to Mr. A. Antin, we used his annual base salary as of December 31, 2011 (\$590,554) and the last annual cash bonus paid to Mr. A. Antin (\$531,499).
- (4) As of December 31, 2011, 36,674 stock options and 258,305 shares of restricted stock held by Mr. A. Antin were unvested. Amounts do not include the value of 22,317 shares of fully vested restricted stock granted in 2009 as payment in lieu of 2008 cash bonuses that is deemed settled upon the first to occur of the following: May 1, 2012, the date of the senior executive's separation from service, death or disability, or the date of a Change in Control.
- (5) Consists of payment of vision, death, disability and long-term disability insurance premiums for Mr. A. Antin.
- (6) Consists of projected future costs of medical and dental insurance premiums to be paid on behalf of Mr. A. Antin, including approximately \$13,180 per year for executive medical excess claims insurance coverage. The average annual premium expense for executive medical excess claims insurance was calculated by dividing the sum of the premium expenses for executive medical excess claims insurance paid by the Company on behalf of Mr. A. Antin for the last five fiscal years (2007-2011) by five. In accordance with the terms of the executive medical excess claims insurance plan maintained by the Company, Mr. A. Antin is entitled to a maximum annual reimbursement for

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out-of-pocket medical expenses of \$212,000. If Mr. A. Antin was reimbursed the maximum amount per year during the period during which he is entitled to such benefits (assuming a life expectancy of 20 years as of December 31, 2011), we estimate that the amount set forth in the Post-Retirement Medical Benefits row would increase by \$3,952,447.

- (7) If the receipt by Mr. A. Antin of the post-retirement medical benefits coverage described in footnote 6 above is treated as an excess parachute payment, we estimate that the amount set forth in the Excise Tax/Gross-Up row would increase by \$388,530.

*Tomas W. Fuller*

### **Employment Agreement**

Mr. Fuller's employment agreement dated as of November 27, 2001, as amended, provides for Mr. Fuller to serve as our Chief Financial Officer, Vice President and Assistant Secretary for a term equal to two years from

**Table of Contents**

any given date, such that there shall always be a minimum of at least two years remaining under his employment agreement. (Mr. Fuller currently serves as the Company's Secretary.) The employment agreement provides for Mr. Fuller to receive an annual base salary of not less than \$208,000, subject to annual increase based on comparable compensation packages provided to executives in similarly situated companies, and to participate in a bonus plan based on annual performance standards to be established by the compensation committee.

If Mr. Fuller's employment is terminated due to his death, the employment agreement provides that we will pay Mr. Fuller's estate his accrued and unpaid salary, his accrued and unused vacation and sick pay, his base salary during the scheduled term of the employment agreement, accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination (other than performance-based equity awards) and continue to provide family medical benefits. If Mr. Fuller's employment is terminated due to his disability, the employment agreement provides that we will pay Mr. Fuller his accrued and unpaid salary, his accrued and unused vacation and sick pay, his remaining base salary during the remaining scheduled term of the employment agreement (reduced by any amounts paid under long-term disability insurance policy maintained by us for the benefit of Mr. Fuller), accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination (other than performance-based equity awards) and continue to provide specified benefits and perquisites. In the case of termination due to death or disability, any options that are accelerated on the date of termination will remain exercisable for the full term.

If Mr. Fuller terminates the employment agreement for good reason, if we terminate the employment agreement without cause or in the event of a Change in Control, in which event the employment of Mr. Fuller terminates automatically, we will pay Mr. Fuller his accrued and unpaid salary, his accrued and unused vacation and sick pay, his remaining base salary during the remaining scheduled term of the employment agreement and an amount equal to two times the greater of Mr. Fuller's last annual bonus or the average of all bonuses paid to Mr. Fuller under the employment agreement. In addition, we will accelerate the vesting of his equity awards and continue to provide specified benefits and perquisites; provided, however, that if we terminate Mr. Fuller's employment agreement without cause, we will only accelerate the vesting of his equity awards that would have vested during the 24 months following the date of termination. In these circumstances, Mr. Fuller may exercise his options that are accelerated on the date of termination for the full term of the option. For purposes hereof, good reason means as the result of (x) a willful breach of any of the material obligations of the Company to Mr. Fuller under his employment agreement, consulting agreement or SERP agreement, as applicable, or (y) the office where Mr. Fuller is required to perform his duties to the Company is relocated to a location outside of Los Angeles County, California; provided, however, that in either case Mr. Fuller delivered written notice to the Company within 90 days of the condition's initial existence and the Company failed to cure the condition within 30 days.

If Mr. Fuller terminates the employment agreement without good reason or we terminate the employment agreement for cause, Mr. Fuller is entitled to receive all accrued and unpaid salary and other compensation and all accrued and unused vacation and sick pay. For purposes hereof, for cause means for a conviction (including any plea of guilty or no contest) of (x) any felony involving the embezzlement, theft or misappropriation of monies or other property, of the Company or otherwise, or (y) any crime of moral turpitude.

If any of the payments due Mr. Fuller upon termination qualify as excess parachute payments under the Code, Mr. Fuller also is entitled to an additional payment to cover the tax consequences associated with excess parachute payments.

