

Open letter From Norm McCullough to Mr. Mike Dixon  
(Reference Board President's Update)

I just read your last "Presidents Update". I must say it has raised more questions than it answered. Perhaps you might like to expand on your message, and let the residents of Sun City Anthem gain some insight as to the reasons you felt it necessary to conduct a board meeting in your home, away from the comfort of The Anthem Center we all know and love.

The Anthem Center has many fine rooms, suitable for meetings. No bar or Refrigerator at the moment, but certainly suitable for a "get to gather" that would be more hospitable to a visiting dignitary like Gary Lien (the independent auditor who prepares our tax returns).

He evidently was more comfortable in the Anthem Center, because (according to your explanation), he left your home without discussing the 2007 tax returns for Sun City Anthem. What a shame, now we will have to schedule another meeting with Mr. Lien.

At any rate Mike, your narration of the events of that episode raises a lot of questions with the residents who have entrusted you with the burden of leadership. Some of the questions follow:

1. You seem to have a lot of "pull" with Mr. Alitt (The Chief Investigator for the Real Estate Division of Nevada). All it took was a phone call from you and he responded by placing a phone call to John Leach. Could you possibly get Mr. Alitt to call me? He doesn't seem to answer my calls even though his office is supposed to help me as well as govern the board of director's behavior.

2. You referred several times to "The majority of the Board" making decisions that day. Could you be a little more specific (I know Bob Frank was not there).

3. When you (and the "majority") decided against the first option that you could legally hold the discussion without Bob Frank, you stated "it was not in the best interest of the Association". Can you please expand on that statement. I'm not sure what you mean by "the best interest of the Association". You see a lot of the people I talk to are concerned about the money you are spending to drag John Leach to the Ombudsman's office, and also the money that it takes to for Bob Frank to defend himself from your accusations which have not been proven—as far as I know.

4. The second option you discussed with "the majority" was to cancel the "workshop" I was completely blown away! I missed another "WORK SHOP"? Was it "noticed"? When was that? Had I known that a work shop was scheduled to discuss the 2007 income tax returns, I would have canceled a bypass to attend. Why didn't you tell me.

5. Regarding your third option, you reported that Mr. Alitt suggested the Board could hold the discussion with only 2 or 3 Board members present. You later said (Quote) "this option SEEMED to follow the "business judgment rule" (use of CAPS to emphasize my idea). Is the use of that word "seemed", another suggestion from John Leach? Wow, you sure have a good relationship with Mr. Alitt. I bet his Christmas cards are real keepsakes. I never get any from him, I'll have to work on that some day.

6. At any rate, I'm curious how did all of you people fit into two cars? The last time I saw that many people get in and out of 2 cars was at a circus, but that's another story.

What I really want to know is what you meant by (Quote) "The Board officers, Finance Committee members, and RMI's CPA then analyzed the impact of not being able to discuss our 2007 tax returns with Mr. Lien". That really made my head spin.

7. Does that mean you talked about the fact you were unable to talk about the subject you were talking about? Gee Mike you could be a little more explicit. I don't know what the h—I you mean.

Norm McCullough

**Subject:** Sun City Anthem eMail Bulletin-President's Update March 15, 2008

**From:** LENORA FRANCO <lenora.franco@scacai.com>

**Date:** Mon, 17 Mar 2008 18:09:46 -0400

**To:** ROBERT E FRANK <bobfrank@cox.net>

Please do not respond to this message. Log onto the website at <http://www.sca-hoa.org> and use the appropriate e-form, if necessary.

Setting the record straight

Over the weekend I received requests from several residents asking me what happened at last Friday's discussion between the Board officers, Finance Committee members, RMI, and our auditor. Rather than respond individually, I decided to share the facts with all the residents via an e-mail bulletin.

First, Bruce Alitt is Chief Investigator for the Real Estate Division, not for the Ombudsman. Mr. Allit contacted Mr. Leach at my request because, as I explained to Mr. Allit, we would look to our Association attorney for legal guidance on the matter.

Following their conversation, I was advised that we had three options:

We could legally hold the discussion without Mr. Frank. The majority of the board felt this was not in the best interests of the Association for several reasons. Mr. Frank threatened to attend the discussion accompanied by his attorney (which is a violation of NRS116). There was the likelihood that an Affidavit would also be filed with the Ombudsman even though NRS116 does not require that all Board Members be invited to every discussion of Association matters. The law only requires that the monthly Executive Board Meeting and Annual Residents' Meeting, be "noticed".

Our second option was to cancel the workshop. The majority of the Board rejected this option since the discussions were for those who are participating in the preparation of our 2007 tax returns. The discussions were held to understand the impact of options related primarily to the lawsuit with S&D Cafe and to the total amounts of delinquencies. Delaying the discussion would likely mean the Board would not be prepared to discuss and decide on the options at our March Board meeting, in time to meet the April 15 filing deadline, and we would once again have to request an extension.

