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Why Votes for Roz Berman and Jack Troia are Votes for Deceit.

The Sun City Anthem 2009 election for the board of directors

In response to my negative appraisal of Roz Berman, David Berman responds in his article, "Ron Johnson on Roz Berman," appearing on his [blog](#). To quote David, "Can the leopard change its spots? Is the Roz Berman Mr. Johnson so aptly described above [in his blog] the same person she is today, or has she become the evil-doer who is out to commit fraud, keep deep secrets, and generally work to screw Sun City Anthem?" If only David had written ". . . and generally work to screw the Neighborhood homeowners" instead of Sun City, he would be right on the button on all three counts. As his readers noted, David then proceeded to contrast my earlier support for Roz when she first ran for the board, along with reprinting my then praise for her work that I had observed while she was on the Finance Committee (FC). With such positive review then, David wonders, how could it be that Roz has changed so much. Just perhaps Roz hasn't really changed at all and what we have disclosed is merely another less favorable side of her demeanor. What David failed to understand or appreciate is the difference between one's work ethic as a dutiful

member of the FC and one's ethical standards after assuming a position of responsibility. Roz exhibited a positive work ethic on the FC, but she failed to live up to the standards required of her position as an officer of the association with respect to the Neighborhood reserves matter. That's the simple fact.

In contrast to her work on the FC, Roz had considerable influence and power to exercise when she became an officer of the association. That power should have been exercised in the best interest of the association. While Roz may claim that her decisions relating to Neighborhood transition reserves was in the best interest of the association, the available evidence does not support that conclusion. The only question here is why she, together with Jack Troia, chose to exercise that power to the obvious detriment of the Neighborhood homeowners.

Sadly, Roz decided it was in the board's interest, more precisely her personal interest, to take no notice of the financial and legitimate interests of the Neighborhoods on transition reserves. Roz, along with all board members, had a fiduciary duty to protect those Neighborhood interests to the best of their abilities. Instead, she and others chose to ignore those interests. Now, you may wonder, why would Mike Dixon and Roz decide to do that? I will tell you why.

At the time critical board decisions were made on this issue in early 2007, there was a white elephant on the board's table, namely the magnitude of the shortfall in Neighborhood transition reserves. Favil West was keenly aware of the problem, we presume from knowledgeable Jack Troia, based on the board accepted results from the 2006 Reserve Study. That study demonstrated that Neighborhood reserves were not merely inadequately funded but were barely funded in relation to the amount needed to fully fund reserves. With the data in hand, Favil

West went to Pulte and negotiated a settlement in April 2007. That settlement boosted the level of Neighborhood transition reserves from roughly 20% to roughly 50% of fully-funded reserves. The outcome of that negotiation was important for a number of reasons. Pulte recognized that their initial contribution to Neighborhood reserves was inadequate and they agreed to augment their initial 2005 contribution. It was also important for other reasons discussed below. The reserves white elephant did not go away. It just got a little smaller, now roughly \$500,000. The then smaller white elephant was then passed on to the newly elected 2007-08 board headed by Dixon-Berman. What they decided to do about that white elephant was not simply wrong or a product of excusable poor decision making. It was willful deceit with the added consequence of making the Neighborhood homeowners pay for the mistakes of the board.

Although the white elephant was still present, the Dixon-Berman board decided, unofficially at least, to declare that the white elephant had somehow disappeared. With considerable numbers juggling, Roz Berman made that ostensibly trustworthy July '07 presentation to the Villa homeowners. That presentation was conducted for the stated purpose of answering questions that Villa owners and others had raised. While the Berman-Dixon presentation was admittedly impressive, it nevertheless rested on a foundation of quicksand. Without one iota of data to document their conclusions, the central pillar of their presentation was that there was no shortfall in transition reserves, adjusting for the outcome of the Favil West negotiated Settlement Agreement. In other words, according to Berman-Dixon, that settlement agreement brought the level of fully-funded Neighborhood reserves up to the 100% level, an incredible but unbelievable achievement. That reported result portrayed an overall **excess** in Developer contributions, meaning that following Pulte's 2007 deposit, there was no longer any shortfall in reserves at the time of transition. That Berman-

presented exhibit is displayed [here](#).

That erroneous conclusion had the effect of placing the board in the unusual if not awkward position of making a claim for which there was no available support. Unfortunately for Mike and Roz, they were committed to a position for which they offered no support or defense. Mike and Roz had backed themselves into a corner that raised more questions than they were able to answer. With no corroborating data to back up their assertions, the more obvious conclusion was that Roz Berman had simply made up the figures she had presented to the Villa homeowners as true and accurate.