In the event of a Change in Control and at our request, Mr. Fuller is obligated to continue to serve under the same terms and conditions of his employment agreement for a period of up to 180 days following the termination date at his then-current base salary.

**Table of Contents****Post-Retirement Medical Benefits Coverage Agreement**

Mr. Fuller's post-retirement medical benefits coverage agreement, effective as of December 27, 2007, provides that Mr. Fuller and his family will continue to receive medical benefits coverage commencing on or after the date that Mr. Fuller attains age 53 until the last to occur of Mr. Fuller's death, the death of Mr. Fuller's spouse, or the end of the year in which each of Mr. Fuller's children has a<sup>th</sup> birthday. The medical benefits coverage afforded to Mr. Fuller and his family after the termination of his employment will be at least as favorable as the most favorable level, type and basis of medical coverage provided to Mr. Fuller and his family at any time during the five years prior to termination. Upon Mr. Fuller's eligibility for Medicare or a similar program, Mr. Fuller will have the option to enroll in Medicare or such similar program. If Mr. Fuller or any eligible family member elects to enroll in such program, the Company's obligation under the post-retirement medical benefits coverage agreement will be limited to providing Medicare supplementary coverage and Executive Medical Excess Claims Insurance or a substantially similar policy. The coverage provided by the Company is secondary to any employer's group medical plan in which Mr. Fuller or an eligible family member participates as an active employee, any employer's group medical plan in which Mr. Fuller is covered as the spouse or dependent or an active employee, any individual medical benefits coverage under which Mr. Fuller or an eligible family member is covered, or Medicare coverage. If the continuation of medical benefits coverage is subject to taxation under Section 409A(a)(1) of the Code as a result of the failure of the post-retirement medical benefits coverage agreement to comply with Section 409A, the Company will make a payment to Mr. Fuller equal to all federal, state and local taxes incurred by Mr. Fuller as a result thereof.

Furthermore, the Company's obligation to provide post-retirement medical benefits coverage to Mr. Fuller will cease if he causes any person or entity controlled by him to induce or attempt to induce (a) any employee of the Company or any of its affiliates to leave the Company or any of its affiliates or (b) any customer, supplier, vendor, licensee, distributor, contractor or other business relation of the Company or any of its affiliates to cease doing business with, or knowingly adversely alter its business relationship with, the Company or any of its affiliates.

**SERP Agreement**

Mr. Fuller's SERP agreement, dated as of June 28, 2010, provides that Mr. Fuller will be entitled to monthly benefit payments when he reaches the age of 62 (i.e., the Benefit Commencement Date). Commencing on the Benefit Commencement Date, Mr. Fuller is entitled to 144 monthly payments in an amount equal to 1/12<sup>th</sup> of the appropriate vested percentage of his Final Salary. However, if before or coincident with his separation from service (as defined Section 1.409A-1(h)(1) of the Treasury Regulations) there occurs a Change in Control, an involuntary termination by the Company without cause, a voluntary termination by Mr. Fuller for good reason, or Mr. Fuller's death or disability, the applicable percentage will be fully vested at 50%. If before the Benefit Commencement Date, there is a Change in Control that qualifies as a change in control event within the meaning of Treasury Regulation section 1.409A-3(i)(5) or Mr. Fuller dies or becomes disabled, then the actuarial equivalent of the monthly benefits owing to Mr. Fuller must be paid in a lump sum on the date of such event. In addition, if a Change in Control that is also a change in control event occurs after the Benefit Commencement Date, then the SERP agreement terminates and the actuarial equivalent of any remaining monthly benefits owing to Mr. Fuller must be paid in a lump sum on the date of such change in control event. For further discussion regarding Mr. Fuller's SERP agreement, see "Pension Benefits" on page 37 of this Proxy Statement.

**Table of Contents**

The following table describes the potential payments to Mr. Tomas W. Fuller upon termination or Change in Control.

Payments & Benefits Upon Termination (1)	Death	Disability	By Officer for Cause	By Officer Without Cause	By Company Without Cause	By Company for Cause	Change in Control
<b>Accrued &amp; Unpaid Salary (2)</b>	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679
<b>Cash Severance (3)</b>	798,654	797,854	1,357,712	--	1,357,712	--	1,357,712
<b>Acceleration of Equity Awards (4)</b>	1,411,553	1,411,553	2,596,553	--	1,411,553	--	2,596,553
<b>Automobile</b>	--	23,278	23,278	--	23,278	--	23,278
<b>Group Life and Other Company Insurance Plans (5)</b>	688	1,557	1,557	--	1,557	--	1,557
<b>Post-Retirement Medical Benefits (6)</b>	1,269,579	1,269,579	1,269,579	1,269,579	1,269,579	1,269,579	1,269,579
<b>SERP Agreement</b>	996,719	996,719	996,719	--	996,719	--	996,719
<b>Excise Tax / Gross-Up (7)</b>	--	--	--	--	--	--	--
<b>Total</b>	\$ 4,484,872	\$ 4,508,219	\$ 6,253,077	\$ 1,277,258	\$ 5,068,077	\$ 1,277,258	\$ 6,253,077

