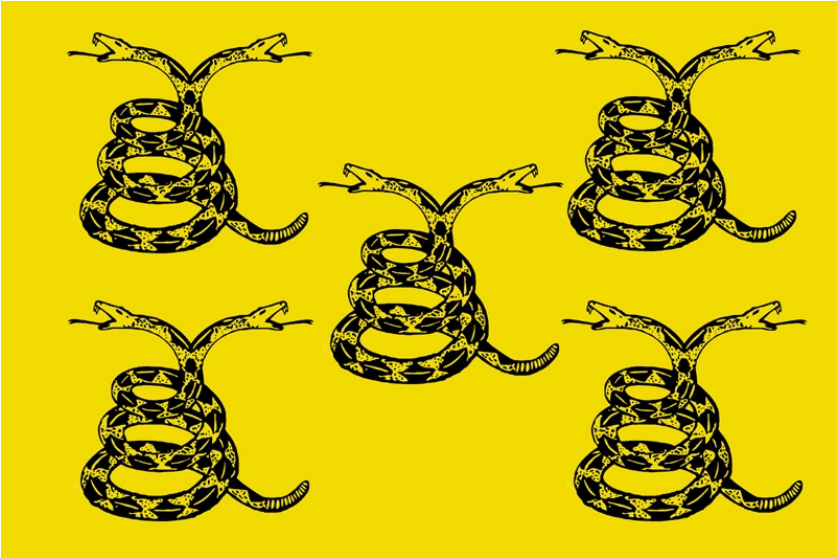


MADISON HILL H.O.A



Something is rotten in the state of Colorado.

a true story by
Robert Racansky

www.madisonhillhoa.com

version 0.9.9 PDF – October 2013 and June 2014

“Writing a book is an adventure. To begin with it is a toy and an amusement. Then it becomes a mistress, then it becomes a master, then it becomes a tyrant. The last phase is that just as you are about to be reconciled to your servitude, you kill the monster and fling him to the public.” - Winston Churchill



On May 12 2014, the Madison Hill H.O.A. corporation threatened to sue me for **\$2,065.23** for unpaid H.O.A. dues, late fees, and attorney fees. See www.madisonhillhoa.com/blog for details and updates.

As the board of directors — **Randy Schneider** (President), **Lannie Hagan** (Vice-President), William D. Worrell a.k.a. **Dan Worrell** (Secretary & Treasurer), **Keith Carmen**, and **Christine Kehres** — are aware, I have been paying my H.O.A. dues every month. However, they have decided to refuse to accept my payments.

This will be ridiculously easy for me to prove in court because

- the checks to pay my H.O.A. dues are generated on-line via my bank's web site. My bank deducts the funds from my account, then prints and mails the physical checks. My bank has records of every payment I have made, including all of the payments that Madison Hill H.O.A. Inc. has refused to accept and continues to refuse to accept, and
- the H.O.A. corporation has stated, in writing, its intention to refuse acceptance of my payments.

I'm sure that Schneider, Hagan, *et al.*, are acting out of some important principle, and that their noble motives will be revealed in an open-court-of-law — *if* they have the courage to follow through with their threat to sue me.

Because this is an ongoing and developing story, I have decided to make my book available for free as a PDF file. With the exceptions of **pages i** (now the cover), **ii** (this update), and **200** (now the back cover), the text and pagination are the same as in the print version available from lulu.com

This book was written to be evidence in a potential civil trial, and it may still serve that purpose. But as a true story of an accounting crime, most readers will probably find the narrative to be uninteresting. If so, I suggest you start off reading

- maybe
- Chapter 01** (pages 15 – 17) — introduction and allegations of theft
 - Chapter 02** (pages 19 – 26) — a summary of the allegations
 - Chapter 04** (pages 35 – 40) — an explanation of the "priority of payments" scam
 - Chapter 10** (pages 99 – 113) — a policy proposal
 - Appendix F** (pages 157 – 171) — embezzlement in H.O.A. corporations

Permission is given by the author to redistribute this file.

- June 18 2014.

© 2013 and 2014

Robert Racansky

P.O. Box 18715

Boulder, Colorado 80308

robert@madisonhillhoa.com

front cover picture, "5 snakes", by Robert Racansky and Josef Weiss (2014)

back cover picture, "Atlas Hope and Change", by Robert Racansky and Rob Kiser

(www.peeniewallie.com November 06, 2008)

"Since HOAs are very local and small, participants are often neighbors and hence have incentive to settle disagreements in a civil manner."

- "Free-Market Alternatives To Zoning"
The Independence Institute
"Colorado's Free Market Think Tank"
February 28, 2009

F--- you, Jon Caldara.

Questions? Comments? Corrections? Criticisms? Suggested changes for future editions? Donations? My contact information is on the previous page.

It would have been impractical to include everything I wanted to in this book. Supplemental material and other supporting documents will be posted on this book's web site, www.madisonhillhoa.com, as time permits.

The use of quotations throughout this book does not imply that those authors and speakers endorse my views and positions expressed here. Quoted passages and other materials are reproduced under the fair use provisions of copyright law. If you are quoted in this book and object, please contact me.

Every attempt has been made to verify the accuracy of the information presented here. All allegations contained in this book are based on the best evidence available to me. Since March 2010, the board of directors of Madison Hill H.O.A. Inc. have refused to provide *any* documents and records I have requested, in violation of the open records requirements of both state law and the governing documents of the corporation. If there is any evidence to refute any of the allegations I've made, they've been hiding it for 3 ½ years. I will certainly update this book if information is made available to me.

Other errors, such as spelling errors, grammatical errors, typographical errors, and formatting errors, are solely my fault, since I am also my own editor. This is my first attempt at self-publishing a book. I have no idea how/if the final product produced by the publisher will differ from the drafts produced on my printer at home. Plus there were some unexpected ~~bugs features~~ behaviors of the word processor program I had to deal with. And other issues. This not an excuse, just an explanation, for any of this book's shortcomings.

From: Tattered Cover Press tc.press@tatteredcover.com
Date: Fri, Sep 13, 2013 at 4:30 PM
Subject: Re: [tc.press] [On Demand Printing/EBM] Tattered Cover Press

After consulting with our General Manager, he asked that I send you the following response:

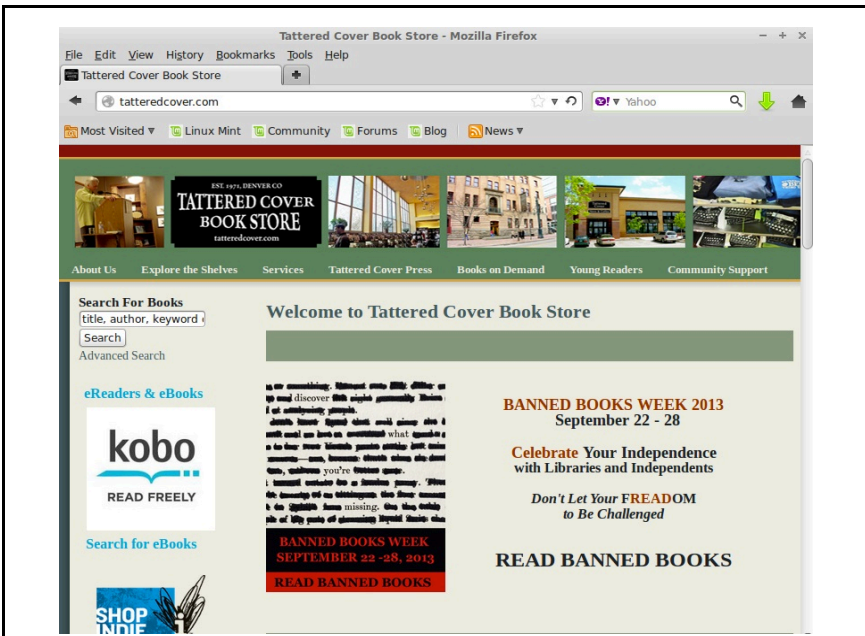
Dear Mr. Racansky,

Thank you for bringing the files for *Madison Hill H.O.A.* to us the other day. Upon further review and consultation with our attorneys, we have been advised to not print your book. Despite any disclaimers, we would be placing the bookstore in jeopardy and do not feel that we can undertake that risk.

For your convenience we have deleted your files from our computer(s). I'm sorry that we were not able to do business with you at this time, but we wish you the best of luck in finding another printing source.

Sincerely,

Matthew Miller
General Manager
matt.miller@tatteredcover.com



H.O.A. corporate directors suing home owners for libel is not unprecedented.

- On September 11, 2013, a jury in Roanoke, Virginia, awarded \$250,000 in damages to Grant Clatterbuck, the former president of the Windward Condominiums H.O.A. corporation. “In the lawsuit, the plaintiff said he had been defamed by false statements of crimes” made by the defendant, Robert Burkett.

Neil Harvey. “Roanoke Jury Awards \$250,000 In Damages Over Claims”
Roanoke Times. September 13, 2013. www.roanoke.com

Clatterbuck v Burkett
Roanoke City Circuit Court case # CL11001952-00

- On November 29, 2012, Ron Benotti – the president of the Seascope Owner’s Association corporation – filed a \$10 million defamation suit against Richard Alan Collier. A two-week trial is scheduled to begin on November 04, 2013.

