

# **Residents Voice**

seeking honesty, equality and accountability

To the Boards of Directors: Third, United, Mutual 50, and GRF

News of the "The Credit Card Scandal" is spreading rapidly throughout our community. Members who neither understood nor cared about CC&Rs clearly understand the allegations that their monthly assessments are being spent for purposes other than which they were intended. Members are understandably upset. They are asking how this can happen and why Directors failed in their fiduciary duties to protect residents from what appears at this time to be blatantly indefensible credit card charges by PCM senior staff members.

As details of the credit card scandal spread beyond the gates of our community it will negatively impact sales and property values. It is urgent that this issue be investigated immediately by independent legal counsel to determine if, in fact, the credit card expenditures constitute a breach of our CC&Rs and if so, how to remedy this issue quickly.

It is respectfully requested, therefore, that the the Third, United and Mutual 50 Boards (Boards) meet immediately in open sessions for the purpose of approving a motion to employ independent legal counsel to conduct an investigation into the Credit Card Scandal. In light of the Boards' collective failure to exercise adequate oversight over GRF's and PCM's expenditures it is essential that investigators be independent and unbiased. Consequently, it is requested that this investigation be conducted by Attorney Robert Adel or Attorney Steven Rice, two luminaries in the legal profession, or by an agent appointed by them. Any investigation by GRF Directors, or purported independent counsel selected by PCM or HKC, GRF, or any member of the Boards is unacceptable.

The meetings of the Boards to approve a motion to employ Robert Adel or Steven Rice as independent legal counsel would be announced to the public at least five week days in advance. The meeting would be monitored by members of this group to record the votes taken by each Directors on the motion. Assuming the approval of this motion by the Boards, either attorneys Robert Adel or Steven Rice would be named and dates of engagement would be selected.

Failure by the Boards' Directors to approve a motion to employ either attorneys Robert Adel or Steven Rice as independent legal counsel would be deemed by members to be a failure by Boards to responsibly and faithfully perform their fiduciary duties. In the event of such failure, members would initiate action to exercise their rights under California Corporate Codes §7222 or §7223 to remove those Directors who opposed the motion.

It is mandatory that the Boards take immediate action to initiate an investigation by independent legal counsel. Please advise us of your intentions **in writing**, return mail, so that we may know what course of action we might take.

Thank you.

A handwritten signature in cursive script, appearing to read "Pamela J. Grundke". The signature is written in black ink on a light-colored background.

Residents Voice

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