

# CROSS REFERENCE TABLE TO NRS 116 & NAC 116 VIOLATIONS

(List of 27+ Sun City Anthem statute violations. Evidentiary records are in 600+ pages of annexes.)

NRS116.	NAC116.	Annex	Overview of Violations
3103.1	405.1	1, 2, 3, 4, 5, 6, 7	<p><b>FAILED FIDUCIARY DUTIES:</b> The evidence in the 7 Annexes show the Directors failed to honor their fiduciary duties during all phases of the election as required by 3103.1. By failing to ensure that Shareholders were provided with a <b>fair and open election</b>, the directors used bad/unjustifiable business judgment and displayed abject failure to honor the <b>standard fiduciary duties of loyalty, care and disclosure to shareholders</b>. It is proven that past and current directors have worked to block critical campaign disclosures by opposition candidates to all 7,144 shareholders. The justification for full disclosure before a shareholder vote is clear. <b>Without good disclosure, the shareholders do not know how to vote and the board-endorsed candidates win—for 3 years in a row.</b> The SCA directors and collaborators violated so many NRS and NAC sections that they are suspected of also violating RICO criminal laws. The massive list of law violations described throughout this IA <b>cannot be excused</b> because of ignorance or oversight. All directors had college educations and business experience. <b>Two directors were attorneys, one was a CPA, one was a PhD,</b> and at least one had earned a MBA. The evidence points to a classic <b>case of wild self-interest and power-mad individuals gone unchecked.</b> The directors are also shown as <b>violating prohibited acts</b> as listed in <b>NAC 116.405.1 &amp; .2</b> by committing acts outside of the authority granted in the SCA governing documents, and by <b>knowingly acting for reasons of self-interest and personal gain.</b></p>
3108.4(a) (b) (c)  NRED Letter of Instruction Dated Nov 5, 2007 by C. Fleming on Case IS-07-1588 Concerning Secret Meetings	400.1 405.2 405.3	1, 2	<p><b>ILLEGAL “EMERGENCY” EXECUTIVE BOARD MEETING:</b> The April 14, 2010 “emergency” board meeting failed to comply with the 3 subsections of 3108.4 dealing with the <b>agenda format and contents.</b> <b>Willful failure is alleged because the Board and CAM have often complied with these statutes in the past.</b> This flagrant violation was most likely because the board’s self-interest trumped the risks of being discovered and reported. It is clear after reviewing the evidence in Annex 1 that the only reason to hold the illegal “emergency” board meeting was to <b>desperately try to keep a lid on the election that was blowing up in the Board’s face.</b> The Directors also violated <b>NAC 116.405.2</b> by <b>acting for reasons of self-interest and gain.</b> It was vital to the Board’s interests to keep a lid on the truth about the major election failures being experienced in mid-April 2010. The bogus “emergency” board meeting was a <b>deliberate action to hold a near-secret meeting</b> and refuse to answer questions on what was going on, and how much it would cost to repair the damages. This behavior refers back to the violation of NRS <b>116.3103.1.</b> The <b>Directors showed incompetence</b> by expecting to get away with <b>openly violating 31084.4.</b> They exhibited <b>gross negligence</b> by knowingly disregarding <b>NRS 31084.4.</b> The Directors also violated NRED Letter Of Instruction from C. Fleming dated 5Nov08 with a warning the Board was subject to disciplinary action by the CIC Commission if it continued to violated <b>NRS 116.31085</b> by conducting illegal meetings and/or making decisions via email and telephone. (See Attached LOI)</p>