John Suyan
“Homeowners Association President’s Defamation Suit Gets Fall Trail Date”
The Southeast Texas Record (“Southeast Texas’ Legal Journal”). August 19, 2013
setexasrecord.com

Ron Benotti v Richard Alan Collier
Galveston County, Texas, district court case # 12-CV-2972

- On January 24, 2013, the Fiddler’s Creek H.O.A. corporation in Naples, Florida, filed a libel suit against an 81 year-old homeowner for comments he made on his blog, fiddlerscreekhomeowners.blogspot.com

The complaint specifically cited

- Schutt’s January 24, 2011 Comment to *The “AD Hoc” Committee*
- Schutt’s May 8, 2012 Article: *So Much For Transparency*
- Schutt’s September 27, 2012 Article: *The Contractor*
- Schutt’s October 1, 2012 Comment to *The Contractor*
- Schutt’s November 29, 2012 Comment to *Fiddler’s Creek Foundation Meeting*

Fiddlers Creek Foundation, Inc. vs James Schutt.
Collier County, Florida, court case # 13-CA-314

In Colorado, by its Constitution, “the jury shall determine the law and the fact.” So no matter what instructions the court may give, they can be entirely disregarded by the jury, which may pay no more attention to them than they do to many arguments of counsel.

Philip S. Van Cise, of the Denver Bar
“The Law Of Libel In Colorado”. *Dicta*. April, 1951. p. 121

Section 10. Freedom of speech and press

No law shall be passed impairing the freedom of speech; every person shall be free to speak, write or publish whatever he will on any subject, being responsible for all abuse of that liberty; and in all suits and prosecutions for libel the truth thereof may be given in evidence, and the jury, under the direction of the court, shall determine the law and the fact.

Constitution Of The State Of Colorado
Article II: Bill of Rights

13-25-125. Justification - pleaded and proved

In an action for libel or slander, the defendant, in his answer, may allege both the truth of the matter charged as defamatory and any mitigating circumstances to reduce the amount of damages; and, whether he proves the justification or not, he may give in evidence the mitigating circumstances.

Colorado Revised Statutes (C.R.S.) § 13-25-125
Title 13: Courts and Court Procedure, Evidence
Article 25: Evidence – General Provisions

Question of truth is jury question. One who is alleged to have defamed another has a constitutional and statutory right to assert the truth of the defamatory statement and to have a jury decide such a defense.

Churchey v. Adolph Coors Co., 759 P.2d 1336 (Colo. 1988)

**An Open Letter
To The Board Of Directors Of
Madison Hill H.O.A. Inc.**

A copy of this book will be mailed – via United States Postal Service, Certified Mail, with Return Receipt, **see page *xi*** below – to each and every individual member of the board of directors of Madison Hill H.O.A. Inc. Or at least to those of you who I believe were the board members during the events described in this book. As mandatory members of the corporation, we're not actually informed who the board members actually are.

On February 24, 2010 – 3 ½ years ago – you directed your collections attorneys to extort nearly \$2,000 from me, and repeatedly threatened to sue me if I did not pay you. More than a year later – and seven months after I filed a lawsuit against your attorneys for fraudulent debt collections – you finally admitted I did not owe the money you repeatedly demanded from me. It ended up costing me a *lot* more than \$2,000 to fight. But like any experienced extortionists, I'm sure you were counting on that. You knew it would have been far cheaper for me to pay you the money I did not owe you than for me to assert my rights and maintain my dignity.

During my investigation into the fees you attempted to extort from me, I discovered evidence that

- you illegally redirected my assessment payments (a.k.a. “H.O.A. dues”) to pay for unlawful fees – including illegal attorney fees – in blatant violation of a judge’s Court Order. You did this every month for 1 ½ years.

This meets both the common sense definition of stealing, and the statutory definition of “theft” per C.R.S. § 18-4-401.

- your property manager embezzled funds from Madison Hill H.O.A. Inc. on October 22, 2009 and November 22, 2009. He did so by generating fraudulent invoices for work not done; specifically, for non-existent attorney fees, and then billing the H.O.A. corporation for that work not done. He knew those fraudulent fees would be charged to my account, and that you would direct your collections attorneys to extort that money from me to cover up this crime. Which is exactly what happened.

I have contacted each and every one of you ten times before (x 5 of you = 50 times total), requesting information and details about the fees you claimed I owed you. I never received any answers. Among the documents and records I requested, but never received, were the following:

- an explanation of the fees you billed to my account, including details about specific fees
- copies of the invoices from your attorneys, for the \$7,975.85 in attorney fees that you billed to my account in 2008, 2009, and 2010
- copies of the checks (or other proof-of-payment) to your lawyers, for the \$7,975.85 in attorney fees you billed to my account
- copies of the fee agreement(s) with your collections attorneys, authorizing the \$7,975.85 in attorney fees you billed to my account
- copies of the monthly status reports from your collections attorneys regarding my account
- copies of any other communications between you and your collections attorneys, you and your property manager, and your property manager and your collections attorneys, regarding my account
- minutes of board meetings where my account was discussed

- any other records of board meetings (*e.g.*, audio recordings, *etc.*) where my account was discussed
- an explanation of why I was served with an interrogatory at my home on November 09, 2009 at 7:20 in the morning, when I did not owe you any money
- an amortization schedule of the Special Assessment, and the remaining balance due for my account of the Special Assessment
- copies of all “Violation Courtesy Notices” issued in May 2009, June 2009, November 2009, and December 2009.
- The covenants, by-laws, articles of incorporation, rules and regulations, and architectural guidelines.

According to both Article XV of the “Bylaws of Madison Hill H.O.A. Inc.” and the open records requirements of the “Colorado Common Interest Ownership Act” (C.R.S. § 38-33.3-317), I am entitled to those documents and records.

Should you, or anybody else, decide to take any legal action against me for the contents of this book, I ask that you specify ahead of time which statements you claim are not true. Please reference them by version number(s) of this book, page number(s), and (if applicable) end note number(s) to avoid ambiguity. Be as specific as possible, and include this information in your “Complaint” and “Motion For Temporary Restraining Order” that I expect you to file to prohibit publication of this book. It will save a *lot* of time at the trial, and any other hearings, because this *will* be the first question I ask each and every one of you when you are on the witness stand.

Otherwise, you will be wasting my time, your time, the judge’s time, and the jury’s time.

* * *

While researching this book, I discovered evidence that no valid contract exists between Madison Hill H.O.A. Inc. and L.C.M. Property Management Inc. Therefore, I will no longer be sending my assessment payments (a.k.a. “H.O.A. dues”) to L.C.M. Property Management Inc., as I have been doing. Beginning on October 01, 2013, I will direct my bank to mail my assessment payments (a.k.a. “H.O.A. dues”) to William D. Worrell (a.k.a. “Dan Worrell”), who is (to my knowledge, still) the Treasurer of Madison Hill H.O.A. Inc. I will continue to send my assessment payments (a.k.a. “H.O.A. dues”) to the Treasurer until I receive

- 1) a current and valid contract with L.C.M. Property Management Inc., authorizing them to collect assessment payments (a.k.a. “H.O.A. dues”), *and*
- 2) *all* of the documents and records listed above that I have requested over the past 3 ½ years

If Mr. Worrell is no longer the Treasurer of Madison Hill H.O.A. Inc., inform me who is, so that I can mail my assessment payments (a.k.a. “H.O.A. dues”) to the correct person.

If you have questions or comments, contact me at the address or e-mail address below with any questions. All contact with me should be in writing.

Should you decide to file a lawsuit against me, I am willing to schedule a meeting with your process server in a public place, so he doesn't have to waste his time.

Robert Racansky
P.O. Box 18715
Boulder, Colorado 80308
robert@madisonhillhoa.com
September 2013

Pre-publication copies of this book (v 0.9.1) were mailed on Sept. 28, 2013 to each and every individual member of the Madison Hill H.O.A. corporation's board of directors.

<p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr><td>Postage</td><td>\$ 55.60</td><td>0136</td></tr> <tr><td>Certified Fee</td><td>\$3.10</td><td>12</td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td>\$2.55</td><td></td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td>\$0.00</td><td></td></tr> <tr><td>Total Postage & Fees</td><td>\$ 111.25</td><td>09/28/2013</td></tr> </table> <p>Sent To: Randy Schneider Street, Apt. No., or PO Box No.: 5731 W 92 AVE # 108 City, State, ZIP+4: Westminster, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7011 3500 0001 2346 0072 Delivered September 30, 2013</p>	Postage	\$ 55.60	0136	Certified Fee	\$3.10	12	Return Receipt Fee (Endorsement Required)	\$2.55		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 111.25	09/28/2013	<p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>MEAD CO 80542</p> <table border="1"> <tr><td>Postage</td><td>\$ 55.60</td><td>0136</td></tr> <tr><td>Certified Fee</td><td>\$3.10</td><td>12</td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td>\$2.55</td><td></td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td>\$0.00</td><td></td></tr> <tr><td>Total Postage & Fees</td><td>\$ 111.25</td><td>09/28/2013</td></tr> </table> <p>Sent To: William "Dan" Worrell Street, Apt. No., or PO Box No.: 3471 Fairways Drive City, State, ZIP+4: Mead, Colorado 80542</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7011 3500 0001 2346 0096 REFUSED September 30, 2013</p>	Postage	\$ 55.60	0136	Certified Fee	\$3.10	12	Return Receipt Fee (Endorsement Required)	\$2.55		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 111.25	09/28/2013
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October 10, 2013, I received the following e-mail from the president of the Madison Hill H.O.A. corporation.