- (1) Upon the termination of Mr. Fuller's employment or a Change in Control, Mr. Fuller will receive a lump-sum payment consisting of (a) accrued and unpaid salary, (b) accrued and unpaid vacation, (c) cash severance and (d) an additional amount to cover the tax consequences associated with excess parachute payments under the Code, if any. All other payments set forth above, other than those set forth in the Acceleration of Equity Awards and Post-Retirement Medical Benefits rows, will be paid over a two-year period. For example, during such two-year period, Mr. Fuller will receive an average annual payment of \$11,639 towards the cost of an automobile.
- (2) Reflects Mr. Fuller's accrued and unpaid salary as of December 31, 2011.
- (3) For purposes of calculating the cash severance payable to Mr. Fuller, we used his annual base salary as of December 31, 2011 (\$399,327) and the last annual cash bonus paid to Mr. Fuller (\$279,529).
- (4) As of December 31, 2011, 31,673 stock options and 127,125 shares of restricted stock held by Mr. Fuller were unvested. Amounts do not include the value of 11,737 shares of fully vested restricted stock granted in 2009 as payment in lieu of 2008 cash bonuses that is deemed settled upon the first to occur of the following: May 1, 2012, the date of the senior executive's separation from service, death or disability, or the date of a Change in Control.
- (5) Consists of payment of vision, death, disability and long-term disability insurance premiums for Mr. Fuller.
- (6) Consists of projected future costs of medical and dental insurance premiums to be paid on behalf of Mr. Fuller, including approximately \$5,086 per year for executive medical excess claims insurance coverage. The average annual premium expense for executive medical excess claims insurance was calculated by dividing the sum of the premium expenses for executive medical excess claims insurance paid by the Company on behalf of Mr. Fuller for the last five fiscal years (2007-2011) by five. In accordance with the terms of the executive medical excess claims insurance plan maintained by the Company, Mr. Fuller is entitled to a maximum annual reimbursement for out-of-pocket medical expenses of \$212,000. If Mr. Fuller was reimbursed the maximum amount per year during the period during which he is entitled to such benefits (assuming a life expectancy of 30 years as of December 31, 2011), we estimate that the amount set forth in the Post-Retirement Medical Benefits row would increase by \$6,193,557.



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- (7) If the receipt by Mr. Fuller of the post-retirement medical benefits coverage described in footnote 6 above is treated as an excess parachute payment, we estimate no increase in the amount set forth in the Excise Tax/Gross-Up row.

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**Table of Contents**

***Neil Tauber***

**Severance Agreement**

On April 25, 2008, we entered into an amended severance agreement with Mr. Tauber, which amends and restates his severance agreement, dated March 3, 2003. The amended severance agreement is effective as of April 22, 2008, the date on which the Compensation Committee approved the amendment.

If Mr. Tauber's employment with us terminates due to his death or disability, the amended severance agreement provides that we will pay Mr. Tauber (or his estate in the case of termination due to death) a lump-sum payment equal to his accrued and unpaid salary and other compensation and his accrued and unused vacation and sick pay and, within 30 days of the date of termination, a lump-sum payment equal to the amount he would have earned as base salary during the two years following the termination date (reduced by any amounts paid under any long-term disability insurance policy maintained by us for the benefit of Mr. Tauber in the case of termination due to disability), and we will continue to provide specified benefits and perquisites. We will also accelerate the vesting of equity awards held by Mr. Tauber that would have vested during the two years following the date of termination solely as a result of his continued service to the Company and any option or stock appreciation right that is accelerated on the date of termination will remain exercisable for the full term of the award. In addition, all equity-based performance awards granted to Mr. Tauber, to the extent they would have become vested after the date of his termination upon the attainment of one or more specified performance goals, will vest as provided by such performance award but without regard to Mr. Tauber's termination, conditioned on and to the extent that such performance goal or goals are attained.

If Mr. Tauber terminates his employment for good reason, if we terminate his employment without cause or in the event of a Change in Control, in which event the employment of Mr. Tauber terminates automatically, we will pay Mr. Tauber a lump-sum payment equal to his accrued and unpaid salary and other compensation and his accrued and unused vacation and sick pay and, within 30 days of the date of termination, a lump-sum payment equal to the sum of the amount he would have earned as base salary during the two years following the termination date and an amount equal to two times Mr. Tauber's average annual bonus based on the annual bonuses paid or payable to Mr. Tauber for the last three fiscal years, and we will continue to provide specified benefits and perquisites. We will also accelerate the vesting of equity awards held by Mr. Tauber that would have vested following the date of termination solely as a result of his continued service to the Company and any option or stock appreciation right that is accelerated on the date of termination will remain exercisable for the full term of the award; provided, however, that if we terminate Mr. Tauber's employment without cause, we will only accelerate the vesting of his equity awards that would have vested during the two years following the date of termination. In addition, all equity-based performance awards granted to Mr. Tauber, to the extent they would have become vested after the date of his termination upon the attainment of one or more specified performance goals, will vest as provided by such performance award but without regard to Mr. Tauber's termination, conditioned on and to the extent that such performance goal or goals are attained. For purposes of this paragraph, the termination by Mr. Tauber of his employment will be for good reason if the termination occurs within two years following the initial existence of one or more of the following conditions without Mr. Tauber's consent (i) a material diminution in Mr. Tauber's authority, duties or responsibilities, (ii) a material diminution in Mr. Tauber's annual base salary or (iii) the relocation of the office where Mr. Tauber is required to perform his duties to the Company to a location outside of Los Angeles County, California; provided Mr. Tauber delivers written notice to the Company of the existence of such condition within 90 days of the initial existence of the condition and the Company does not remedy such condition within 30 days of the receipt of such notice; and for cause means for a conviction (including any plea of guilty or no contest) of (x) any felony involving the embezzlement, theft or misappropriation of monies or other property, of the Company or otherwise, or (y) any crime of moral turpitude.