31083.2		1, 3	The so-called “emergency” board meeting on April 14, 2010 failed to comply with <b>notice</b> requirements in 31083.2. See Annexes 1 and 3 for details and evidence.
31083.3		1,2	The so-called “emergency” board meeting on April 14, 2010 failed to comply with <b>notice</b> requirements in 31083.3. See Annexes 1 and 3 for details and evidence.
31083.4		1, 2	The so-called “emergency” board meeting on April 14, 2010 failed to comply with <b>notice</b> requirements in 31083.4. See Annexes 1 and 3 for details and evidence.
31083.5		1, 2	So-called Emergency Board Meeting on April 14, 2010 failed to comply with <b>agenda</b> requirements in 31083.5 and 3108.
31083.7		1, 2	The so-called “emergency” board meeting on April 14, 2010 failed to comply with <b>minutes formats</b> requirements. See Annexes 1 and 3 for details and evidence.
31083.8		1, 2	The so-called “emergency” board meeting on April 14, 2010 failed to comply with <b>minutes formats</b> requirements. See Annexes 1 and 3 for details and evidence.
31085.3 & 31085.6 & 31065.1 .2 .3 .4 & .5  NRED Letter of Instruction Dated Nov 5, 2007 by C. Fleming on Case IS-07-1588 Concerning Secret Meetings		1, 2, 3, 5, 6, 7	<b>Unauthorized Secret Meeting:</b> The SCA Board violated <b>NRS 116.31085.3</b> and NRED LOI dated 5Nov08 (See attached LOI) to <b>stop unauthorized meetings in secret</b> . But, at the April 13 <sup>th</sup> Election Committee and at the April 14 <sup>th</sup> Board Meeting it was accidentally revealed that the Board had in fact, met in secret during the preceding few weeks to consider, discuss, deliberate and decide to allow <b>secret, early voting for selected members without announcing to all other SCA members of such special voting procedures</b> . Proof of this willful and knowing violation is found in the evidence submitted in Annexes 1, 2 and 6. In particular, Board Pres. Troia’s verbal statements heard on the recording of the April 14 <sup>th</sup> meeting <b>confirms he had approved the illegal early voting process</b> , and reveals his <b>self-admitted</b> NRS violation by claiming to have the authority to approve such <b>without it being mentioned in the Statutes</b> or SCA governing documents. <b>By their own words</b> , President Troia, CAM Carrero, the other 6 Directors, and EC Chair Bruner <b>confessed to their flagrant statute and LOI violations</b> . They all knew the early voting process was <b>NOT discussed or approved in a regular board meeting</b> , and they knew there was a Division Letter Of Instruction to <b>never meet in secret or conduct regular business via email or telephone</b> without fully complying with the NRS116 criteria, <b>or else to face disciplinary action</b> . The SCA Directors also violated <b>NRS 116.31085.6</b> by not including proper/full disclosures in the minutes of a board meeting. <b>Rules:</b> The Directors and CAM and Election Committee Chair Mary Bruner also violated <b>31065.1 .2 .3 .4 &amp; .5</b> with their secret & illegal early voting provisions for <b>only</b> their Unity Party collaborators. See Annexes 1, 2, & 6 for detailed evidence of this violation.
31065.5		5, 6	The board failed to <b>uniformly enforce</b> the campaign rules <b>for all candidates</b> . Past and current Directors helped establish the formation of the Unity Political Party machine in 2008 to be able to establish <b>absolute</b> power over the board, standing committees, chartered clubs, and special interest groups. <b>The evidence shows the Board-sponsored/endorsed Unity Political Party used community resources and private financing to successfully destroy the reputations</b> of those who opposed the board policies and practices. <b>Director-favored Unity Party candidates</b> were provided with special community visibility on the community TV station

