



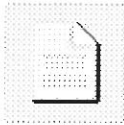
Termination Letters for WSR---Conflicting Minutes for Meeting in which Purchase of Townhouses was (Allegedly) Approved

Wednesday, August 8, 2012 11:24 AM

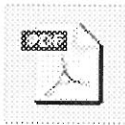
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HOA.Min...

Here is a copy of the Board's termination of WSR (including the conflicting versions of the Minutes of the meeting at which the sale of the 2 townhouses was approved.). Feel free to send a copy to other homeowners who may have an interest in the subject.

Neither WSR, nor any other Board member has ever served any response to it---even though it was served more than a month ago. I am STILL waiting. My understanding is that Chet Bruce and a few of his supporters (including 4 former Board members) have served a Notice in the complex claiming that the current Board is planning on raising dues---a palpable lie.

As Mr. Bruce well knows, this has NEVER been discussed at any meeting of the current Board, it has never been part of any Board agenda, nor was it is in any way contemplated. The current Board has only been in office a relatively short time---we have NEVER even approved a budget, it has NOT come up for discussion, so I do NOT comprehend what Chet could be talking about.

Although Mr. Bruce mentions ancient history where the HOA due was lowered, he does NOT mention:

- 1) That his Board lost money by improperly investing approximately \$170,000 of reserve funds in 2 townhouses. The Board did NOT even put a dollar limit on what Jeff could pay---and the HOA would lose money if they sold the units today. And Chet is OPPOSED to WSR paying all our reserve money back, even though the HOA lost money on the deal. Given all the money the HOA has lost, it would take many years just to return the

principal--- his exorbitant claims of “cash flow” are clearly untrustworthy. NONE of the Board members who voted for this proposal are serious real investors—including Chet. NONE of them have any idea concerning HOA law---Chet was an engineer, he was NEVER a lawyer, or even a property manager. The regular counsel for the HOA on collection matters—Fiore, Racobs---was NOT consulted---and they do NOT believe it was proper. Why were they NOT consulted?

2) Apart from everything else, there are 2 CONFLICTING Minutes for the 5/26/2010 at which the sale of the 2 units was approved---One that indicates there was NO quorum---and another version that was created later to make it appear there WAS a quorum. (If you compare the 2 versions, you can see that someone played with the margins to permit the change.) If there was NO quorum, then WSR had NO authority to sell the units. See attached.

3) It was Chet’s Board who RAISED HOA dues from \$125 to \$140 after making this bad investment. That is a fact he conveniently fails to mention.

4) What is the purpose of reserve funds? Do Chet and his Clique even know? So that if there is a catastrophe, these funds can be used without levying a very high special assessment on the homeowners. By putting \$170,000 in real estate---which is NOT a highly liquid investment---this runs the risk that having reserves is supposed to avoid—namely, a crushingly high special assessment levied on homeowners with fixed incomes who can NOT afford to pay.

5) NONE of the management companies we have interviewed has EVER even heard of HOA making such an investment. The ONLY opinion letter they obtained from an attorney—AFTER the fact—was from an attorney who had previously pleaded guilty to a felony, who been disbarred for 8 years—and who had only regained his license and been practicing (out of his home) for the last 2 years. This is the letter that the Board and WSR REFUSED to reveal to the homeowners.

6) It is, quite simply, improper as all the management companies interviewed will attest, to make this type of investment. I defy Chet to cite even one example where this has EVER occurred. Even with 30-40 years in the business, NONE of the management representatives has ever heard of this happening, even once. Most of the management companies are shocked, in fact, that anyone would even think this was a proper and legal investment.

In any case, what is being decided Thursday is a change in management

company---NOT a budget. A change of management does NOT in any way imply an HOA rate hike. WSR's management fee is \$1385 per month---though it was actually is \$50 higher (\$1435), since they illicitly charged for a secretary to be at the HOA meetings. This is in addition to other charges/costs, as will be elaborated at the meeting.

