



Response to Cholla Bay Homeowners Facebook Post

To the members of the Vecinos A.C.:

The Group's recent Facebook post and email detailing their shocking report of \$2.8 million worth of checks and deposits "run" through the A.C.'s bank account is not relevant to the loss and suggests that money laundering had taken place and that "others" besides Ms. Dahlstrom were involved. These details and the hysteria promoted by some do not change the outcome. A professional embezzler, indicted and arrested by the Attorney General's Office of the State of Arizona, stole money from our Vecinos' bank account in Arizona. This information was reported by the Board to the A. C. membership when disclosed by the AG's Special agent, although the disclosure was against the recommendation of the AG's office. The Board's position was that money was stolen from all of us in the community and the Board must be transparent in divulging the embezzlement and estimated amount late last summer. Actions were immediately taken to preclude this from happening in the future. Rest assured, all Board members were investigated before the special agent contacted the Board President, Mike Dugan, to confirm who Helen was related to on the Board and that she acted alone in the embezzlement. All questions from the A. C. membership pertaining to the embezzlement were addressed with written responses distributed at the General Assembly meeting on April 24. As indicated, actions shall be taken regarding the ability to recoup monies or file liens when charges are presented in Arizona or Mexico.

Please consider the following:

It took a forensic accountant to discover the loss of \$1.3+ million from Ms. Dahlstrom's employer. It took the accountant and the Arizona A. G. longer to connect that embezzlement of \$170K from our A. C. Once we were contacted, we shared the information with the members of the Vecinos A. C. as soon as we could, including the notice of closing the violated bank account and opening a new one.

As soon as the information was shared with the Vecinos membership, the attacks began. President Dugan, the Executive Board and Board members in general, have been and were accused of lying, irresponsibility and guilty of malfeasance and collusion. You need to prove intent and since there was no intent, there is no proof. The Board admits and agrees (multiple times) they are guilty of too much trust in our former Treasurer but will not let it happen again. The Board also took immediate action to prevent further loss at the discovery of the embezzlement and in the future.

Since all questions submitted by the A. C. membership were answered in writing and posted on the Vecinos website, Facebook Page and emailed via Firedrum, one must wonder why the attacks continue and what the Group's true motive is. The tenure of each of these former Board members, Ms. Keller, Ms. Weber and Mr. Kettelhut, only lasted one three year term. One (Ms. Weber), not even finishing her single three year term. None stayed to run again, nor have they been seen at any of the Board meetings since. And now they want to be your interim Board for only six months and then what? Those attending the General Election meeting this past April saw that no one raised their hand to run for the Board including the Group's interim president, which begs the question of commitment and ultimately the Group's true motives. Thus far, all the Group has offered are attacks and accusations – no budget, no

dues, no short or long term plans, just personal animus towards the Board members, Executive Board and specifically President Dugan.

This Group also claims that the Vecinos A. C. is not a legal entity, but state they are members in good standing of the same "illegal" entity. This self-appointed and angry Group is acting as judge and jury of the newly re-elected Board (by members of the Vecinos A. C.) for criminal activity without proof or facts to support their accusations. They have sown confusion, distrust and suspicion throughout the community. They sign their posts with the term "respectfully submitted", but they have shown the Board no respect at all. They never came to the Board to request a meeting; instead they went to an attorney and threatened the Board with legal action if their demands were not met. They have maligned and impugned the integrity of each member of the Board without once acknowledging the Board members are members of the Vecinos A. C. and shared in the loss as did all Vecinos A. C. members. They threatened Ms. Koerner, your membership manager, when she refused to give them your personal information, they demanded the Board members resign or be removed, they threatened the Board with criminal charges and wanted the Board to be held accountable for the embezzlement. They have done all this and continue to do so without any contact with any of the Board members themselves. Their behavior is beneath civil discourse and is underhanded, subversive and counter-productive. They have done more damage to the community than any loss incurred by the embezzlement. They have worked feverishly to garner support for their "cause" but have only succeeded in turning people against one another. They sign their missives as "members in good standing" – soon not to be, if dues are not paid – but they are NOT members in good character.

Finally, during this entire unfortunate experience, no services were interrupted, all bills have been paid, your dues have not been raised, concerns over garbage collection have been addressed, you now receive copies of the financial statements as well as actual monthly bank statements and our social media (Facebook), website and communication has never been better. And oh yes, the Vecinos A. C. is definitely a LEGAL entity. Proof thereof was provided in the question and answer document posted on the website and in the hard copies handed out at the General Assembly meeting. ***For those who have chosen not to pay your dues, you are not hurting the Board; you are placing the financial burden of supporting La Cholla on the rest of the members who do pay.***

Respectfully submitted by the Board members of the Asociación de Regularización de Vecinos de la Cholla, A.C.:

Mike Dugan, President
Kathy Barnard, Secretary
Lew Felton, Board member
Steve Lee, Delegate of Vigilance

Kelly Ross, Vice President
Pat Champion, Board member
Gretchen Ellinger, Board member
Darrell Smith, Board member