From: P Jones-Schneider & Randal Schneider
<goonarpajamas@comcast.net>

Date: Thu, Oct 10, 2013 at 3:49 PM

Subject: you pending publication

To: robertracansky@gmail.com

Mr. Racansky

After going through you proposed booklet and with some discussion among the named people and professional business's , I myself will give you the only pre-publication response you get.

With just a paging through of this booklet, seeing the contents as presented, the time, expense and effort to repudiate the dubiousness of this "diatribe" of your creation, is not worth any expenditure of the HOA of Madison Hill, or other named organizations.

There is many standing laws against slander, libel and deformation. You, Mr. Racansky are free to publish as you please. I do support the US Constitution in total.

Thank you, Randy Schneider, President
Madison Hill HOA

On October 17, 2013, I received the following letter in the mail.

MADISON HILL HOMEOWNERS ASSOCIATION, INC.

c/o LCM Property Management, Inc.
1776 S. Jackson St., Suite 530
Denver, CO 80210

Telephone: (303) 221-1117
Fax: (303) 991-1136

October 14, 2013

Robert Racansky
4663 Kirkwood St
Boulder, CO 80301

RE: 5721 W 92nd Ave # 97
Westminster, Co 80031 Dues payment

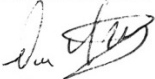
Dear Robert,

The Board of directors of Madison Hill HOA has asked me to write you about your dues payment.

All payments to Madison Hill must be mailed to:
Madison Hill
C/o LCM Property Management
P.O. Box 5568
Denver, CO 80217-5568.

If your payment is not mailed to this address then it will be returned to you unopened. You are subject to the Madison Hill collection policy including late fees, interest and possible collections through the Associations attorneys.

If you have any questions or concerns regarding this matter please contact Dan Hastings at the above numbers.



Sincerely,
Dan Hastings, CMCA

For the Madison Hill Condominium Association Board of Directors

01

Randy Schneider, of Westminster, Colorado, is a thief.
He is also a liar and a pussy.

William D. Worrell, a.k.a. “Dan Worrell” *,
of Mead, Colorado, is a thief and a liar.

De Aun Burchi, of Westminster, Colorado, is a thief.

Tim Nelson, of Westminster, Colorado, is a thief.

Christine Kehres, of Westminster, Colorado, is a thief.

The above named persons were members of the board of directors of Madison Hill Homeowners Association Inc. – an organized crime extortion racket legalized by the State of Colorado – during the events described in this book. ¹

From September 2009 to March 2011, the H.O.A.’s corporate directors stole a total of \$4,859.71 from me. **See Appendix B.** They did so knowingly, willfully, intentionally, and in direct violation of a judge’s Court Order every month for 1 ½ years. If they stole similar amounts from the other 177 homeowners, then over \$700,000 would have been stolen between 2009 to 2011. ²

Within this group of five dicks, there is not a pair-of-balls among them to sue me for libel.

* www.linkedin.com/in/danworrell

Should the corporate directors decide to sue me for libel, they will probably be provided free legal representation, at the expense of the other homeowners, including me. Through our assessments (“H.O.A. dues”), we will be paying for their lawyers.

However, I predict they will not do so, simply because everything I say in this book is true. Also, the H.O.A. corporation’s law firm will want to avoid any libel lawsuit against me, because I believe that their attorneys were very complicit in these crimes, and do not want their role revealed in an open court of law to a jury. ³

* * *

Madison Hill H.O.A. is a 183-townhouse complex physically located in Westminster, Colorado, at the 5800 block of West 92 Avenue – across the street from Westminster Center, westminstercenter.us, the site of the old Westminster Mall.

Its Colorado corporate I.D. number is 19,871,259,221. Its Colorado Department of Regulatory Agencies (D.O.R.A.) H.O.A. registration number is 25,559. At the time of the events in this book, its registered corporate agent was L.C.M. Property Management Inc., located at 1776 S. Jackson Street # 530 in Denver, Colorado. ⁴

Madison Hill H.O.A. Inc. should not be confused with Madison Hill Condominiums Ltd. and Madison Hill Condominium Association Inc., both physically located in Denver.

* * *

About 60 million Americans, or $\frac{1}{5}$ of the U.S. population, live under the governance of one of 325,000 H.O.A. corporations that act as privatized governments. ⁵ These H.O.A. corporations collect about \$50 billion (with a “b”) per year from homeowners and govern \$4 trillion (with a “t”) in property ⁶, with very little accountability or oversight.

There are various types of H.O.A. corporations; homeowners associations (H.O.A.), condominium owners associations (C.O.A.), property owners associations (P.O.A.), common interest communities (C.I.C.), common interest developments (C.I.D.), *etc.*

The industry commonly uses the term “community association” in its propaganda. ⁷ When referring to these corporations, I will use the terms “homeowners association” and “H.O.A.” throughout this book.

* * *

According to a 2007 survey of more than 3,000 customers by Service Magic, “Two-thirds of people who live in the jurisdiction of a homeowners association are ‘annoyed’ by them, or worse”. ⁸

- 08% said H.O.A.s are “great”
- 16% said H.O.A.s are “okay” (24% positive)
- 21% said H.O.A.s are a “minor annoyance”
- 48% said H.O.A.s are a “major headache” (69% negative)
- 19% “have been in what they call a ‘war’ with their HOA”
- 54% “said they’d rather live with a ‘sloppy neighbor’ than deal with an HOA”
- 78% “said they might consider NOT buying a home because it would be under the jurisdiction of an HOA”

If that survey is accurate ⁹, then over 40 million Americans have a negative view of their H.O.A. corporation. Over 10 million Americans “have been in what they call a ‘war’ with their HOA” corporation. This is an astoundingly large constituency that our policy makers are ignoring.

I am writing this book not because my story is extraordinary, but because I suspect it is so very common.

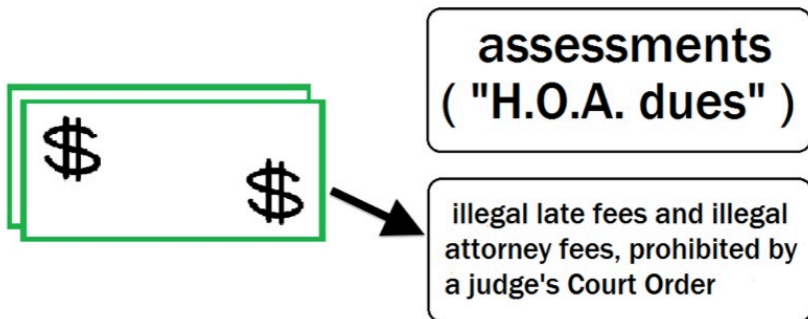
02

Most stories began with “*Once upon a time...*” and end with “*...and happily ever after.*” This is not one of those stories. Here is the short version :

When I paid my assessments, commonly known as “H.O.A. dues”, my payments *should* have been applied to pay for current assessments.



Instead, my payments were illegally diverted to pay for late fees and attorney fees that I did not owe. They did this *every month for 1 ½ years*; from September 2009 to March 2011.



This is a common accounting practice in the H.O.A. industry, known as the “application of payments” or “priority of payments” scam, as explained in **Chapter 04**. It is *usually* perfectly legal. What makes the diversion of my payments acts of thievery, as opposed to merely being an accounting dispute, was that

- the Madison Hill H.O.A corporation had no contractual authority to divert my assessment payments (“ H.O.A. dues”)
- the Madison Hill H.O.A. corporation had no statutory authority to divert my assessment payments
- the diversion of my assessment payments was a violation of a judge’s instructions (August 31, 2009)
- the diversion of my assessment payments was a violation of a judge’s Court Order (October 07, 2009)
- the Madison Hill H.O.A. corporation then declared me to be delinquent (“your assessment fees are presently in arrears”). Their collections attorneys *repeatedly* threatened me, demanding payment of thousands of dollars I did not owe (**see Chapter 07**), with the intent to permanently deprive me of my money.

It was theft and extortion, plain and simple. Although I believe that the H.O.A. corporation’s property manager and collections attorneys were very complicit in this crime, they were acting under the authority and direction of the board of directors of Madison Hill H.O.A. Inc. **The buck has to stop somewhere, and it stops with the corporation’s board of directors.**



Most of the rest of this book goes into the details about the theft of my assessment payments (“H.O.A. dues”), and presents the evidence for my allegations. If you are not interested in those details, I can’t blame you. A story about an accounting crime can get incredibly boring at times, and this is no exception. It was necessary for me to include all of the information I did, in case this book becomes evidence in a civil trial against me.

