

Current Status of SCA Board Actions Against Director Bob Frank:

- After over 8 months of efforts, the Nevada Real Estate Division (NRED) has been unable to prove any of the alleged statute violations filed by Mike Dixon for the SCA Board against Bob Frank.
- Due to personal pressure by Attorney John Leach and Mike Dixon, NRED has been unwilling/unable to dismiss the bogus complaints.
- In April 2008 NRED asked the Nevada Attorney General's Office to make a ruling on whether to dismiss the case or elevate into a formal legal process. So far, no decision has been made by the NV Attorney General.
- Since October 2007, SCA has been obligated to pay \$28,054.39 for Bob Frank's personal attorney, Mr. Bob Maddox, and for the \$25,000 deductible for the D&O Insurance coverage by Mr. Joe Garin. In addition, SCA has had to pay whatever Mr. John Leach has billed for his time advising Mike Dixon and other Board Members on this case. The total estimated legal costs for all three attorneys since August 2007 is approximately \$60,000.
- If the AG decision is to prosecute the case (in spite of the lack of evidence of any wrong-doing), Bob Frank will be empowered to use his SCA-provided attorneys to call witnesses, conduct depositions, retrieve records, and generally do everything needed to put on a comprehensive defense in front of an Administrative Law Judge. This will probably involve all of the previous SCA Directors, Committee Members, Pulte Executives, Community Manager leaders, and many key members of the community. Also to be called and deposed would be members of the NRED who were directly involved in the alleged misbehavior and statute violations while handling this case.