			and in SCA magazine space. But, the “independent” candidates who <u>ran in opposition</u> to many of the current and past board policies and actions were <b>totally denied</b> all <b>opportunities to access the <u>community media channels</u></b> for their campaign programs. <b>Board-censorship</b> was so outrageous that <b>independent candidates were even refused the opportunity</b> to pay for candidate advertising in the SCA magazine and other SCA channels-- <b>as provided to commercial vendors</b> . The <b>board was successful in blocking independent candidate efforts to reach all 7,144 unit owners</b> . <b>Board-sponsored/endorsed candidates</b> have won <b>3 years</b> in a row by <b>denying SCA unit owners access to the truth</b> about community finances, member disputes, and debatable policies about assessments.
	<b>400.1</b>	1, 2, 4, 6, 7	<b>NAC Rule .1:</b> “Comply with all applicable federal, state, and local laws and the governing documents of the association.” Annexes 1 through 7 show more than 25 examples of where the SCA Directors violated federal, state and community rules and statutes.
	<b>400.2</b>	2, 3, 4, 5, 6, 7	<b>NAC Rule .2:</b> “Uniformly enforce the provisions of the governing documents of the association.” All 7 Annexes contain evidence showing that the SCA Directors frequently fail to enforce the rules fairly and equally for all SCA members. A good example is the <b>early voting rules that were secretly developed for Unity Party friends and associates and withheld from other SCA members in an obvious attempt to increase votes for Unity Party/Board candidates</b> while decreasing the votes for the opposition candidates. This is also a clear violation of the director’s fiduciary duties and is covered above.
	<b>400.5</b>	3, 4	<b>NAC 400 Rule for .5:</b> “Ensure that the executive board obtains, when practicable, at least three bids from reputable service providers who possess the proper licensing for any service used by the association.” <b>The Ballot Box contract is a flagrant example of violating this requirement. There are dozens more.</b> RMI was performing the election work under its CAM contract. There was never any valid justification to switch from RMI’s contract, and the contract was not modified to use Ballot Box. RMI had followed NRS 116 election rules vastly better than Ballot Box. <b>The decision to use Ballot Box was bogus and indefensible under BJR, and once again we also see a clear violation of NRS 116.3103.1.</b>
	<b>400.6</b>	2, 4, 5, 6, 7	<b>NAC 400 Rule .6:</b> “Ensure that the executive board <u>consults with the appropriate professionals</u> before making major decisions affecting the association.” While the SCA Directors often complied with this section, it clearly failed to consult with the <b>proper</b> professionals when it came to approving the “ <b>early voting</b> ” process. <b>No attorney or competent CAM would willfully participate in such bogus rules, secret meetings, and secret approval methods used to implement the “early voting” process.</b> Other examples of violations of this section are found in other annexes.
	<b>405.2</b>	1, 2, 3, 4, 5, 6, 7	<b>NAC 405.2</b> “Acted for reasons of self-interest, gain, prejudice or revenge.” Examples of the Directors violating this statute can be found in Annexes 1 through 7. The directors can be reasonably charged with rarely acting on behalf of the unit owners/shareholders. Evidence of this allegation is seen in the fact that the entire election was characterized by one statute failure after another for the apparent purpose to ensure that only Unity Party candidates could get elected. <b>The entire election process for the past 3 years has been one case after another in violation of this section of NAC 116.405.</b>

	<b>405.3</b>	1, 2, 3, 4, 5, 6, 7	<b>NAC 405.3 Rule:</b> “Committed an act or omission which amounts to incompetence, negligence or gross negligence.” The Directors are seen throughout the evidence in Annexes 1 through 7 as being frequently violating this statute/rule. In some cases, it is hard to determine if the failure was due to just “simple” or gross negligence. Even the Directors are <b>not likely to claim ignorance</b> since the majority of them were so highly educated and highly experienced in the private sector they could not claim ignorance. <b>Negligence and willful violations are the most likely findings.</b>
<b>31034.8</b>		7, 2	<b>31034.8: Conflicts of interests disclosures. The Directors and Ballot Box failed twice in a row to comply with this section.</b> Few violations are so flagrant and so clearly willful and knowingly violated. See Annexes 1, 2 and 4 for details. Other types of conflicts of interest are shown in the annexes—particularly 7 and 2.
<b>31034.11</b>		4, 3, 2, 6	<b>31034.11</b> requires a secret written ballot and Annexes 4, 3, 2 and 6 provide evidence that the ballots were not properly protected from loss, counterfeiting, corruption and tampering. It is clear that the ballots were never protected in sealed containers as required by NRS 116. And, the Directors seriously failed their fiduciary duties by failing to ensure that the Ballot Box contractor could deliver in full compliance with NRS as it had claimed. <b>It is difficult to imagine a more flawed process for handling “secret ballots” than what Ballot Box used and was accepted by RMI/CAMs and Election Committee and Directors.</b>
<b>31034.12</b>		4, 6, 3, 5	<b>31034.12:</b> Protects a candidate’s right to not be censored and to not be disrupted. The SCA Directors willfully failed to comply with this and related sections. Evidence is found in Annexes 4, 6, 3 and 5. It is a fact that the most critical fiduciary duty of a corporate director is to guarantee open and honest board elections. <b>For the past and present Directors to establish and promote such fraudulent election procedures is the most dangerous and serious kind of fiduciary duty failing.</b> All of the directors should be removed by the CIC Commission for such egregious failings of fiduciary duties. <b>They have proven themselves totally unworthy of future trust as directors.</b>
<b>31107.1 (c)</b>		4, 6	<b>31107.1 (c)</b> concerns <b>fraudulently casting votes.</b> The SCA Directors violated this statute by not ensuring the Ballot Box contractors were truly handling the ballots/votes according to the intent of the NV Legislature. Also, the procedures for early voting did not have any available procedures for demanding that “secure ballots/votes” under Ballot Box contract would be <b>truly protected from all kinds of tampering.</b> While it is not practical to try to prove the negative case of “were any ballots corrupted/tampered with?” The Directors and Ballot Box and the CAM were <b>grossly negligent for not providing lock boxes, cleared staff and auditable procedures</b> to prove within a reasonable doubt (capable of being audited) that the ballots were handled securely from an <b>end-to-end</b> perspective.