However, if you are interested in learning about H.O.A. corporations, and what can be done to protect individual American home owners from them, I suggest that you *do* read

- **Chapter 04** – about the priority of payments accounting scam
- **Chapter 10** – for a policy proposal
- **Appendix F** – about embezzlement in H.O.A. corporations

Those chapters are by no means a comprehensive overview of H.O.A. corporations – entire books have been written on the subject – but they do shed some light on their problems.

As for my allegations of theft by the Madison Hill H.O.A. corporation’s board of directors, I have spent 3 ½ years trying to obtain documents and records which could either confirm or refute what I have written in this book; **see Appendix C**. That is more than enough time for the directors, managers, and attorneys to falsify any documents and records necessary, and get their stories straight among themselves. Yet they have been unable to do so.

Since March 2010, the board of directors of Madison Hill H.O.A. Inc. have failed to produce *any* evidence to refute *any* of my allegations in this book.

DATE		CHAPTER
Oct. 31, 2008	Madison Hill H.O.A. Inc. begins a lawsuit against me, claiming \$1,959.38 in “damages”. <i>Madison Hill H.O.A. Inc. v Robert Racansky</i> , Jefferson County Colorado Court case # 2008 C 62579	Chapter 05
Nov. 03, 2008	The Madison Hill H.O.A. corporation records a \$1,959.38 lien against my property in Jefferson County.	Chapter 08
Aug. 31, 2009	Madison Hill H.O.A. Inc. claims that I owe \$2,022.85 in “unpaid assessments”, most of which is actually for attorney fees. Judge Greene instructs the plaintiff that they cannot sue for attorney fees; “attorney’s fees will be determined by the Court”.	Chapter 05
Sept. 01, 2009	Jury verdict, awarding plaintiff \$386.49 in “damages”, for disputed late fees.	Chapter 06
Sept. 09, 2009 and Oct. 02, 2009	The attorney for Madison Hill H.O.A. Inc. claims \$7,992.10 in attorney fees and costs were incurred by his client. The Madison Hill H.O.A. corporation continues to divert my assessment payments to pay for attorney fees, in violation of Judge Greene’s instructions.	Chapter 06

Oct. 07, 2009	<p>Judge Greene issues “final judgment”, awarding \$6,600 in “reasonable attorney fees and costs”. The Court <i>orders</i> the defendant (me) to pay \$6,986.49 ; \$386.49 in “damages” plus \$6,600.00 in “reasonable attorney fees and costs”. The Court also <i>orders</i> the plaintiff to account for the judgment separately from assessments. This is a Court Order which was violated every month for 1 ½ years by the Madison Hill H.O.A. corporation.</p>	Chapter 06
Oct. 26, 2009	<p>The final judgment is paid in full. My account balance <i>should</i> be \$0.00. Instead, it is - \$786.84. My regular assessment payments are still being illegally diverted to pay for attorney fees, in violation of Judge Greene’s Court Order.</p>	Chapter 06 and Appendix A
Nov. 19, 2009	<p>Kristen Dillie – Colorado attorney # 40,0095 – files “Satisfaction of Judgment” on behalf of here client, the Madison Hill H.O.A. corporation. My account balance <i>should</i> be \$0.00. Instead, it is - \$1,228.30. My regular assessment payments are still being illegally diverted to pay for attorney fees, in violation of Judge Greene’s Court Order.</p>	Chapter 06 and Appendix A

Feb. 24, 2010	<p>Board of directors of Madison Hill H.O.A. Inc. direct their collections attorneys to collect attorney fees not awarded by the court.</p> <p>My account balance should be \$0.00. Instead, it is - \$1,486.73.</p> <p>My regular assessment payments are still being illegally diverted to pay for attorney fees, in violation of Judge Greene's Court Order.</p>	Appendix A
Mar. 05, 2010	<p>Collections attorney Kristen Dillie – Colo. attorney # 40,095 – demands \$1,821.73 from me, on behalf of her client, the Madison Hill H.O.A. corporation.</p>	Chapter 07
Apr. 06, 2010	<p>Collections attorney Kristen Dillie – Colo. attorney # 40,095 – demands \$2,076.73 from me, on behalf of her client, the Madison Hill H.O.A. corporation.</p>	Chapter 07
Apr. 12, 2010	<p>The Madison Hill H.O.A. corporation credits \$1,126.73 to my account.</p> <p>My account balance <i>should</i> be \$0.00. Instead, it is now - \$380.00.</p> <p>My regular assessment payments are still being illegally diverted to pay for attorney fees, in violation of Judge Greene's Court Order.</p>	Chapter 07 and Appendix A
Apr. 20, 2010	<p>Collections attorney Kristen Dillie – Colo. attorney # 40,095 – demands \$480.00 from me, on behalf of her client, the Madison Hill H.O.A. corporation.</p>	Chapter 07

July 13, 2010	Collections attorney Heather Hartung – Colo. attorney # 39,142 – demands \$540.00 from me, on behalf of her client, the Madison Hill H.O.A. corporation.	Chapter 07
July 30, 2010	The Madison Hill H.O.A. corporation credits \$100.99 to my account. My account balance should be \$0.00. Instead, it is - \$459.01. My regular assessment payments are still being illegally diverted to pay for attorney fees, in violation of Judge Greene’s Court Order.	Appendix A
Aug. 06, 2010	Collections attorney Heather Hartung (CO attorney # 39,142) demands \$724.01 from me, on behalf of her client, the Madison Hill H.O.A. corporation.	Chapter 07
Mar. 04, 2011	Madison Hill H.O.A. Inc. is still diverting my regular assessment payments to pay for illegal fees, in violation of Judge Greene’s Court Order.	Appendix A
Mar. 15, 2011	Madison Hill H.O.A. Inc. credits \$629.01 to my account, restoring the account to its proper balance of \$0.00 for the first time.	Appendix A
June 28, 2011	The Madison Hill H.O.A. corporation releases the \$1,959.38 lien against my property that was recorded on November 03, 2008.	Chapter 08

The following snippets from my account ledger (see **Appendix A**) illustrates how my assessment payments were illegally diverted to pay for unlawful late fees and unlawful attorney fees.

	DATE	DESCRIPTION	AMOUNT	BALANCE	NOTE	PROPER BALANCE
205	10/26/09	payment	+ \$5,686.25	- \$ 786.74	Judgment paid. Balance should be \$0.00 , not -\$786.74.	\$ 0.00
206	11/01/09	REIMBURSED LEGAL REF 102209	- \$ 421.56	- \$1,208.30	Attorney fee illegally billed to my account.	\$ 0.00
207	11/01/09	assessment	- \$ 161.00	-\$1,369.30		- \$ 161.00
208	11/01/09	special assessment	- \$ 74.00	-\$1,443.30		- \$ 235.00
209	11/06/09	payment	+ \$ 74.00	-\$1,369.30	Payments illegally diverted to attorney fees.	- \$ 161.00
210	11/06/09	payment	+ \$ 161.00	-\$1,208.30		\$ 0.00
211	11/15/09	late fee	- \$ 20.00	-\$1,228.30	illegal late fee	\$ 0.00
212	12/01/09	REIMBURSED LEGAL REF 112209	- \$ 103.43	-\$1,331.73	Attorney fee illegally billed to my account.	\$ 0.00
213	12/01/09	assessment	- \$ 161.00	-\$1,492.73		- \$ 161.00
214	12/01/09	special assessment	- \$ 74.00	-\$1,566.73		- \$ 235.00
215	12/07/09	payment	+ \$ 74.00	-\$1,492.73	Payments illegally diverted to attorney fees.	- \$ 161.00
216	12/07/09	payment	+ \$ 161.00	-\$1,331.73		\$ 0.00
217	12/15/09	late fee	- \$ 20.00	-\$1,351.73	illegal late fee	\$ 0.00
223	02/01/10	assessment	- \$ 161.00	-\$1,532.73		- \$ 161.00
224	02/01/10	special assessment	- \$ 74.00	-\$1,606.73		- \$ 235.00
225	02/05/10	payment	+ \$ 74.00	-\$1,532.73	Payments illegally diverted to attorney fees.	- \$ 161.00
226	02/05/10	payment	+ \$ 161.00	-\$1,371.73		\$ 0.00
227	02/15/10	late fee	- \$ 20.00	-\$1,391.73	illegal late fee	\$ 0.00
228	02/24/10	COLLECTIONS ATTORNEYS	- \$ 95.00	-\$1,486.73	Attorney fee illegally billed to my account.	\$ 0.00
229	03/01/10	assessment	- \$ 161.00	-\$1,647.73		- \$ 161.00
230	03/01/10	special assessment	- \$ 74.00	-\$1,721.73		- \$ 235.00

Line number in left-hand column corresponds to account ledger in **Appendix A**

The illegal diversion of my payments continued until March 2011.

03

This book is a true story about an economic crime that was committed using crooked accounting.

According to the United States Department of Justice,

The Federal Bureau of Investigation (FBI) investigates matters relating to **fraud, theft, or embezzlement** occurring within or against the national and international financial community. **These crimes are characterized by deceit, concealment, or violation of trust and are not dependent upon the application or threat of physical force or violence.**

...