If anything, instead of answering questions, that July presentation created a firestorm of disbelief and discontent. Mike and Roz merely assumed that the Villa owners would be overwhelmed by their presentation and would be accepting of the information they presented. It apparently did not occur to them that they would be challenged on the fundamentals of their presentation. Consider, let's assume for a moment that Berman-Dixon allegations regarding Neighborhood reserves was factually based. If that had been so, they would be eager, if not jumping at the chance, to provide evidence to support their shortfall allegations on Neighborhood reserve.

Everyone was waiting with baited breath for Roz to respond. So what happened? Subsequently, everyone learned that Roz and Mike were unwilling to share the basis for the conclusions they had pronounced in that "information" presentation. Why would that be? There is only one reasonable explanation. For the simple reason that there was no credible evidence to support their allegations. Simply stated, they had lied to the Villa owners about what was really at issue and important to the Villa owners.

Unable to defend themselves on their outrageous assertions alleging the absence of a shortfall in Neighborhood transition reserves, what did they do? Yes, indeed, what could they do to get rid of the white elephant that was now embarrassing and plaguing the board, seemingly growing more important day by day. Something, those key board members must have concluded, had to be done.

Roz, one assumes with the valued assistance of Jack Troia, SCA's reserve specialist and who later would play a key role in implementing the board's plans, developed the much more infamous Plan B. Plan B called for a new so called "look-back" reserve study, one that promised to go back to 2005 and tell us what should have happened had that study been conducted corrected in 2005. Included in that study was a request for studies on Neighborhood reserves. While the purported purpose of that study was to provide an accurate study of reserves in 2005, Roz Berman and others had a completely different objective in mind. They would utilize that study in a manner designed to suit their own self interests, while also thwarting the legitimate interests of Neighborhood homeowners.

Plan B was an inspiration, a real gem in the world of the con. Plan B's central premise and ultimate problem was that it was based for the second time around on willful deceit and outright fraud against the very homeowners the board was ostensibly pledged to protect. While the Berman-Dixon July presentation had failed miserably to win over and convince the Neighborhood homeowners that there was no transition shortfall, Plan B would be the final blow to the Neighborhoods' efforts to secure a proper accounting of their transition reserves.

Instead of owning up to the existence of a substantial shortfall in Neighborhood transition reserves, which was always an

available option, key board members instead decided it was more practical for them to ignore their fiduciary duty to the Neighborhood homeowners. Why would they do that? There were several self-serving reasons why the Dixon-Berman board preferred deceit over truth on addressing Neighborhood reserves. Some of those reasons include:

- Having already declared in writing there was no transition shortfall in that July '07 presentation, key board members would be loath to admit otherwise, especially if the actual shortfall would be disclosed in the realm of \$500,000.
- Key board members were unwilling to do their job as board members and pursue the shortfall issue with the Developer, notwithstanding certain obstacles.
- The board would have been held accountable for their actions if the board did the correct thing by reporting the shortfall and then doing nothing about it.
- The board was not going to do anything about the shortfall in any event. As a result, why not pursue steps that would make that shortfall disappear so the board cannot be accused of shirking their duty. If there were no reported shortfall, members of the board could not later be faulted or held politically accountable for their actions.
- The April '07 Pulte drafted Settlement Agreement on Neighborhood reserves required the association to assume any further liability for such reserves in the event there was a claim or a disclosed shortfall. Leaving aside the questionable validity of that agreement, the board was effectively bullied into believing they had few options. By acknowledging the existence of the Neighborhood shortfall, key board members concluded the association would be liable to the Neighborhoods for that amount. If only the board could somehow make that shortfall disappear (Plan B), then the association would be off the proverbial hook.

- In making that shortfall disappear by requisitioning a new so called “look-back” reserve study, key board members decided they could make it appear that the outcome of that settlement agreement closed the books on the Neighborhood reserve issue. Those settlement agreement amounts were used in the Berman-Dixon presentation to justify their false proposition that no transition reserve shortfall existed. As we know, that presentation was without any support for its accuracy or conclusion, with the result that it fell flat on its face. Only when the more grandiose and duplicitous Plan B was developed would Roz Berman and others be able to "justify" their original conclusion proffered at that July presentation.

The duplicitous details of Plan B have been extensively reported by me [here](#) and in numerous other articles on my website.

I happen to believe that we should NOT place our trust in persons who have deceive us. It's that simple. If you agree, please select candidates for the board other than Roz Berman and Jack Troia. They went to great effort to deceive us and the Neighborhood homeowners and as a result they do not deserve your support.

Ronald Johnson, 5 April 2009, rev.