Mr. Alitt suggested the Board could hold the discussion with only 2 or 3 Board Members present. At the suggestion of one Director it was agreed that since the officers are the ones most responsible for the information on the return, they should be the three participants representing the Board in the discussions. Since the participants will need to present the information to the rest of the Board for full Board discussion and decision, this option seemed to follow the "business judgment rule" required by NRS116.

As a result of this decision by the Board, all Board members were advised that only the officers needed attend. Despite this, Mr. Frank refused to leave the Conference Room and then the Greene Room, even after being reminded that only the officers were invited. He was assured that we have legal opinion that there is no requirement in NRS116 that all board members be included in every discussion. He was also cautioned that his participation could be construed as an attempt to constitute a "quorum" and provide basis for an allegation that the workshop was a meeting and was "illegal".

Given that I had just provided Mr. Frank with ample evidence that our actions were compliant with NRS116, I did shrug my shoulders and tell him to file a formal complaint with the Ombudsman office if he believes NRS116 was violated. That is his right.

Upon the advice of our attorney, I invited the officers, Finance Committee members (none of whom are candidates for the Board), Gary Lien (the independent auditor who prepares our tax returns) and a representative from RMI (who provides the "numbers" for our tax return) to meet in my home. Upon his arrival, Gary Lien cited the adversarial relationship created by the allegations about our past tax returns made by Mr. Frank and Mr. Briggs. He explained that he was uncomfortable participating in the discussion under these circumstances, and so he then left. The Board officers, Finance Committee members, and RMI's CPA then analyzed the impact of not being able to discuss our 2007 tax returns with Mr. Lien. It is inevitable that we will once again file for an extension, an administrative decision that has been made in the past without Board vote.

Please feel free to contact me directly if you have further questions on this situation.

Mike Dixon, Board President

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# ROBERT E. FRANK

DIRECTOR, SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC.  
2450 HAMPTON ROAD, HENDERSON, NV 89052  
MARCH 11, 2008

HAND DELIVERED ON MARCH 11, 2008

Mr. Mike Dixon, President Sun City Anthem Community Association, Inc  
2450 Hampton Road  
Henderson, NV 89052

RE: Your letter to me dated March 6, 2008 and email dated February 17, 2008 (attached)

Dear Mr. Dixon:

I can not comply with your letter because:

1. The board meeting/workshop you have described does not comply with NRS 116.31083 and 116.31085. You are aware that it has not been properly noticed, and the mixed purposes do not qualify for a single board executive session or workshop.
2. You know that it is an outrageous violation of Nevada Statute to even try to deny me from attending any SCA Board Meeting. However, if you and some other board members insist on holding such an illegal meeting on March 14, or any other date, I intend to be present, and I will be accompanied by an attorney from our D&O Insurance-provided Law Firm (Lipson, Neilson, Cole, Seltzer & Garin, P.C.).
3. Your degrading sentiments and false statements about my alleged behavior in your letter and emails are completely wrong. And, I must remind you that such statements can be held against you in a future Intervention Affidavit. As a fellow Director of SCA CAI, you are required to fully comply with both the intent and the letter of Nevada laws, and to allow me the opportunity to fulfill my fiduciary duties.

Finally, I believe a properly-noticed executive session attended by our auditor and attorney to review problems with out tax returns should be held as soon as possible. Considering the gravity of the charges that I and Mr. John Briggs have recently made about our SCA tax returns for the past 3 years, it is urgent that the board meets with Mr. Lein and Mr. Leach to determine what needs to be done to initiate immediate corrective actions to our tax reports. I sincerely hope you, and Treasurer, Roz Berman, share my high concern over this vital issue and wish to resolve it immediately.

Sincerely Yours,



Robert E. Frank  
Director, Sun City Anthem Community Association, Inc.

- 2 Attachments: 1. Mike Dixon's letter dated March 6, 2008  
2. Mike Dixon's Email dated February 25, 2008



SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC.

March 6, 2008

Dear Mr. Frank

At the request of our auditor and the finance committee, the board will hold a workshop on March 14 to discuss certain financial transactions related to our 2007 income tax. This meeting will be held as an executive session because some of the discussions involve issues pertaining to our lawsuit with S&D Cafe, and others pertain to delinquencies. Of course, the finance committee members will only be privy to summary information, and not to any details of either lawsuit or delinquency data.

Because this is a workshop, no decisions will be made, and the board believes that these discussions should remain confidential. Unfortunately, because we are in a board election campaign, and because of your close ties to some of the candidates, the board feels it is inappropriate to include you in these discussions.