If any of the payments due Mr. Tauber upon termination qualify as excess parachute payments under the Code, Mr. Tauber also is entitled to an additional payment to cover the tax consequences associated with excess parachute payments.

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**Table of Contents**

If Mr. Tauber terminates his employment without good reason or we terminate his employment for cause, Mr. Tauber is entitled by law to receive all accrued, earned and unpaid salary and all accrued and unused vacation and sick pay.

**Post-Retirement Medical Benefits Coverage Agreement**

Mr. Tauber's post-retirement medical benefits coverage agreement, effective as of December 27, 2007, provides that Mr. Tauber and his family will continue to receive medical benefits coverage commencing on or after the date that Mr. Tauber attains age 60 until the last to occur of Mr. Tauber's death, the death of Mr. Tauber's spouse, or the end of the year in which each of Mr. Tauber's children has a birthday. The medical benefits coverage afforded to Mr. Tauber and his family after the termination of his employment will be at least as favorable as the most favorable level, type and basis of medical coverage provided to Mr. Tauber and his family at any time during the five years prior to termination. Upon Mr. Tauber's eligibility for Medicare or a similar program, Mr. Tauber will have the option to enroll in Medicare or such similar program. If Mr. Tauber or any eligible family member elects to enroll in such program, the Company's obligation under the post-retirement medical benefits coverage agreement will be limited to providing Medicare supplementary coverage and Executive Medical Excess Claims Insurance or a substantially similar policy. The coverage provided by the Company is secondary to any employer's group medical plan in which Mr. Tauber or an eligible family member participates as an active employee, any employer's group medical plan in which Mr. Tauber is covered as the spouse or dependent or an active employee, any individual medical benefits coverage under which Mr. Tauber or an eligible family member is covered, or Medicare coverage. If the continuation of medical benefits coverage is subject to taxation under Section 409A(a)(1) of the Code as a result of the failure of the post-retirement medical benefits coverage agreement to comply with Section 409A, the Company will make a payment to Mr. Tauber equal to all federal, state and local taxes incurred by Mr. Tauber as a result thereof.

Furthermore, the Company's obligation to provide post-retirement medical benefits coverage to Mr. Tauber ceases if he causes any person or entity controlled by him to induce or attempt to induce (a) any employee of the Company or any of its affiliates to leave the Company or any of its affiliates or (b) any customer, supplier, vendor, licensee, distributor, contractor or other business relation of the Company or any of its affiliates to cease doing business with, or knowingly adversely alter its business relationship with, the Company or any of its affiliates.

**SERP Agreement**

Mr. Tauber's SERP agreement, dated as of June 28, 2010, provides that Mr. Tauber will be entitled to monthly benefit payments when he reaches the age of 66 (i.e., the Benefit Commencement Date). Commencing on the Benefit Commencement Date, Mr. Tauber is entitled to 144 monthly payments in an amount equal to 1/12th of the applicable vested percentage of his Final Salary. However, if before or coincident with his separation from service (as defined Section 1.409A-1(h)(1) of the Treasury Regulations) there occurs a Change in Control, an involuntary termination by the Company without cause, a voluntary termination by Mr. Tauber for good reason, or Mr. Tauber's death or disability, the applicable percentage will be fully vested at 50%. If before the Benefit Commencement Date, there is a Change in Control that qualifies as a change in control event within the meaning of Treasury Regulation section 1.409A-3(i)(5) or Mr. Tauber dies or becomes disabled, then the actuarial equivalent of the monthly benefits owing to Mr. Tauber must be paid in a lump sum on the date of such event. In addition, if a Change in Control that is also a change in control event occurs after the Benefit Commencement Date, then the SERP agreement terminates and the actuarial equivalent of any remaining monthly benefits owing to Mr. Tauber must be paid in a lump sum on the date of such change in control event. For further discussion regarding Mr. Tauber's SERP agreement, see "Pension Benefits" on page 37 of this Proxy Statement.

**Table of Contents**

The following table describes the potential payments to Mr. Neil Tauber upon termination.