31107.1(e)		4, 3, 2	<p><b>31107.1(e)</b> concerns <b>preventing the submission of counterfeit ballots</b>. Since there were 2 separate ballots in this election and there were no end-to-end security procedures used by Ballot Box or the Directors, it is <b>impossible</b> to claim that <b>no</b> counterfeit ballots were <b>counted</b>. <u>The statute failure in this case is that it is entirely possible that counterfeit ballots were able to be cast and counted in this election.</u> The fact that the Directors failed to ensure such safe protections and audit procedures with a new 3<sup>rd</sup> party provider is proof of guilt.</p>
31175.6		2, 3, 4	<p><b>31175.6</b> concerns “ If an official publication contains or will contain <i>any mention of a candidate or ballot question</i>, the official publication <u>must, upon request and without charge</u>, provide equal space to the candidate or a representative of an organization which supports the passage or defeat of the ballot question.” The SCA Directors and their collaborators have systematically, willfully&amp; knowingly violating this section of NRS 116.</p>
31175.7		1, 2, 3, 4, 7	<p><b>31175.7</b> concerns: “If an official publication <u>contains or will contain the views or opinions of the association</u>, the executive board, a community manager or an officer, employee or agent of an association concerning an issue of official interest, <b>the official publication must, upon request and without charge, provide equal space to opposing views and opinions</b> of a unit’s owner, tenant or resident of the common-interest community.” The SCA Directors and their collaborators have been systematically, <b>willfully and knowingly violating this section of NRS116</b>. The evidence shows this is a major violation by the Board and <b>unless the Real Estate Divisions closely monitors the election, we can be certain this section will continue to be violated</b>.</p>
31183.1		2, 6, 7	<p><b>31183.1</b> concerns <b>prohibiting retaliatory actions by Directors</b>. The SCA Directors <b>and their attorney John Leach</b> have proven themselves highly expert in violating this statute and not getting punished for the violations. Evidence to document this violation is found in all of the annexes.</p>
31185.1		7, 2, 1	<p><b>31185.1</b> “Except as otherwise provided in subsection 2, a member of an executive board, an officer of an association or a community manager <b><u>shall not solicit or accept any form of compensation, gratuity or other remuneration</u></b> that:</p> <p>(a) Would <b>improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons</b>; or</p> <p>(b) Would result or would appear to a reasonable person to <b>result in a conflict of interest for those persons</b>.”</p> <p>Evidence in Annex 7 and shows that <b>Director Treasurer Forgeron running for election (after being appointed to the board in 2009) did in fact solicit and accept funds in excess of \$1,000</b>. That appears to clearly violate this statute. Other <b>Unity Party-sponsored directors</b> serving on the SCA Board also solicited and/or accepted large amounts of (unreported) money and in-kind campaign financing benefits in 2009 and 2010. <b>No candidate should be allowed to accept outside funds, gifts or tangible benefits without disclosing it on the forms with ballots</b>.</p>