As I said to you in a previous e-mail, "Unfortunately, Bob, you have a history and practice of disseminating working papers and discussions before they are accepted by the Board as Association records. For example, one board candidate claims to have a copy of the documents provided to the Board at the "Assessment Scenarios Workshop," and is presenting this as "Board Policy." This particular document described some "what ifs" for the board to consider, but it is now being presented, incorrectly, as an issue already decided by the board. I have been unable to determine who provided the documents to this candidate, but you have a closer relationship to him than any other board member. The "Assessment Scenarios Workshop" document is not board policy, nor has it ever been voted on by the board."

We continue to hold this sentiment, and wish to complete our "what-if" discussions without concern that they may prematurely become an unfounded issue in the board campaign. As a result we will be holding this meeting without your attendance.

We appreciate your compliance in this matter

Sincerely,

  
Michael A. Dixon

2450 HAMPTON ROAD, HENDERSON, NEVADA 89052  
PROFESSIONALLY MANAGED BY RMI MANAGEMENT, LLC  
(702) 614-5800 OFFICE (702) 614-5813 FAX

**BobFrank**

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**From:** "Mike Dixon" <mikedixon70@earthlink.net>  
**To:** "Robert E. Frank" <BobFrank@Cox.Net>; "Kay Dwyer" <kaycd@cox.net>; "Bob Berman" <rrberman@cox.net>; <lanix@cox.net>; <barrandmare@yahoo.com>; "Roz Berman" <rozberman@cox.net>  
**Cc:** <patti.shock@unlv.edu>; "Terry DaSilva" <terry.dasilva@scacai.com>  
**Sent:** Sunday, February 17, 2008 7:40 PM  
**Subject:** Re: Request Responses to Trumpets RFI and Related Documents

Bob

A couple of points in response to your email.

First, the board established the Trumpets Working Group as an advisory group of experts pursuant to NAC 116.400.6, to assist us in gathering information, and to recommend potential leasees for our restaurant space. This group qualifies as professional since it includes a Professor at the Harrah's School of Hotel and Restaurant Management, a retired attorney, several former restaurant owners, a former McDonalds executive, a commercial realtor, and, as an advisor, a restaurant broker who also owned a restaurant. We also included a cross section of our community. This group qualifies as *professional* in every sense of the word.

Among the requests made by this group was that the Board allow them their independence until they made their recommendation to us. In return, they agreed to recommend at least 3 qualified bidders on the space. They also requested that the applicants for the restaurant remain confidential until all documentation was submitted to the board. It was their argument, and I agree, that we would get a better set of applicants if their initial anonymity was assured. We should respect their requests.

Unfortunately, Bob, you have a history and practice of disseminating working papers and discussions before they are accepted by the Board as Association records. For example, one board candidate claims to have a copy of the documents provided to the Board at the "Assessment Scenarios Workshop," and is presenting this as "Board Policy." This particular document described some "what ifs" for the board to consider, but it is now being presented, incorrectly, as an issue already decided by the board. I have been unable to determine who provided the documents to this candidate, but you have a closer relationship to him than any other board member. The "Assessment Scenarios Workshop" document is not board policy, nor has it ever been voted on by the board.

Likewise, the Trumpets Working Group documents are working papers and not Association records. Very soon, the working group will submit their recommendations and all working papers, to the board so that the board can consider their findings and make some decisions on our restaurant space. Until then, they are the papers of the Trumpets Working Group, not the Association, and I respect their right to the requested confidentiality. As a result, the papers will not be made available to any board member, including me, until the work of the group is complete and their recommendations are made.

Terry doesn't have the documents, either.

FYI, Monday is the President's Day holiday and our offices are closed.

Mike

----- Original Message -----

**From:** [Robert E. Frank](#)  
**To:** [Roz Berman](#) ; [barrandmare@yahoo.com](#) ; [mikedixon70@earthlink.net](#) ; [lanix@cox.net](#) ; [Bob Berman](#) ; [Kay Dwyer](#) ; [Robert E. Frank](#)  
**Cc:** [Terry DaSilva](#)  
**Sent:** Friday, February 15, 2008 10:19 PM  
**Subject:** Request Responses to Trumpets RFI and Related Documents

Mike,

As you will recall from the Roger Grant Seminar, all board members are entitled to see procurement-related items--whenever they wish.

Accordingly, I would like to review all of the responses to the RFI, and related evaluation materials, on Monday, February 18 at 10 AM. I believe there are 11 or 12 respondents, and I trust they are all securely stored in Anthem Center?

I also would like to review the criteria used to select the final four candidates, and the letter sent (or proposed to be sent) to the non-selectees.

Please advise Ms. Shock and/or Terry/Caren to make all such materials available to me as requested.

Thank you.

Bob Frank  
Director