Payments & Benefits Upon Termination (1)	Death	Disability	By Officer for Good Reason	By Officer Without Good Reason	By Company Without Cause	By Company for Cause	Change in Control
<b>Accrued &amp; Unpaid Salary (2)</b>	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679	\$ 7,679
<b>Cash Severance (3)</b>	798,654	797,854	1,350,545	--	1,350,545	--	1,350,545
<b>Acceleration of Equity Awards (4)</b>	1,293,857	1,293,857	2,380,107	--	1,293,857	--	2,380,107
<b>Automobile</b>	--	77,131	77,131	--	77,131	--	77,131
<b>Group Life and Other Company Insurance Plans (5)</b>	554	1,422	1,422	--	1,422	--	1,422
<b>Post-Retirement Medical Benefits (6)</b>	1,875,289	1,875,289	1,875,289	1,875,289	1,875,289	1,875,289	1,875,289
<b>SERP Agreement</b>	996,719	996,719	996,719	--	996,719	--	996,719
<b>Excise Tax / Gross-Up (7)</b>	--	--	--	--	--	--	--
<b>Total</b>	\$ 4,972,752	\$ 5,049,951	\$ 6,688,892	\$ 1,882,968	\$ 5,602,642	\$ 1,882,968	\$ 6,688,892

- (1) Upon the termination of Mr. Tauber's employment, Mr. Tauber will receive a lump-sum payment consisting of accrued and unpaid salary and accrued and unpaid vacation, and, within 30 days of the date of termination, a lump-sum payment consisting of cash severance and an additional amount to cover the tax consequences associated with excess parachute payments under the Code, if any. On the fifth day following the date on which a Change in Control occurs, Mr. Tauber will receive a lump-sum payment consisting of accrued and unpaid salary, accrued and unpaid vacation paid, cash severance and an additional amount to cover the tax consequences associated with excess parachute payments under the Code, if any. All other payments set forth above, other than those set forth in the Acceleration of Equity Awards and Post-Retirement Medical Benefits rows, will be paid over a two-year period. For example, during such two-year period, Mr. Tauber will receive an average annual payment of \$38,566 towards the cost of an automobile.
- (2) Reflects Mr. Tauber's accrued and unpaid salary as of December 31, 2011.
- (3) For purposes of calculating the cash severance payable to Mr. Tauber, we used his annual base salary as of December 31, 2011 (\$399,327) and the average annual bonus based on the average of the last three annual cash bonuses paid to Mr. Tauber (\$275,945).
- (4) As of December 31, 2011, 33,340 stock options and 115,937 shares of restricted stock held by Mr. Tauber were unvested. Amounts do not include the value of 11,737 shares of fully vested restricted stock granted in 2009 as payment in lieu of 2008 cash bonuses that is deemed settled upon the first to occur of the following: May 1, 2012, the date of the senior executive's separation from service, death or disability, or the date of a Change in Control.
- (5) Consists of payment of vision, death, disability and long-term disability insurance premiums for Mr. Tauber.
- (6) Consists of projected future costs of medical and dental insurance premiums to be paid on behalf of Mr. Tauber, including approximately \$24,624 per year for executive medical excess claims insurance coverage. The average annual premium expense for executive medical excess claims insurance was calculated by dividing the sum of the premium expenses for executive medical excess claims insurance paid by the Company on behalf of Mr. Tauber for the last five fiscal years (2007-2011) by five. In accordance with the terms of the executive medical excess claims insurance plan maintained by the Company, Mr. Tauber is entitled to a maximum annual reimbursement for out-of-pocket medical expenses of \$212,000. If Mr. Tauber was reimbursed

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the maximum amount per year during the period during which he is entitled to such benefits (assuming a life expectancy of 24 years as of December 31, 2011), we estimate that the amount set forth in the Post-Retirement Medical Benefits row would increase by \$4,443,295.

- (7) If the receipt by Mr. Tauber of the post-retirement medical benefits coverage described in footnote 6 above is treated as an excess parachute payment, we estimate that the amount set forth in the Excise Tax/Gross-Up row would increase by \$1,513,871.

In addition to the foregoing, the Company has negotiated post-termination consulting agreements with Messrs. Tauber and Fuller, which are not currently in effect. Such agreements do not become effective except with the mutual agreement of the Company and the applicable officer.

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**Table of Contents**

***Josh Drake***

**Severance Agreement**

On August 18, 2011, we entered into a severance agreement with Mr. Drake.

If we terminate Mr. Drake's employment without cause or Mr. Drake's employment with us terminates due to his death or disability, the severance agreement provides that we will pay Mr. Drake (or his estate in the case of termination due to death) a lump-sum payment equal to his accrued and unpaid salary and other compensation and his accrued and unused vacation and sick pay and the amount he would have earned as base salary during the one year period following the date of his termination (reduced by the fixed and determinable amount of any payments to be made to him during that one year period under any long-term disability insurance policy maintained by us for the benefit of Mr. Drake), payable in equal monthly installments. We will also continue to provide specified benefits and perquisites for the one year period following the date of his termination. All stock options and stock appreciation rights granted to Mr. Drake that would have vested during the one year following the date of termination solely as a result of his continued service to the Company, will continue to vest during the course of the one year period immediately following the date of termination and become exercisable in accordance with the terms and conditions applicable to such equity award. All restricted stock and restricted stock units held by Mr. Drake that would have vested during the one year period following the date of termination solely as a result of his continued service to the Company will vest upon the date of termination and, in the case of restricted stock units, will become payable in accordance with the terms and conditions applicable to such equity award.