As previously mentioned, the current Board is interviewing 3 management companies---with monthly management fees of, respectively, of \$1200, \$1300 and \$1440. Accordingly, 2 out of 3 companies are actually CHEAPER. And the third company is roughly the same (\$1435 versus \$1440) in terms of its management fee. But given the mistakes Jeff has made, it is NOT simply a question of how much their management fees are. ALL of the management companies have certificates from CACM and/or CAI, which is the professional designation for managers of HOAs. Jeff's company does NOT. Some of these companies have the CPM designation (from IREM). Jeff and his company do NOT. All of the management companies have owners/managers without ANY record of professional discipline from the Department of Real Estate. Chet and his Board did NOT even notice that the owner of WSR had his real estate license revoked---and Jeff only bought the company this year, after the scandal broke. The revocation occurred because an unlicensed employee was handling trust funds---not a small violation.

It is a factual misstatement of the highest order to attribute to the current Board what, in fact, it has NOT done---and what the former Board HAS done. The repeated claims that the current Board is hiring Euclid Management to bankrupt the HOA, for example, is absolutely false. In any case, I believe Chet and his Clique should be keep in mind that there is a legal remedy for such defamation---and that if they persist in making factual misstatements, especially about Board members, that I am not at all hesitant to invoke it. If Mr. Bruce was so concerned about the choice of management company, then WHY did he REFUSE to join the committee that chose these candidates? He WAS invited---but REFUSED to join. His position was that he was willing to consider WSR---and ONLY WSR, as manager of this complex. In truth, Chet is not inclined to permit discussion about such matters as being only one member of this Committee. He insists that he and he alone has a right to dictate such matters---even if there

are other Board members whose opinions he is ignoring.

The simple truth is that WSR has permitted Chet Bruce and his clique of friends to control this HOA for many years---even though WSR's duty as management company was to remain neutral. Because WSR has acted as a partisan force, doing the bidding of Mr. Bruce and his Clique, and no else, it really is quite inconceivable that the current Board could even consider (as Mr. Bruce and his Clique wants) to retain them as management company. The homeowners may recall that meetings used to be in Chet's garage---so that he could kick out whoever irritated him---with WSR's blessing. And homeowners were discouraged from attending meetings and met with resistance if they showed up---I know, I experienced this myself. But these are meetings governed by the open meeting law. And Minutes / Agenda should be posted---and NOT held in secret. The former Board's decision to spend about \$170,000 of reserve was NOT revealed to the homeowners BEFORE this occurred. IT is precisely because WSR was willing to act as the attack dog of Chet Bruce and his Clique that Chet will NOT consider having them replaced. Chet considers the HOA Board to be his personal property---he owns the Board---and for most of the last decade or so, that has been true. Time for a change.

Also, the fact that WSR is NOT willing to pay back the HOA for its losses is another compelling consideration why we should NOT retain them---it was THEIR mistake in advising the Board that they could do this. And the fact that Chet Bruce was against asking WSR for the HOA funds to be replenished is just one indication that his true loyalties lie with WSR, and not this Board or the HOA. The further truth is that Chet Bruce should NOT even be a member of the Board at this point. As the Minutes clearly establish, he has NOT been elected to ANY Board position for a very, very long time---and any Board position he currently claims expired a long time ago. Once a non-partisan management company is appointed, I have every confidence that, after reviewing the necessary documentation, his position on the Board will be confirmed as having expired---long ago. And he will be forced to vacate his Board position. And, at that point, the Board will be freed from the overarching control he has exercised on the HOA from time immemorial.

If the current Board is forced to wait until the former Board admits that they ever made any mistakes, I have no doubt that this will NEVER happen. I know to a moral certainty that Chet Burce has never---and will never---make any mistakes.

He doesn't do mistakes. Just ask his followers and former fellow Board members.

In any case, the meeting on Thursday is about hiring a new management company---NOT doing a 10 year budget plan for the HOA.

That discussion can happen, hopefully more intelligently with the help of the accounting departments of the new management company (whoever is chosen).

Or how Chet Bruce should be beatified. (The first step to sainthood, as I understand it.)

Nonetheless, I would encourage homeowners to show up on Thursday and make their preferences known to the Board---as is their right.