As the lead agency investigating corporate fraud, the FBI has focused its efforts on cases which involve **accounting schemes**, self-dealing by corporate executives, and obstruction of justice. ¹⁰

Emphasis added

Theft can be – and in my case was – accomplished simply by diverting payments and changing numbers in an accounting ledger.

It is common knowledge that Al Capone was convicted for tax evasion, and not for his other illegal activities. This may explain why about 15% of the F.B.I.'s agents are accountants ¹¹, with “Accounting” and “Financing” being at the top of the list of critical skills wanted by the F.B.I. ¹²

Because the theft of \$4,851.49 was an economic crime, committed by unlawfully diverting checks from their intended purpose, it will be necessary for me to delve into some boring details in order to tell this story.

Even the geekiest of forensic accountants won't consider this book to be Great Literature. And there is no way a story of arcane accounting methods is going to be interesting to the average reader. I apologize for that, and hope that I have at least succeeded in making what happened understandable – especially to (1) those who have been victimized in a similar manner, and (2) any jury members who will be judging the truthfulness of this book.

* * *

I can quantify, to the *date*, every *penny* that was stolen from me by Randy Schneider, William D. Worrell (a.k.a. Dan Worrell), De Aun Burchi, Tim Nelson, and (since January 2010) Christine Kehres. **See Appendix A**, which represents my account with Madison Hill H.O.A. Inc. from 2005 to 2011, **and Appendix B**, which represents my assessment payments (“H.O.A. dues”) that were stolen.

Instead of applying my payments to current assessments as required by a judge's Court Order, the board of directors of Madison Hill H.O.A. Inc. used my payments to pay for illegal fees, including illegal attorney fees. ¹³ I don't use the word “illegal” lightly, as the fees in question were not authorized by any statute, not authorized by any contract, prohibited by a judge's instructions on August 31, 2009, and prohibited by a judge's Court Order on October 07, 2009. ¹⁴

* * *

In Colorado, the statutory definition of “theft” is

TITLE 18. CRIMINAL CODE
ARTICLE 4. OFFENSES AGAINST PROPERTY
PART 4. THEFT
C.R.S. 18-4-401 (2012)

- (1) A person commits theft when he knowingly obtains or exercises control over anything of value of another without authorization, or by threat or deception, and:
- (a) Intends to deprive the other person permanently of the use or benefit of the thing of value; or
 - (b) Knowingly uses, conceals, or abandons the thing of value in such manner as to deprive the other person permanently of its use or benefit; or
 - (c) Uses, conceals, or abandons the thing of value intending that such use, concealment, or abandonment will deprive the other person permanently of its use and benefit; or
 - (d) Demands any consideration to which he is not legally entitled as a condition of restoring the thing of value to the other person.
- (1.5) For the purposes of this section, a thing of value is that of "another" if anyone other than the defendant has a possessory or proprietary interest therein.
- (2) Theft is:
- (a) (Deleted by amendment, L. 2007, p. 1690, § 3, effective July 1, 2007.)

(b) A class 2 misdemeanor if the value of the thing involved is less than five hundred dollars;

(b.5) A class 1 misdemeanor if the value of the thing involved is five hundred dollars or more but less than one thousand dollars;

(c) A class 4 felony if the value of the thing involved is one thousand dollars or more but less than twenty thousand dollars;

(d) A class 3 felony if the value of the thing involved is twenty thousand dollars or more.

(3) and (3.1) Repealed.

(4) (a) When a person commits theft twice or more within a period of six months, two or more of the thefts may be aggregated and charged in a single count, in which event the thefts so aggregated and charged shall constitute a single offense, and, if the aggregate value of the things involved is one thousand dollars or more but less than twenty thousand dollars, it is a class 4 felony; however, if the aggregate value of the things involved is twenty thousand dollars or more, it is a class 3 felony.

(4) (b) When a person commits theft twice or more against the same person pursuant to one scheme or course of conduct, the thefts may be aggregated and charged in a single count, in which event they shall constitute a single offense, and, if the aggregate value of the things involved is one thousand dollars or more but less than twenty thousand dollars, it is a class 4 felony; however, if the aggregate value of the things involved is twenty thousand dollars or more, it is a class 3 felony.

* * *

On March 15, 2011, after

- knowingly diverting my payments every month for 1 ½ years,
- to pay for illegal fees,
- without any legal authority to do so,
- with the intent to permanently deprive me of those funds,
- and repeatedly threatening me if I did not pay money I did not owe them,

the Madison Hill H.O.A. Inc. board of directors “returned” the stolen payments ¹⁵, by restoring the balance of my account to \$0.00.

However, numerous courts in Colorado have ruled that returning stolen property is not a defense against charges of theft.

The fact that the defendant eventually returned the proceeds of **a check that had been diverted without authorization** is not a defense to a theft charge.

People v. Pedrie, 727 P.2d 859 (Colo. 1986)

Emphasis added

The return of property is not a defense.

People v. Burke, 37 Colo. App. 289, 549 P.2d 419 (1976)

The fact that a thief may recant and elect to return to the owner the fruits of his larcenous conduct does not purge him of guilt or serve as a defense to prosecution.

Kelley v. People, 166 Colo. 322, 443 P.2d 734 (1968)

If a permanent deprivation of property were necessary before a conviction could be sustained, every time stolen property was recovered and returned to its true owner the thief would have to be acquitted; such a rule would be inane.

Hucal v. People, 176 Colo. 529, 493 P.2d 23 (1971)

* * *

Should the Madison Hill H.O.A. Inc. board of directors find the courage to sue me for libel, their best argument against my allegations of theft would be that Judge Lily Oeffler (Colorado attorney # 22,789), dismissed my civil theft claim against their collections attorneys, the law firm HindmanSanchez P.C., in 2010.

The Court finds that Plaintiff has still failed to allege a claim for civil theft. Plaintiff's claim appears to be for the **improper allocation or use of funds paid to the HOA**, as well as for improper charges levied against the Plaintiff's HOA account. **This is simply not a claim for civil theft.** ¹⁶

It takes a law school education, and years of experience in the legal profession as a lawyer and a judge, to be blind to the obvious.

This section clearly delineates four acts which, if done with the intent specified, constitute the crime of theft, so that any person of common intelligence can readily comprehend the meaning and application of the unambiguous words used by the general assembly in drafting this section.

Howe v. People, 178 Colo. 248, 496 P.2d 1040 (1972).

Although their collections attorneys were cleared of wrongdoing by the dismissal of the theft charges, Madison Hill H.O.A. Inc., its corporate directors, and its property management company were *not* named parties to the lawsuit. Their lawyers' defense was that they were acting under the direction of, authority of, and using information provided by, the Madison Hill H.O.A. corporation.

No court has ever exonerated the board of directors of Madison Hill H.O.A. Inc. of theft in this matter.

They could also try to argue that the governing documents of the corporation take precedence over a judge's instructions and a judge's Court Order, and that they have the right to do with my payments as they wish. I'd like to hear them explain *that* to a judge.

04

Madison Hill H.O.A. Inc. – like many H.O.A. corporations around the country – uses an accounting system known as “application of payments”, or the “priority of payments”. The primary purpose of this accounting scam is to artificially create and inflate delinquencies, and to provide the industry’s lawyers with a steady income.

The law says if your H.O.A. gives you a fine and you don't pay it, your homeowners association *cannot* sell your house. They can *only* foreclose if you're behind on *dues*.

But some H.O.A.s are getting around the law, by reassigning payments. You pay your *dues*, but *instead* the association applies that money to *fin*es. That way, the fine is paid whether you agree with it or not, and the H.O.A. can still threaten to sell your house.

...

Senator Carona [John Carona, Republican - Dallas] says he will oppose *any* effort to ban H.O.A.s from reapplying *your* payments. ¹⁷

Keep this in mind whenever any representative of the H.O.A. industry talks about “delinquent assessments” or “unpaid assessments”. They may be conflating “assessments” (“H.O.A. dues”) with “fines” and “fees” – including attorney fees – and doing so deliberately in order to slander a homeowner as a “delinquent” who is “harming his neighbors” by “not paying his fair share”.

These accounting methods do not benefit the home owners. Artificially inflating the rate of delinquencies makes it harder for potential buyers to secure a loan – and therefore makes it harder for home owners to sell – properties governed by an H.O.A. corporation. That’s a housing policy discussion way beyond the scope of this book.

* * *

In Colorado, the *Denver Post* reported the story of Val Ford and Ann Thomas, a couple in their 70s. The Southcreek Townhomes H.O.A. corporation “foreclosed on their home because of \$9,000 in unpaid fines and penalties.”

The HOA, which charges dues of \$240 a year, has amassed \$9,000 in fines and late fees against the ailing couple in a nine-year battle that started with a misplaced trash can that Ford used to collect debris from a nearby community mailbox.

...
In late 2010, before his wife's surgery for breast cancer, the HOA won a court order allowing it to garnish their bank fund. The HOA took all the money the couple had saved for the surgery, almost delaying it, Ford said. ¹⁸

\$240 per year x 9 years = \$2,160. The “\$9,000 in fines and late fees” were four times the amount of assessments (“H.O.A. dues”) due during that time period. The *Denver Post* story does not mention how much of that \$9,000 was for attorney fees.

