

LWV

April 2, 2009

Residents Voice

Conrad Grundke

04/02/2009

Residents Voice

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Topics for Tonight

- **Media 55 (TV & Broadband).**
- **Status of vacant Third Mutual Board seat.**
- **San Sebastian update.**
- **Distribution policy for outside flyers.**
- **Management Fee (KPMG yearly audit)**
- **KPMG – being sued again!**

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Media 55

- Current Media 55 evolved from a for-profit corporation.
- As a current non-profit part of the GRF Corporation, it appears that it's purpose is to act as a tax loss for GRF.
- Loses \$5,000,000 per year.

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Russ Ridgeway says we pay ...

For Cable Service	<u>\$28.78</u>
TOTAL	\$28.78

No one pays this amount!

**The AVERAGE resident pays \$43.66/Mo!
AND IT'S GOING UP!**

Here's What "MC" Happens To Pay ...

Monthly Assessment (<i>WE ALL PAY THIS</i>)	\$32.30
Set-Top Box/Standard (TV #1)	\$5.00
Set-Top Box/DVR (TV #2)	\$15.00
Digital Deluxe	\$4.00
HBO Pak	<u>\$15.00</u>
TOTAL	\$71.30

**2009
REDBOOK
BUDGET**

Broadband
Services
Division

Income~ \$2,369K
Expenses~ \$7,305K

Income

Ad Insertion	\$776K
High Speed Internet	\$507K
Equipment Rental	\$350K
Premium Channels	\$336K
Digital Basic	\$96K
Video Production	\$78K
Commissions	\$60K
Service Calls	\$63K
Ad Income	\$61K
Regency Service	\$0K
Modems	\$23K
Message Board	\$16K
Video Tapes	\$3K
TOTAL INCOME	\$2,369K

Expenses

Prog./Copyright Fees	\$4,546K
Salaries & Related	\$1,824K
Other Operating	\$252K
Interest	\$117K
Taxes	\$155K
Utilities	\$154K
Materials & Supplies	\$86K
Professional Fees	\$23K
Allocation Expenses	\$149K
TOTAL EXPENSES	\$7,305K
Loss/yr (TE-TI)	\$4,936K
÷ 12,735	\$388/Manor
÷ 12	\$32.30/mo
	Current Monthly Assessment

**RESIDENTS PAY ITEMS IN YELLOW
THESE ARE OFF-SET BY REAL INCOME IN WHITE
RESULTING IN \$43.66 PER MANOR PER MONTH**

Vacant 3rd Mutual Seat

- A Temporary Restraining Order was issued by an OC Judge pending a hearing on the action that was taken by the Third Mutual Board when they removed Katie McDaniel from the board.
- The meeting will be held on April 20 at the County Courthouse.
- By attending this hearing, we can show support for Ms. McDaniel. She needs our help.