Upon the occurrence of a Change in Control, if Mr. Drake's employment is terminated (a) on or before the one year anniversary of the date of occurrence of a Change in Control by us other than for cause or as a result of Mr. Drake's death or disability, or (b) on or after the one year anniversary of the date of occurrence of a Change in Control by Mr. Drake, then all stock options and stock appreciation rights granted to Mr. Drake that would have vested at any time after the date of termination, will immediately vest and become exercisable on the date of termination and remain exercisable for the full term of such award. All restricted stock and restricted stock units granted to Mr. Drake that would have vested at any time after the date of occurrence of a Change in Control solely as a result of his continued service to the Company will vest on the earlier of (a) the date that is one year after the date of occurrence of the Change in Control, provided that Mr. Drake continues to provide services to us or our successor, (b) the date of Mr. Drake's termination of employment by us or our successor other than for cause or as a result of Mr. Drake's death or disability and (c) the vesting date otherwise provided in the award agreement.

For purposes of this section, the termination of Mr. Drake's employment for cause means for (i) a conviction (including any plea of guilty or no contest) of (x) any felony involving the embezzlement, theft or misappropriation of monies or other property, of the Company or otherwise, or (y) any crime of moral turpitude; (ii) gross misconduct in the performance of his duties; (iii) failure of Mr. Drake to follow or comply with our policies and procedures or the written directives of our Board of Directors or (iv) the repeated failure of Mr. Drake to render full and proper services as required by the terms of his employment.

If we terminate Mr. Drake's employment for cause, Mr. Drake is entitled by law to receive all accrued, earned and unpaid salary and all accrued and unused vacation and sick pay.

**Table of Contents**

*The following table describes the potential payments to Mr. Josh Drake upon termination.*

<b>Payments &amp; Benefits Upon Termination (1)</b>	<b>Death</b>	<b>Disability</b>	<b>By Company Without Cause</b>	<b>By Company for Cause</b>	<b>Change in Control</b>
<b>Accrued &amp; Unpaid Salary (2)</b>	\$ 42,250	\$ 42,250	\$ 42,250	\$ 42,250	\$ 42,250
<b>Cash Severance (3)</b>	337,600	337,600	337,600	--	337,600
<b>Acceleration of Equity Awards (4)</b>	494,908	494,908	494,908	--	1,452,783
<b>Group Life and Other Company Insurance Plans (5)</b>	21,664	22,098	22,098	--	22,098
<b>Total</b>	\$ 896,422	\$ 896,856	\$ 896,856	\$ 42,250	\$ 1,854,731

- (1) Upon the termination of Mr. Drake's employment other than for cause or as a result of Mr. Drake's death or disability, Mr. Drake will receive a lump-sum payment consisting of accrued and unpaid salary and accrued and unpaid vacation, and monthly payments of cash severance over the one year period following such termination.
- (2) Reflects Mr. Drake's accrued and unpaid salary as of December 31, 2011.
- (3) For purposes of calculating the cash severance payable to Mr. Drake, we used his annual base salary as of December 31, 2011 (\$338,000).
- (4) As of December 31, 2011, 15,003 stock options and 71,500 shares of restricted stock held by Mr. Drake were unvested.
- (5) Consists of payment of vision, death, disability and long-term disability insurance premiums for Mr. Drake.

**Table of Contents**

**REPORT OF COMPENSATION COMMITTEE**

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee

*John M. Baumer*

*John B. Chickering, Jr.*



**Table of Contents****DIRECTOR COMPENSATION**

The Compensation Committee reviews director compensation on an annual basis. Our non-employee director compensation program for fiscal year 2011 was as follows:

***Annual retainer***

We pay our non-employee directors \$10,000 per year, paid quarterly in arrears, \$2,000 for each Board of Directors meeting attended in person or committee meeting attended in person which is not held on the same day as a Board of Directors meeting, including reimbursement for out-of-pocket expenses incurred in attending, and \$1,000 for each Board of Directors meeting attended telephonically or committee meeting attended telephonically which is not held on the same day as a Board of Directors meeting. We pay the Chairman of our Audit Committee an additional \$10,000 per year, paid quarterly in arrears. No employee director receives compensation for his or her service as a member of our Board of Directors.

***Restricted shares***

Upon appointment to the Board of Directors, each non-employee director receives an initial grant of a number of restricted shares of common stock equal to \$75,000 divided by the closing price of VCA's common stock on the grant date. These restricted shares vest in three equal annual installments, in each of the three 12-month periods, each an annual period, following the date of grant on that day during such annual period which is the earlier to occur of (a) the day immediately preceding the date of an annual meeting of the Company's stockholders occurring during such annual period or (b) on the anniversary of the date of grant.

If the date of grant is fewer than 12 months prior to the date of the next annual meeting of stockholders, the number of shares granted is reduced on a pro-rata basis, based upon the number of months until the next annual meeting of stockholders (e.g., if a non-employee director is appointed January 1 and the next annual meeting of stockholders is April 1, such non-employee director will receive 500 restricted shares).

In addition, each non-employee director receives an annual automatic grant on the date of the annual meeting of a number of restricted shares equal to \$75,000 divided by the closing price of the Company's common stock on the grant date. These restricted shares vest in three equal annual installments, in each of the three annual periods following the date of grant on that day during such annual period which is the earlier to occur of (a) the day immediately preceding the date of an annual meeting of the Company's stockholders occurring during such annual period or (b) on the anniversary of the date of grant.

