

THE CONTINUING SAGA:

"FOLLOWING THE MONEY"

9/27/2007

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9/27/7

Residents Voice

Purpose of Residents Voice!

- Provide **INFORMATION** that residents do not receive from:
 - PCM
 - GRF
 - Housing Mutual Directors
 - Board Meetings
 - Committee Meetings
 - OC Register & LA Times
 - The Globe
 - Channel 6

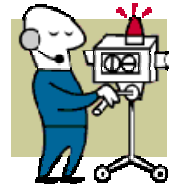


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Residents Voice

Who Has Helped Us?

- Globe Reporter:
 - Cheryl Walker
- OC Register Reporter:
 - Teri Sforza
- LA Times Reporter:
 - Tony Barboza
- Channel 7 Eyewitness News
 - Eileen Ferrere
- CotoBuzz Journal
- Residents Voice Website



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Residents Voice

Distribution of Info !

• Informational Success

- **Residents** who received Residents Voice **Handouts.**
 - Handouts at Post Office
 - Handouts at Resident's Voice Meetings
 - Neighbor to Neighbor
 - Door to Door
- **Visitors** to **Residents Voice Website** viewing current information and corporate documentation.



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Residents Voice

Our Limitations !

- The ***Majority of Residents*** were still ***unaware*** of the:
 - Credit Card Charges
 - Expense Reimbursement Charges
 - Bonus/Incentive Plan



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Residents Voice

How to Reach ALL Residents !

- Phase One:
 - Paid Ad in Local Section of OC Register over a 3 day period, Sept. 21-23, 2007.
- Phase Two:
 - Upcoming
- Phase Three:
 - Yet to come!



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Residents Voice

Results of Ad !



- Over 300 hundred phone calls from:
 - Residents expressing Support.
 - Readers suggesting other areas to review.
 - Other HOA's with similar problems.
 - Other PCM Managed HOA's wanting more information to help with their problems.
 - Callers from New York, New Jersey, Florida, Sacramento, Palm Springs, Cypress, Diamond Bar, Fountain Valley, Huntington Beach, Mission Viejo, Laguna Niguel, Seal Beach, Whittier, Placentia, Coto de Caza, Costa del Sol, La Palma, Laguna Beach, Mission Viejo, Palmea, Aliso Viejo,, etc., etc.

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Residents Voice

What Does Residents Voice Want ?

- Housing Mutuals hire an independent outside contract attorney.
- "Detailed" Audit (tell us what we don't know).
- Renegotiated Management Agreement.
 - Incorporate stringent expense restrictions.
 - Eliminate Bonus/Incentive Plan.
- Removal & Replacement of the General Manager.

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Residents Voice

Why Do We Need It !

- Continually Rising Assessments.
- Lack of TRUST in PCM.
 - We reviewed only 3 areas of Finances and all 3 had questions on ethics and/or legality.
 - Credit Cards.
 - Expense Reimbursement Charges.
 - Bonus/Incentive Plan.

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Residents Voice

Why Do We Need It (cont)!

- Lack of openness
 - Credit Cards – “Emergency Use Only”
 - Expense Reimbursement Charges – “travel, meals, entertainment, gifts, etc.”
 - Bonus/Incentive Plan
 - Absent from 2001 Management Agreement.
 - Questionable Bonus limits in 2007 MA.
 - United and GRF have no set limits.
 - Third has \$120,000 limit.
 - Costs are kept **HIDDEN** from Board and Residents.

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Residents Voice

How to Hide Costs ?

- Gatehouse #1 (visible)
 - Account # 15110000
- Cable TV (visible)
 - Account # 15570000
- Allocated to GRF Departments (visible)
 - Account # 71960000
- F.I.C.A. – Incentive Accrual (questionable)
 - Account # 21579900
- Bonus (hidden)
 - No Account # with this Description

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Residents Voice

Residents Basis for Mistrust !

- For years, PCM never acknowledged the Staff use of Credit Cards. Some GRF Directors say they were aware of the cards, but, since they kept silent, they are complicit.
- For Years, PCM has never acknowledged the Bonus/Incentive Plan that they implemented with our money, and without our knowledge, over at least the past 7 years.

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Residents Voice

And Now, “Back on the Trail . . .”

Remembering George’s Quote !

**GRF & PCM
WERE**

**“CAUGHT WITH
THEIR
PANTS DOWN !”**

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R-Voice



GRF & PCM

Residents Voice

THE END

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Residents Voice