San Sebastian

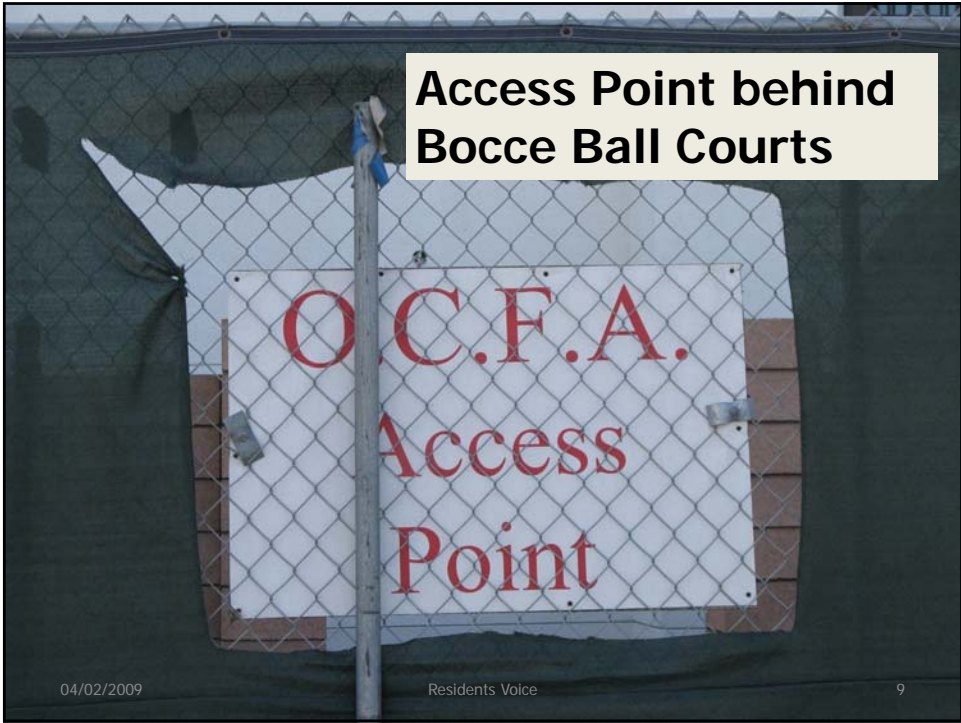
- Emergency exits:
 - 3 exits into LWV from the rear of the San Sebastian via “Notched Gates.”
 - Notched Gate is a gate that is opened with an Orange County Fire Department key.
 - OCFD has not yet been asked to inspect these gates for permit compliance.
- Water runoff from the San Sebastian is directed to our Library Parking lot.
 - Future Access ????

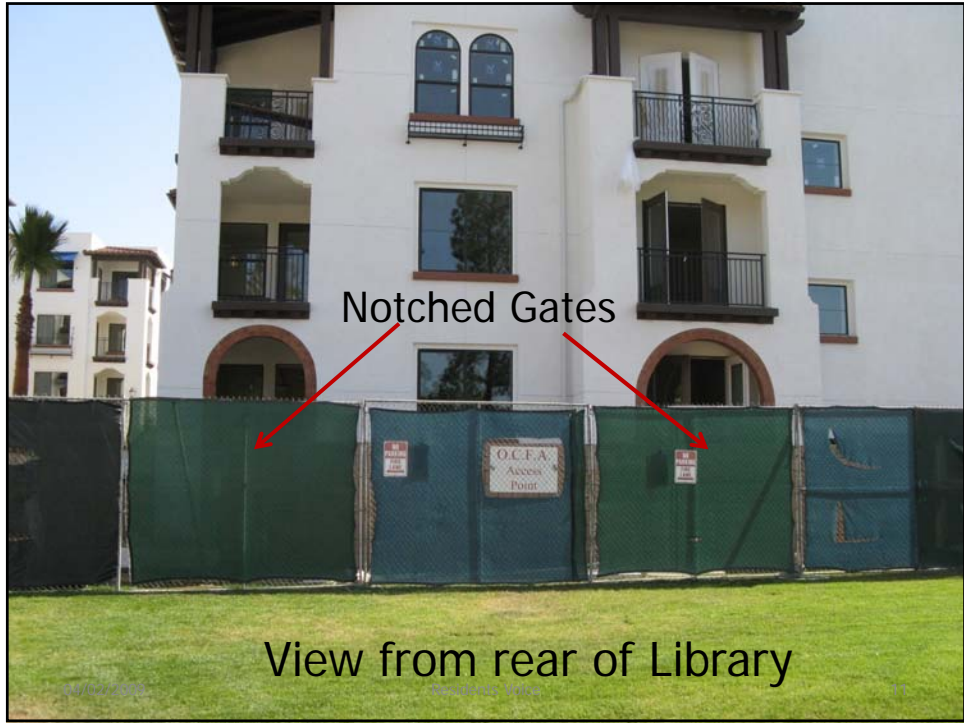
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Flyer Distribution

- Resident concern over PCM (?) allowing access to outside entities to distribute flyers within LWV.
- Controlled by GRF (?).
- Ensure that the subject is placed on the Agenda for the next GRF Board Meeting.

