

KAY FRANK

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DELIVERED BY EMAIL, HAND & CERTIFIED US MAIL/RRR

To: SCA CAI Board of Directors

Attn: President Jack Troia, Vice President Rosalyn Berman, Treasurer Dan Forgeron, Secretary Roger Cooper, Director Ann Small, Director Carl Weinstein & Election Committee Chair Mary Bruner

Attn: RMI Community Manager Caren Carrero
2450 Hampton Road, Henderson, NV 89052

References:

1. Emergency SCA Board Meeting on April 14, 2010
2. NRS 116.31034, NRS 116.31175, NRS 116.31107
3. NRS 116.31105, NAC 116.400 & NAC 116.405

My copy of the Board-announced "redo" of the Sun City Anthem (SCA) Board's previously-canceled ballot package arrived on April 29, 2010. I was stunned to discover new as well as uncorrected statute violations in the second "version". At least two flagrant statute violations were repeats from the originally-rejected ballot package. These violations, and others, were brought to the Board's attention over two weeks ago; but, they had been uncorrected.

In addition to many statute violations during the first and second ballot processes, a close review of the NV Statutes, SCA Election Manual, and other SCA governing rules points to many more critical statute violations throughout the 2010 election period. For example:

1. The so-called "emergency board meeting" held on April 22 did not qualify as an emergency as provided in **NRS 116.3108**. In addition, the meeting was improperly called, improperly noticed, and improperly conducted as required by other provisions of **NRS 116**. As a result, the decisions voted on by the board at that meeting must be considered null and void. The board decisions to destroy the previous ballots and conduct a second ballot process were invalid. And, the procedures used to conduct the second ballot process would make it invalid--even if everything else had been done properly.
2. Some of the arbitrary rulings made by the Election Committee Chair, Mary Bruner, during the conduct of the so-called redo ballot process were in violation of the statutes. Each one of these arbitrary rulings exposes the election to potential claims of unfair behavior.
3. An examination of the 2010 Election Manual, and of the Election Committee supplemental items issued during the campaign period has also revealed many serious violations of Nevada Statutes. Many Election Committee rules and procedures were changed after the campaign started. Those changes worked to the serious disadvantages of candidates who were not endorsed by the so-called Unity Political Party which is heavily influenced by past and current board members.

4. The contract with Ballot Box was signed in early January 2010 and the contract provisions constituted major changes in the election procedures. But, these major campaign and voting changes failed to be incorporated into the 2010 Election Manual or the Election Committee guidance. No attempts were made to fully inform candidates and SCA members about the major changes in board campaign practices being made during the campaign by the board. As a result, the Election Committee Manual for this year contains many pages with inaccurate and invalid items.
5. Rulings made to unjustly censor and otherwise restrict the speech and campaign materials of candidates and members who attended the board-sponsored campaign events have been discovered to be flagrant violations of the Statutes. Such illegal and unfair censorship by the Board, CAM, Election Committee, Editorial Content Committee, and Board of Directors during this year, and in prior years, has been found to violate Statutes.
6. Secret, early, and exclusive release of ballots to only selected friends of the Election Committee, the CAM and the Directors during the first ballot cycle flagrantly violated **NAC 116.400**. That NAC mandates uniform enforcement of "*the provisions of the governing documents of the association.*" The Board's secret act also confirms that the sitting Directors and Election Committee Members were in violation of **NAC 116.405** that prohibits acts of "*self-interest, gain, prejudice or revenge.*" Also prohibited in **NAC 116.405** are acts of omission which amount to acts of "*incompetence, negligence or gross negligence.*" The outrageously unfair policy of providing such secret, exclusive, and undocumented voting privileges to only friends of the Unity Party is a clear example of the corrupted leadership style that has permeated this entire election process. Such an act also proves a violation of **NAC 116.405** by all involved board members because they acted "outside the scope of the authority granted in the governing documents." Nothing in the SCA governing documents allowed such early voting and release of ballots before all other SCA members. And, the act of accepting and holding the early ballots prior to the start of voting was yet another egregious violation of statutes and community governing documents.
7. Conflicts of interest. All of the current board members were previously elected or appointed by the same, fervently partisan, Unity political party. And, all of the members of the Election Committee were appointed by a board composed entirely of partisan, Unity Party members. The thousands of dollars of campaign financing benefits received by the Unity Party candidates are forms of real income to the three members. Those board-endorsed/sponsored candidates received major unreimbursed campaign benefits which have not been disclosed in the candidate disclosure forms available to all voters. Failure to report those major financial benefits to Unity Party Candidates on the disclosure forms required to be submitted to voters are clear violations of **NRS 116.31034**.

In addition, sitting Director/Treasurer Dan Forgeron accepted forms of "compensation, gratuity or other remuneration" from the Unity Party that violated **NRS 116.31185**. Director/Treasurer Forgeron appears to have violated **NRS 116.31187** for accepting "compensation" in terms of campaign financing funding from the Unity Party in return for his commitment to sustaining the Unity Party policies of not pursuing collecting past due funds from the developer.

Finally, Director/Treasurer Forgeron appears to have violated **NRS 116.31189** by actively soliciting campaign financing for the Unity Party, and subsequently receiving the benefits when

his personal name and photo were used by Unity Party leaders when collecting thousands of dollars through coffees, flyers and during personal contacts.

All of the above statue violations and related activities were in full view of all of the current SCA Directors, Election Committee members, Community Managers, and most of the Unity Party members. There appears to be many individuals eligible for being accused of violations of **NAC 116.405** that prohibits acts for "*reasons of self-interest, gain, prejudice or revenge*" and prohibits acts of omission which amount to "*incompetence, negligence or gross negligence.*"

At this point, it seems possible that all of those directors, former directors, CAMs and current candidates associated with the Unity Party have participated in a deliberate fraud upon the members of Sun City Anthem in order to gain and keep control over the financial management activities of this community.

Unfortunately, the SCA board and association attorney must now understand that you must take action to conduct a brand new election (starting with the application of candidates) that fully complies with all statutes. It is impossible to fairly repair what has been done to date, and this community must act quickly to avoid charges of election fraud that can bring in law enforcement authorities.

So, this letter is to notify you I am filing an emergency Intervention Affidavit (IA) on Tuesday, May 4, 2010 to request Real Estate Division assistance for conducting a totally new election and dealing with those who have caused such financial losses to our members. Because of their unacceptable performances, I am recommending that the Board should ask Mr. Troia and Ms Mary Bruner to resign immediately. The remaining directors and EC members are capable of doing what needs to be done.

Sincerely,

(SIGNED)

Louise Kay Frank

2010 Candidate for the SCA Board of Directors