The following table and related footnotes summarize the compensation paid by the Company to each non-employee director for the fiscal year 2011.

Name (1)	Fees Earned or Paid in Cash	Stock Awards (2)	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
John M. Baumer	\$ 31,000	\$ 75,007(3)	--	--	--	--	\$ 106,007
John B. Chickering, Jr.	\$ 52,000	\$ 75,007(4)	--	--	--	--	\$ 127,007
John A. Heil	\$ 27,819	\$ 75,007(5)	--	--	--	--	\$ 102,826
Frank Reddick	\$ 38,500	\$ 75,007(6)	--	--	--	--	\$ 113,507

(1) Mr. Robert L. Antin, the Chairman of the Board, Chief Executive Officer and President of the Company, has been omitted from this table since he is an employee director and does not receive any compensation for serving on the Board of Directors. Mr. Antin's compensation is set forth on the Summary Compensation Table on page 34 of this Proxy Statement.



**Table of Contents**

- (2) In accordance with SEC requirements, these amounts reflect the grant date fair value of restricted stock grants in accordance with the provisions of FASB ASC 718.
  
- (3) At December 31, 2011, Mr. Baumer held 6,253 unvested shares of the Company's common stock and stock options exercisable into 39,665 shares of common stock.
  
- (4) At December 31, 2011, Mr. Chickering held 6,253 unvested shares of the Company's common stock and stock options exercisable into 5,242 shares of common stock.
  
- (5) At December 31, 2011, Mr. Heil held 6,253 unvested shares of the Company's common stock and stock options exercisable into 30,345 shares of common stock.
  
- (6) At December 31, 2011, Mr. Reddick held 6,253 unvested shares of the Company's common stock and stock options exercisable into 40,345 shares of common stock.

**Table of Contents**

**CERTAIN TRANSACTIONS WITH RELATED PERSONS**

In accordance with its charter, our Audit Committee is responsible for reviewing and approving all related-party transactions. At least once a year, the Audit Committee reviews a summary of all related-party transactions, including the Company's transactions with our executive officers and directors and with the firms that employ the directors.

Except as disclosed below, none of our directors, executive officers, stockholders owning more than five percent of our issued shares, or any of their respective associates or affiliates, had any material interest, direct or indirect, in any material transaction to which we were a party during fiscal year 2011, or which is presently proposed.

We believe, based on our reasonable judgment, but without further investigation, that the terms of each of the following transactions or arrangements between us and our affiliates, officers, directors or stockholders which were parties to the transactions were, on an overall basis, at least as favorable to us as could then have been obtained from unrelated parties.

**Transactions with ThinkPets Inc. (formerly known as Zoasis Corporation)**

On February 1, 2012, we acquired all of the outstanding capital stock of ThinkPets, Inc. for \$21.0 million, payable by delivery of 473,389 shares of VCA common stock and \$10.5 million in cash. The shares of VCA common stock were valued based on the daily volume weighted average closing sales price of the VCA common stock for the 10 consecutive trading days ending on the trading day immediately preceding the acquisition. At the time of the acquisition, Robert L. Antin, our Chief Executive Officer and Chairman of the Board, owned 54% of the common stock of ThinkPets, and served as a director of ThinkPets, and Arthur J. Antin, our Chief Operating Officer, owned 8% of the common stock of ThinkPets. In accordance with its charter, our Audit Committee is responsible for reviewing and approving all related-party transactions. To assist in its deliberations, the Audit Committee retained the services of an internationally recognized financial advisory firm, which opined that the merger consideration to be issued and paid by the Company is fair, from a financial point of view, to the Company. Following receipt of this opinion, both the Audit Committee and our Board of Directors unanimously approved the Merger. Due to the related party nature of the acquisition, Mr. R. Antin recused himself from all Board meetings wherein the acquisition was discussed and did not vote in connection with the acquisition.

In 2011, the Company purchased services of \$3.4 million for marketing expenses for vaccine reminders and other direct mail services provided by ThinkPets.

**Legal Services**

FrankReddick, who joined us as a director in February 2002, is a partner in the law firm of Akin Gump Strauss Hauer & Feld LLP. Akin Gump Strauss Hauer & Feld LLP currently provides, and provided during fiscal year 2011, legal services to us. In 2011, we paid Akin Gump Strauss Hauer & Feld LLP \$1.6 million for legal services.

**Table of Contents**

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires that our executive officers, directors and persons who own more than ten percent of a registered class of our equity securities file reports of ownership and changes in ownership with the SEC. Executive officers, directors and greater-than-ten percent stockholders are required by SEC regulations to furnish us with all Section 16(a) forms that they file. Based solely upon our review of copies of the forms received by us and written representations from certain reporting persons that they have complied or not complied with the relevant filings requirements, we believe that, during the year ended December 31, 2011, other than as described below, all of our executive officers, directors and greater-than-ten percent stockholders complied with all Section 16(a) filing requirements.