Ten years earlier, Evan McKenzie, a former H.O.A. attorney, and the author of *Privatopia* (1994) and *Beyond Privatopia* (2011), told A.B.C.'s *20/20* that

What's really driving this is the dynamics of these collection lawyers who are just out to generate fees and to sell these houses off as fast as they can. ¹⁹

He also told Carol Lloyd of the *San Francisco Chronicle* that

These lawyers take a "collection-agency posture," he says, putting liens on property when homeowners are 10 days late paying an assessment. "Every letter has a price tag – and if the homeowners don't pay, you slap them with a lien." Although the assessment is perhaps for only a few hundred dollars, the lien may total \$5,000 or \$10,000 – and, in order to clear their title, the homeowners must pay not only the assessment but the lien as well. If they cannot do so, McKenzie says, they can lose their home through a form of foreclosure unmediated by the courts or any local government.

"These lawyers are so rapacious that it's just shocking," says McKenzie, adding that no laws govern their fees – they can basically charge whatever they want. "It's up to the homeowner to file an action with the court, and if you don't file a lawsuit, you are out of your house before you can say boo," he adds.

The worst part about the whole process, says McKenzie, is that it's legal, a fully institutionalized practice: "The bar even offers workshops on the process." ²⁰

In 2010, N.P.R.'s "All Things Considered" reported that

in 33 states, an HOA does not need to go before a judge to collect on the liens. It's called nonjudicial foreclosure, and in practice it means a house can be sold on the courthouse steps with no judge or arbitrator involved. In Texas the process period is a mere 27 days — the shortest of any state.

David Kahne, a Houston lawyer who advises homeowners, says that in Texas, the law is so weighted in favor of HOAs, he advises people that instead of hiring him, they should call their association and beg for mercy.

"I suggest you call the association and cry," he says.

With the recession, foreclosure filings for delinquent HOA assessments in Texas have increased from about 1 percent of all home foreclosures to more than 10 percent currently, according to the industry. ²¹

The ability to foreclose on homes for disputed fines and fees – including attorney fees – by declaring them “unpaid assessments” (“H.O.A. dues”) probably explains why the board of directors of Madison Hill H.O.A. Inc. added the following clauses in the H.O.A. corporation’s collections policy ²² :

6. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association’s attorney until the account is current. All payments received on account of any Owner or by the Owner’s property (hereinafter collectively “Owner”), shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of

enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution, prior to the application of the payment to any special or regular assessments due or to become due with respect to such Owner.

and

13. Referral of Delinquent Accounts to Attorneys.

...
Upon referral of any matter to the Association's attorney, the Association shall pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

In other words, assessment payments are used to pay the lawyers first, then to pay for fines and fees. If anything is left over, the remainder of the assessment payment is used to pay assessments ("H.O.A. dues") to the H.O.A. corporation.

When the board of directors of the Madison Hill H.O.A. corporation were stealing my assessment payments ("H.O.A. dues") every month from September 2009 to March 2011, they were following their own policy of using my payments to pay their attorneys.

The following snippet from my account ledger (**see next page**) illustrates how the diversion of my payments resulted in my account being declared delinquent, even though I was paying my assessments ("H.O.A. dues") in a regular and timely manner.

	DATE	DESCRIPTION	AMOUNT	BALANCE	NOTE	PROPER BALANCE
205	10/26/09	payment	+ \$5,686.25	- \$ 786.74	Judgment paid. Balance <i>should</i> be \$0.00 , <i>not</i> -\$786.74.	\$ 0.00
206	11/01/09	REIMBURSED LEGAL REF 102209	- \$ 421.56	- \$1,208.30	Attorney fee illegally billed to my account.	\$ 0.00
207	11/01/09	assessment	- \$ 161.00	- \$1,369.30		- \$ 161.00
208	11/01/09	special assessment	- \$ 74.00	- \$1,443.30		- \$ 235.00
209	11/06/09	payment	+ \$ 74.00	- \$1,369.30	Payments illegally diverted to attorney fees.	- \$ 161.00
210	11/06/09	payment	+ \$ 161.00	- \$1,208.30		\$ 0.00
211	11/15/09	late fee	- \$ 20.00	- \$1,228.30	illegal late fee	\$ 0.00
212	12/01/09	REIMBURSED LEGAL REF 112209	- \$ 103.43	- \$1,331.73	Attorney fee illegally billed to my account.	\$ 0.00
213	12/01/09	assessment	- \$ 161.00	- \$1,492.73		- \$ 161.00
214	12/01/09	special assessment	- \$ 74.00	- \$1,566.73		- \$ 235.00
215	12/07/09	payment	+ \$ 74.00	- \$1,492.73	Payments illegally diverted to attorney fees.	- \$ 161.00
216	12/07/09	payment	+ \$ 161.00	- \$1,331.73		\$ 0.00
217	12/15/09	late fee	- \$ 20.00	- \$1,351.73	illegal late fee	\$ 0.00

Line number in left-hand column corresponds to account ledger in **Appendix A**

This went on every month, until March 2011; see **Appendix A**. What makes the diversion of my payments acts of theft, rather than a mere accounting dispute, was that

- they were violating a judge’s instructions.
- they were violating a judge’s Court Order.
- I was current in paying my assessments (“H.O.A. dues”). Therefore, they had no legal authority to divert my payments to pay for illegal attorney fees or illegal late fees.

There was nothing accidental nor innocent about what the Madison Hill H.O.A. corporation did every month for 1 ½ years.

05

On the evening of Sunday, November 23, 2008, I was served with a Summons to appear in Jefferson County Colorado Court on December 08. Madison Hill H.O.A. Inc. had filed a lawsuit against me, alleging that I owed them \$1,959.38. The Complaint claimed that

4) Defendant(s) is/are indebted to the Plaintiff for non-payment of assessments and other fees pursuant to the Declaration attached as Exhibit A, as follows:

Assessment/Late Charges (through November 01, 2008)	\$1,249.38
Reasonable Attorney Fees	\$ 510.00
Estimated Court Cost	\$ 200.00
TOTAL	\$1,959.38

Plus \$161.00 per month for assessments, late fees of \$20.00 each month thereafter plus post judgment interest at the rate of 6% per annum pursuant to the Declaration, plus additional attorney fees if a responsive pleading is filed and post judgment attorney's fees and Court costs.

...

DATED: October 31, 2008

Respectfully submitted,
HINDMANSANCHEZ P.C.

[Original Signature on File]
S/ Michael C. Payne
Michael C. Payne, #38939
Molly A. Foley-Healy, #38847
5610 Ward Road, Suite 300
Arvada, Colorado 80002-1310
303.432.8999
Attorneys for Plaintiff

Madison Hill H.O.A. Inc. v Robert Racansky
Jefferson County Colorado Court case number 2008 C 62579

On December 04, 2008 – four days before the scheduled hearing – I was finally informed of the nature of the charges and fees that the H.O.A. corporation was claiming as damages.

A lot happened between the time the lawsuit was filed on November 25, 2008 and the start of the trial on August 31, 2009. In addition to sleazy (but perfectly legal *at the time*) accounting practices, the attorney and manager for the Madison Hill H.O.A. corporation engaged in conspiracies to commit fraud, falsify evidence, and commit perjury. However, this book is not about the crimes leading up to and during that trial, but the theft that occurred *after*.

* * *

When the civil trial of *Madison Hill H.O.A. Inc. vs Robert Racansky* began on August 31, 2009, the H.O.A. corporate directors, their business manager, and their attorney had no idea how much they were suing me for.

At the trial, Madison Hill H.O.A. Inc. introduced a ledger of my account as “Plaintiff’s Exhibit 3”. This ledger showed all the payments and charges to my account from 2005 to August 2009. **See Appendix A, lines 001 – 189.**

* * *

Even though I had been paying my assessments (“H.O.A. dues”), the balance of my account was -\$2,374.73 as of August 31, 2009. **See Appendix A, line 189.** On August 31, 2009, the H.O.A. corporation’s attorney, Jonah Hunt (Colorado attorney # 34,379), told the court

that Madison Hill through today is owed \$2,022.85 for these unpaid assessments as well as late fees and any interests.

Of course, this was not true. I had paid my assessments. I was being sued for the attorney fees and the late fees that I disputed.

As can be seen from the ledger of my account (**Appendix A**), \$1,867.35 of my assessment payments (“H.O.A. dues”) had been diverted to pay for attorney fees as of August 31, 2009. **See Appendix F, line 08.** *Up until this point*, there was nothing unlawful about doing so, although it is a sleazy accounting practice.

Attorney Fees
(September 2008 – August 2009)

DATE	ATTY FEE	TOTAL
09/09/08	\$ 95.00	\$ 95.00
11/21/08	\$ 95.00	\$ 190.00 ²³
12/21/08	\$ 471.00	\$ 661.00
01/21/09	\$ 163.35	\$ 824.35
02/21/09	\$ 123.00	\$ 947.35
05/01/09	\$ 40.00	\$ 987.35
06/01/09	\$ 600.00	\$1,587.35
07/01/09	\$ 280.00	\$1,867.35

Judge Tammy Greene (Colorado attorney # 17,817) instructed the H.O.A. corporation that it could not sue me for attorney fees, because

The Court awards attorney fees.

