

CHAPTER 20

MISMANAGEMENT OF THE DAM EAST HOMEOWNERS ASSOCIATION PAST AND PRESENT MONTHLY REPORT FOR JANUARY 2007 BOARD OF DIRECTORS

President Jake Hummel Esq., Vice President Julie Geyer, Kelsey Quigg Director, Chad Hamel Secretary, Cathleen Speidel Treasurer.

Property Manager Earl Johnson Western States Property Services Inc.

The actions of the Board of Directors and how these actions either meets the requirements of our Covenants and Bylaws or fail will be reported each month as an example of what is wrong with an HOA..

1. Since 1999 the Board of Directors of this HOA has refused to vote approval of any checks issued in payment on the HOA general account. If checks are approved by a motion and vote of a board they must be listed in the minutes of the meeting and will be visible to the membership. If the approvals of payments to lawyers are not included in the board minutes the membership will not know who was paid.. Bylaws require all checks be approved by Board of Directors prior to being issued. This means all checks signed by President and Treasurer are not board approved is misappropriation of funds.

2. This board over the past two years has misspent over \$125,000 beyond the budget presented the membership. The amount of misspent funds since 1999 can only be discovered by a true audit even by a public accountant. The HOA is really bankrupt and the board wants to increase the monthly assessments to cover their financial blunders. The board refuses to open the books to the membership which according to Rep. Morgan Carroll and Senator Robert Hagedorn SB 06-89 is OK the board doesn't have to let the membership see the books.

3. The Board of Directors held a secret board meeting without the membership being invited to attend on November 28, 2006. This is an illegal meeting according to our Bylaws. Finn Larsen was a director and treasurer on this board until 2005. His term expired yet Jake Hummel let him stay on the board for year 2006. Mr. Larsen's unauthorized presents on the board for all of 2006 caused all board meeting for that year to be illegal. That's why the board held a secret meeting to try and ratify all 2006 board meetings with an illegal director. Jake Hummel is a lawyer yet he refuses to follow the Covenants and Bylaws of this HOA.

4. The new website for the Dam East Homeowner Association is not functional nor of any use to the membership but was designed to be just that dysfunctional. The board doesn't want any website to allow communication with the directors by email. Verbal phone calls are suggested to the Directors since they are verbal and can be forgotten after they were made. Emails are not allowed to the Directors. The present version is suppose to allow members to register their address and emails addresses but this function is not completed so you can't register. This is a waste of money as usual but is designed to keep the membership muzzled and censored.

5. In the newsletter dated January 2007 there is a financial statement for December 31, 2006. Legal collection shows a year to date payment to lawyer Rick Johnston of \$28,872.33. This is what the lawyer charged to collect less than \$2,500 in delinquent assessments. **WHAT BUSINESS WOULD SPEND OVER \$28,000 TO COLLECT \$2,500???** What's wrong with this picture? This same scam is ongoing in most of the HOAs managed by property manager and not self managed by the Directors. All HOA members must ask their board to show what are delinquent assessments and what are legal fees lumped together to hide the extortion of their members by a lawyer and property manager.

Somewhere in this financial report should be a \$36,000 legal fee paid Mr. Johnston for suing a member for having garbage in her front yard. This lawsuit was never authorized by the board and none of the legal payments were authorized. Where is this fee? Over the last two years Jake Hummel paid Jeffrey Lane over \$30,000 to put Jim Burneson in Jail for 31 days for calling Jake Hummel a Tort Twister. Now do you understand why this HOA is broke? If only the HOA had some of that \$30,000 we could have used it to clear our roads of built up ice and snow.

6. The CPA Accountant **Kent Beichle** who is in on the conspiracy claims the problem of lack of funds is due to the increase in water costs for swimming pool and landscaping. The Board of Directors has failed to meet the Bylaws requirements of providing the membership a CPA audit at the annual meeting. In truth the lawyers got all the money without approval by the board. This violation is grounds for a lawyer to be disbarred. The financial statement shows a payment of \$3,000 for an audit 2005 so where is it?

7. New Board member Cathleen Speidel Treasurer has experience being on a Board of Directors as President and Vice President on the Dam West HOA. She has received written notice of the past violation of the board and all she wants to do is focus on the future not the past. She was brought to the Dam East Board by Rich Johnson the CAI attorney who is making a fortune in legal fees for collections from over 60 HOAs co-managed with Earl Johnson of Western States Property Services Inc.

Mean while the newly elected Vice President Julie Geyer has never read our Covenants and Bylaws much less understand them. She is a close friend of Jake Hummel's wife and that means she will make a great puppet director for Jake Hummel Esq. All of this goes on while 425 homeowners don't want to get involved in what has been going on for the last 10 years for the profit of Property Managers and Tort Twisters, Rich Johnston and Jeffrey Lane.

8. At the HOA last Annual Meeting there was 96 votes out of 425 homes in the Dam East. Half of these votes were proxies that were printed with Jake Hummel's name on them to help the 40 some members decide who to give their proxies to.

The above review is an example of what happens when three lawyers take over control of a HOA. The lay people believe lawyers don't lie and they fight for only justice in the 18th District Courts. Come on quit laughing.

This is also what happens when our State Legislature blindly passed SB 06-89 without reading it because Rep. Morgan Carroll and Senator Hagedorn named it a "Clean up bill" while it gutted the protection for HOA members provided in SB 100. This reversal of protection is for the

Benefit of the CAI. (Community Association Institute.) lawyers and property managers who feed on HOAs in Colorado.

The opinions expressed herein are solely those of the writer.>

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