Management Fee

- Paraphrased quote from our Managing Agent:

“We have stopped paying Staff Bonuses!!”

*From our left hand pocket!

*From our left hand pocket!

*From our left hand pocket!

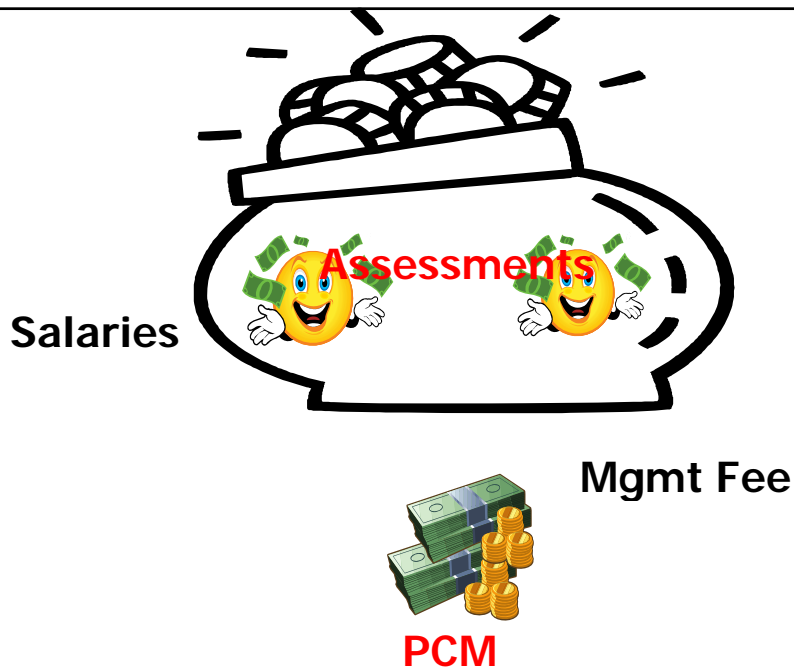
“From our Left hand pocket ...

“To our Right hand pocket !”

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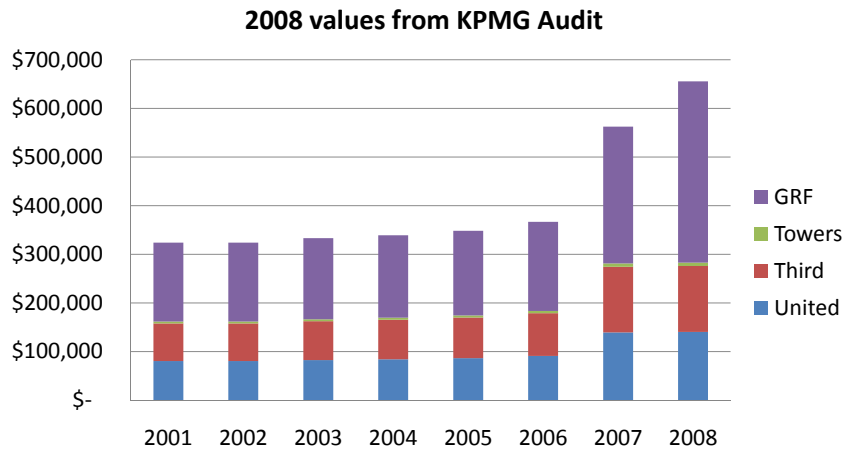


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Yearly Management Fee



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KPMG Sued by New Century

- **KPMG International, “as the principal, is responsible for the severely reckless and grossly negligent acts of its agent,” (NC)**
- **“Any claim that we acquiesced to client demands is unsupportable,” Ginsburg said. “KPMG acted in accordance with professional standards in New Century, and we will vigorously defend our audit work.” (KPMG)**

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The End

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