She ordered the H.O.A. corporation to subtract the attorney fees from the amount they were claiming as “damages”.

The collections attorney protested, complaining that

without the application of payments [diverting the payments to pay for disputed attorney fees], without being able to introduce that to a jury it becomes very prejudicial because it then appears that **the lawsuit is just over late fees and interests.**

Emphasis added

Judge Greene rejected Jonah Hunt's arguments, telling him that attorney fees are

not subject to an award by the jury. And this is what I said at the very beginning. I decide the costs. Attorney's fees are to be considered costs, not damages.

The award by the jury is the damages; which is the assessment, the interest, and the late fees. If they determine that any amount is owing, then you are the prevailing party, and then **attorney's fees will be determined by the Court.**

Emphasis added

After returning from the mid-day recess, Jonah Hunt and his witness, property manager Michael D. Weiss, still could not figure out how much their client was actually claiming in "damages".

We're *struggling* to separate out these amounts.

Emphasis added

Think about that. They could not separate the attorney fees from the late fees they were claiming as "damages".

After the opening statements in the trial had been made, and their evidence had been presented, the H.O.A. corporation's manager and collections attorney had to *struggle* for several hours to figure out how much they were suing me for.

By the end of the trial's first day, Madison Hill H.O.A. Inc. still had not figured out how much they were actually suing me for. "It's like \$385 or something" their attorney told the judge, before the court adjourned for the day.

The accounting method used by the H.O.A. industry is so convoluted, even its business managers and attorneys can't figure it out. It is as though it was deliberately designed to obfuscate the truth, and confuse anyone trying to make any sense of it.

* * *

On the second and final day of the trial – September 01, 2009 – the H.O.A. corporation finally decided that \$386.49 was the appropriate amount to claim as "damages".

As their lawyer told the judge the day before,

**without the application of payments ...
the lawsuit is just over late fees and interests.**

The jury ruled against me, and awarded the H.O.A. corporation \$386.49 in "damages", for the late fees I had disputed.

And that is when the theft of my payments began; although I would not find this out until half-a-year later.

06

On September 01, 2009, the jury in *Madison Hill H.O.A. Inc. v Robert Racansky* awarded the plaintiff \$386.49 in “damages”, for the late fees I had disputed.

On September 09, 2009, Jonah Hunt (Colorado attorney # 34,379) submitted a “Motion for Attorney Fees and Costs” and an “Affidavit of Attorney Fees and Bill of Costs”. In those documents, he claimed that his client, Madison Hill H.O.A. Inc., had incurred the following costs in its litigation to collect \$386.49 in disputed late fees from me:

\$6,890.50 in attorney fees
\$ 187.85 in other costs
\$ 913.75 in management company fees (L.C.M.)
\$7,992.10 total ²⁴

On October 02, 2009, Jonah Hunt filed a “Reply in Support of Motion for Attorney Fees and Costs”, *again* claiming that his client incurred \$7,992.10 in expenses.

On October 07, 2009, Judge Greene issued her final judgment in the case. It is reproduced here in its entirety, for the sake of completeness. The Order’s final four paragraphs (starting with “The Court finds that the case at hand...”) are relevant to my allegations of the theft of my assessment payments (“H.O.A. dues”).

ORDER GRANTING PLAINTIFF'S MOTION
FOR ATTORNEY FEES AND COSTS

THE MATTER OF Plaintiff Madison Hill Homeowners Association, Inc.'s Motion for an award of its attorney fees and costs has come before the Court, the Court has reviewed the response, reply and all papers filed thereto, and the Court has been fully advised as to the circumstances.

Judgment entered in favor of Plaintiff Madison Hill Homeowners Association, Inc. and against the Defendant Robert Racansky on September 1, 2009 in the principal amount of \$386.49, with post-judgment interest accruing at the declaration rate of 6% per annum.

The Court FINDS that pursuant to Plaintiff's Declaration, C.R.S. § 38-33.3-123, - 302(1)(k) and C.R.C.C.C.P. 354(d), the Association is entitled to an award of its reasonable attorney fees and costs. The Plaintiff can recover payments made to its agents involved in the litigation as "costs of collection".

The Court, having reviewed Exhibit A to the Plaintiff's motion, finds that there was a charge for attorney time which was for clerical work, that there was a charge for consultation between attorneys and that the total time spent on trial preparation was slightly excessive and duplicative. The hourly rates reflected by that exhibit are reasonable. In addition to the lodestar calculation, the Court must consider the factors set forth in Brody v. Hellman, 167 P.3d 192 (Colo. App. 2007) and the Rules of Professional Conduct Rule 1.5: (1) the time and labor involved; (2) the novelty and difficulty of the questions; (3) the skill requisite to perform the legal service properly; (4) the preclusion of other employment by the attorney due to acceptance of the case; (5) the customary fee; (6) any prearranged fee; (7) time limitations

imposed by the client or circumstances; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the attorneys; (10) the undesirability of the case; (11) the nature and length of professional relationship with the client; and (12) awards in similar cases. The Court has considered these factors and those required by C.R.S. Section 13-17-103.

The Court finds that the case at hand did not involve novel or difficult questions of law or unique skills and that the amount in controversy and result obtained were low. The Court, having determined a reduced lodestar is appropriate and a further reduction is required by the application of other factors, awards by the Plaintiff attorney's fees and costs in the amount of \$6,600.

Accordingly, final judgment is entered in the total amount of \$6,986.49 in favor of Plaintiff Madison Hill Homeowners Association, Inc. and against the Defendant Robert Racansky. Post-judgment interest at the declaration of 6% per annum shall accrue thereon.

Finally, the Court ORDERS that the Plaintiff shall account for the collection of this judgment separately from the accrual of new assessments, such that the Defendant may stay current in his monthly assessments without accruing late fees or interests as a result of the attorney's fees and costs awarded herein.

This document constitutes a ruling of the court and should be treated as such.

Emphasis in original.

Madison Hill H.O.A. Inc. had spent \$7,992.10 in attorney fees and other costs ²⁵ to collect \$386.49 in disputed late fees from me. Since they were awarded "only" \$6,600.00 in attorney fees and costs, the net *loss* to the Madison Hill H.O.A. corporation was \$1,005.61.

09/01/09	\$ 386.49	initial judgment, for late fees
09/09/09 & 10/02/09	- \$ 7,992.10	claimed attorney fees and costs of collection
10/07/09	+ \$ 6,600.00	fees awarded by the court
=	- \$ 1,005.61	net loss to H.O.A. corp.

However, their attorneys did well, since the collections policy stated that they were to be paid first. **See pages 38 – 39 and 42 - 44.**

Because the corporate board of directors were not spending their own money in the litigation against me, but using collected assessments (“H.O.A. dues”) and passing the costs on to the homeowners ²⁶ , they had (and still have) no incentive to control their legal costs. Nor to exercise any oversight of any kind over their collections attorneys.

* * *

On October 19, 2009, Kristen Dillie (Colorado attorney # 40,095) wrote me the following letter (postmarked Oct. 21, 2009) (next page):



HindmanSanchez

Attorneys at Law

Denver Office Kristen Dillie

Direct 303-991-2068

kdillie@hindmansanchez.com

October 19, 2009

Re: *Madison Hill Homeowners Association, Inc. /
Judgment Notification*

Dear Owner:

This letter is to advise you that a judgment was entered against you on September 1, 2009 in the amount of \$6,986.49. If you would like to make arrangements to pay this amount to avoid further collection efforts, please contact us.

Although a judgment was obtained, you are still obligated to pay your current assessments directly to the Association. If you fail to do so, you will be charged late fees and interest per the Association's Collection Policy.

Please contact us to make payment arrangements.

Sincerely,

Kristen Dillie
HindmanSanchez P.C.

“This is an attempt to collect a debt.
Any information obtained will be used for that purpose.”

As she often does, Ms. Dillie got her facts wrong. But you don't have to be accurate – or even smart – to be an attorney. Lawyers just need to be able to fool the right people at the right time.

On September 01, 2009, an *initial* judgment of \$386.49 was awarded by the jury. The *final* judgment of \$6,986.49 was entered on October 05, 2009 by Judge Greene. It's a minor point, but it's interesting how the H.O.A. corporation's collections attorney conflated the initial and final judgments. Lawyers are *supposed* to pay attention to detail. Isn't that why their entitled to charge the fees they do?

Before I received Ms. Dillie's generous offer to pay the judgment, I had already mailed the following checks to pay for the entire judgment.

- \$ 386.49 to Madison Hill H.O.A. Inc.
see Appendix A, line 196
- \$5,686.25 to HindmanSanchez P.C.
see Appendix A, line 205
- \$ 701.25 to Michael Weiss (L.C.M.)
see Appendix A, line 203
- \$ 212.50 to Dan Hastings (L.C.M.)
see Appendix A, line 204
- \$6,986.49 total amount of judgment

The checks were processed by Madison Hill H.O.A. Inc. by October 27, 2009. At this point, my account balance *should* have been \$0.00, instead of -\$786.74. **See Appendix A, line 205.**

At the time, I had no idea that the board of directors of Madison Hill H.O.A. Inc. had stolen \$856.49 from me; **see Appendix B, line 05** They did so by diverting my assessment payments (“H.O.A. dues”) to pay for unlawful fees.