**Table of Contents****PRINCIPAL STOCKHOLDERS**

The following table sets forth information regarding beneficial ownership of our common stock as of March 15, 2012, by:

each of our directors;

each of our Named Executive Officers;

all of our directors and Named Executive Officers as a group; and

all other stockholders known by us to beneficially own more than 5% of our outstanding common stock.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the date as of which this information is provided, and not subject to repurchase as of that date, are deemed outstanding. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

Except as indicated in the notes to this table, and except pursuant to applicable community property laws, each stockholder named in the table has sole voting and investment power with respect to the shares shown as beneficially owned by them. Percentage ownership is based on 89,008,755 shares of common stock outstanding on March 15, 2012. Unless otherwise indicated, the address for each of the stockholders listed below is c/o VCA Antech, Inc., 12401 West Olympic Boulevard, Los Angeles, California 90064.

	Number of Shares of Common Stock Beneficially Owned	Percent of Common Stock Outstanding
Shapiro Capital Management LLC (1)	7,809,630	8.8%
Veritas Asset Management (UK) Limited (2)	5,694,900	6.4%
The Real Return Group Limited (2)		
BlackRock, Inc. (3)	5,674,339	6.4%
Capital Research Global Investors (4)	5,122,984	5.8%
Robert L. Antin (5)	2,820,690	3.2%
Arthur J. Antin (6)	818,817	*
Neil Tauber (7)	271,809	*
TomasW. Fuller (8)	430,538	*
Josh Drake (9)	191,500	*
John M. Baumer (10)	22,859	*
JohnB.Chickering, Jr. (11)	11,495	*
JohnA. Heil (12)	37,669	*
Frank Reddick (13)	43,539	*
All directors and executive officers as a group (9 persons) (14)	4,648,916	5.2%

\* Indicates less than one percent.

(1) Information based on the Schedule 13G filed with the SEC on February 3, 2012. According to the Schedule 13G, Shapiro Capital Management LLC has sole voting power over 6,798,138 shares, shared voting power over 1,011,492 shares and sole dispositive power over 7,809,630 shares. The securities are owned by various individual and institutional investors for which Shapiro Capital Management LLC serves as investment advisor. Samuel R. Shapiro is the chairman, a director and majority shareholder of Shapiro Capital Management LLC and exercises dispositive power over the securities beneficially owned by Shapiro Capital Management LLC. Samuel R. Shapiro reported owning none of such shares for his individual account and expressly disclaimed beneficial

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ownership of these securities. The address of Samuel R. Shapiro and Shapiro Capital Management LLC is 3060 Peachtree Road, Suite 1555 N.W., Atlanta, Georgia 30305.

- (2) Information based on the Schedule 13G filed with the SEC on February 14, 2012. According to the Schedule 13G, Veritas Asset Management (UK) Limited and The Real Return Group Limited have shared voting and dispositive power over 5,694,900 shares. The

**Table of Contents**

Real Return Group Limited is the parent holding company of Veritas Asset Management Company (UK) Limited. Each of Veritas Asset Management (UK) Limited and The Real Return Group Limited disclaims beneficial ownership of the 5,694,900 shares, except to the extent of any pecuniary interest therefrom. The address of Veritas Asset Management (UK) Limited is Elizabeth House, 39 York Road, London, SE1 7NQ, England. The address of The Real Return Group Limited is Brookfield Lane, Ivinghoe, Leighton Buzzard, Bedfordshire, England.

- (3) Information based on the Schedule 13G filed with the SEC on February 9, 2012. According to the Schedule 13G, BlackRock, Inc. has sole voting and dispositive power over 5,674,339 shares. The address of the stockholder is 40 East 52<sup>nd</sup> Street, New York, NY 10022.
- (4) Information based on the Schedule 13G/A filed with the SEC on February 8, 2012. According to the Schedule 13G/A, Capital Research Global Investors (a division of Capital Research and Management Company) has sole voting and dispositive power over 5,122,984 shares. The address of Capital Research Global Investors is 333 South Hope Street, Los Angeles, CA 90071.
- (5) Includes (a) 500,000 shares of restricted stock of the Company subject to future vesting conditions ( restricted stock ) and (b) 364,877 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (6) Includes (a) 250,000 shares of restricted stock and (b) 320,000 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (7) Includes (a) 110,000 shares of restricted stock and (b) 100,000 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (8) Includes (a) 120,000 shares of restricted stock and (b) 265,000 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (9) Includes (a) 66,500 shares of restricted stock and (b) 125,000 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (10) Includes (a) 6,253 shares of restricted stock and (b) 9,665 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (11) Includes (a) 6,253 shares of restricted stock and (b) 5,242 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (12) Includes (a) 6,253 shares of restricted stock and (b) 20,345 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (13) Includes (a) 6,253 shares of restricted stock and (b) 30,345 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.
- (14) Includes (a) 6,253 shares of restricted stock and (b) 1,240,474 shares of common stock reserved for issuance upon exercise of stock options that are or will be exercisable on or before May 14, 2012.

ON BEHALF OF THE BOARD OF DIRECTORS



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*Tomas W. Fuller*  
*Chief Financial Officer, Vice President and Secretary*

12401 West Olympic Boulevard

Los Angeles, California 90064-1022

April 9, 2012

**Table of Contents**

**Table of Contents**