On November 09, 2009, as I was getting ready to go to work, I was served with an interrogatory at my home at 7:20 in the morning.

MOTION FOR INTERROGATORIES

Plaintiff, through its attorneys, HindmanSanchez P.C., requests this Court to issue an Order requiring the Defendant(s) to Answer the Interrogatories attached hereto within ten (10) days of service. In support of its Motion, Plaintiff states:

1. Final judgment was entered in favor of Plaintiff on September 1, 2009.
2. Plaintiff is entitled to an Order requiring the Defendant(s) to answer interrogatories under the provisions of Rule 369 of the Rules of County Court Civil Procedure.
3. As of the date of this Motion, the judgment remains unsatisfied.

Dated: October 14, 2009
Respectfully submitted,
HINDMANSANCHEZ P.C.


Kristen Dillie, #40095

Within 7 days of Judge Greene's final judgment, and before I had even received that final judgment in the mail, the Madison Hill H.O.A. corporation declared that "the judgment remains unsatisfied". I was then *ordered* by the Court to disclose personal financial information – employer information, bank account numbers, *etc.* – to enable Madison Hill H.O.A. Inc. to garnish my wages, bank accounts, and seize other personal assets. This was done to collect a judgment that had been paid two weeks before the interrogatory was served to me.

This document constitutes a ruling of the court and should be treated as such.

Court: CO Jefferson County-County Court 1st JD
Judge: Tammy K Greene
Alternate Judge: Shirley Williams
File & Serve Transaction ID: 27567914
Current Date: Oct 16, 2009
Case Number: 2008C62579
Case Name: MADISON HILL HOMEOWNERS ASSOCIATION vs. RACANSKY, ROBERT
Court Authorizer: Shirley Williams

/s/ Judge Shirley Williams

	<p>ISSUED INTERROGATORIES</p>	<p><i>Shirley Williams</i> Shirley Williams Jefferson County Clerk of Court DATE OF ORDER INDICATED ON ATTACHMENT</p>
<p>COUNTY COURT, COUNTY OF JEFFERSON, STATE OF COLORADO</p> <p>Court Address: 100 Jefferson County Parkway Golden, CO 80401 Phone Number: 303-271-6228</p> <hr/> <p>Plaintiff: Madison Hill Homeowners Association, Inc. v. Defendant(s): Robert Racansky</p> <hr/> <p>Attorney: Kristen Dillie Name: HindmanSanchez P.C. Address: 5610 Ward Road, Suite 300 Arvada, Colorado 80002-1310 Phone Number: 303.432.8999 Fax Number: 303.432.0999 Email: kdillie@hindmansanchez.com Atty. Reg. No.: 40095 Atty. File No.: 6189.043 (KND)</p>	<p>FILED Document - County Court CO Jefferson County-County Court 1st JD Filing Date: Oct 16 2009 11:50AM MDT Filing ID: 27595427 Review Clerk: Shri Peterzeil</p> <p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> <p>Case Number: 08 C 62579</p> <hr/> <p>Div.: H</p>	
<p>ORDER</p>		
<p>THIS COURT, upon consideration of Plaintiff's Motion for Interrogatories, finding good cause exists and no adverse interest being represented, hereby ORDERS THAT, the Interrogatories in the form attached hereto are approved. Defendant(s) is required to fully answer and complete all of the attached Interrogatories, sign the answers and file them with the Court and send a copy to Plaintiff's attorney within ten (10) days of the service of the Interrogatories with this Order on the Defendant(s).</p> <p style="text-align: center;">DONE THIS _____ day of _____, 2009.</p> <p style="text-align: center;">BY THE COURT:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Judge/Magistrate</p>		

<p>COUNTY COURT, COUNTY OF JEFFERSON, STATE OF COLORADO</p> <p>Court Address: 100 Jefferson County Parkway Golden, CO 80401 Phone Number: 303-271-6228</p> <hr/> <p>Plaintiff: Madison Hill Homeowners Association, Inc. v. Defendant(s): Robert Racansky</p> <hr/> <p>Attorney: Kristen Dillie Name: HindmanSanchez P.C. Address: 5610 Ward Road, Suite 300 Arvada, Colorado 80002-1310 Phone Number: 303.432.8999 Fax Number: 303.432.0999 Email: kdillie@hindmansanchez.com Atty. Reg. No.: 40095 Atty. File No.: 6189.043 (KND)</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr/> <p>Case Number: 08 C 62579</p> <p>Div.: H</p>
INTERROGATORIES	
<p>1. NAME (Print): _____ <div style="display: flex; justify-content: space-between; width: 100%; font-size: small;"> First Middle Last Maiden </div> </p> <p>2. PHONE NUMBER AT HOME: _____ AT WORK: _____</p> <p>3. BIRTH DATE: MONTH _____ DAY _____ YEAR _____</p> <p>4. SOCIAL SECURITY NO. _____ - _____ - _____ SPOUSE'S SOCIAL SECURITY NO. _____ - _____ - _____</p> <p>5. DRIVER'S LICENSE NO. _____ STATE _____</p> <p>6. HOME ADDRESS: _____ <small>Number Street, City, State Zip</small></p> <p>7. IF THE HOMEOWNER'S ASSOCIATION UNIT IS RENTED: NAME OF RENTERS: _____ MONTHLY RENTAL AMOUNT: _____</p>	

8. FULL NAME OF YOUR EMPLOYER:

Full Name _____

9. ADDRESS OF YOUR EMPLOYER:

Street Address City State Zip

10. WHAT IS YOUR OCCUPATION? _____

11. WHAT ARE YOUR PAY DATES? (fill in as applicable)

I am paid each week I am paid each two weeks I am paid monthly

I am paid on the ___ day(s) of each month; My next pay day is the ___ day of _____, 20 ____.
My pay is \$ _____ per (circle) hour / week / month

12. FULL NAME AND ADDRESS OF YOUR HUSBAND OR WIFE:

(give the name even if you are not living together)

First Middle Last

Street Address, City State Zip Phone

13. THE FULL NAME AND ADDRESS OF THE EMPLOYER OF YOUR SPOUSE:

Name: _____

Address: _____

Telephone No.: _____

14. IF YOU HAVE ANY KIND OF BANK OR CREDIT UNION ACCOUNT: STATE:

The Name of the Bank _____

The Address _____

Checking Acct No. _____

Savings Acct No. _____

ALL QUESTIONS MUST BE ANSWERED. DO NOT LEAVE ANY BLANKS.
REMEMBER YOUR ANSWERS ARE UNDER OATH OR DECLARATION OF TRUTH!

I DO HEREBY AFFIRM UPON MY OATH OR DECLARATION THAT I HAVE READ EACH OF THE QUESTIONS ASKED AND THAT I HAVE MADE A LAWFUL AND TRUTHFUL ANSWER TO EACH; I KNOW THAT THERE IS A PENALTY OF PERJURY IF I HAVE GIVEN A FALSE OR WRONG ANSWER.

SIGN YOUR NAME _____ Date _____

PRINT YOUR NAME _____ Date _____

FILE THESE INTERROGATORIES IN PERSON OR MAIL THEM TO:
HINDMANSANCHEZ P.C. 5610 Ward Road, #300, Arvada, CO 80002, Phone: (303) 432-8999 Fax: (303) 432-0999
This is an attempt to collect a debt. Any information obtained will be used for that purpose. For information about the Colorado Fair Debt Collection Practices Act, see www.ago.state.co.us/CAB.htm.

This is a service that HindmanSanchez P.C. calls “Finding The Gold”.²⁷

Finding the Gold

Collecting assessments from delinquent owners is a little bit like mining for gold. First you have to find the gold.

With delinquent owners getting a judgment is usually the easy part. Next comes the hard part, finding the gold. We have to locate attachable assets to satisfy the judgment. Generally attachable assets come in the form of a bank account or an employer.

H.O.A. corporate board members are being “educated” by the industry’s attorneys to think of homeowners as a resource to be exploited. Among the homeowner assets that the collections attorneys at HindmanSanchez P.C. urge their clients to look for are

1. Any phone numbers of record for owners (work, home or cell);
2. Employment information;
3. Copies of cancelled checks from last payment made by the owner;
4. Description of all vehicles, boats, RVs, motorcycles, etc. seen at home (with license plate numbers if available);
5. Any information you know about the owners such as they inherited a lot of money recently, they have another house in Aspen, or they have a computer consulting business on the side.

All of this information can be used to find the gold and use it to satisfy the debt owed to your association.

The board of directors of Madison Hill H.O.A. Inc. were trying to “Find The Gold”. Because I had already paid the judgment, I refused to comply with the Court Order.

Given their demonstrated willingness to engage in thievery, I believe that the board of directors of Madison Hill H.O.A. Inc. would have withdrawn funds from my bank accounts if I had provided them with the personal financial information that the court *ordered* me to.

* * *

On November 19, 2009 – which was, coincidentally I’m sure, 10 days after I had been given 10 days to respond to her interrogatory – collections attorney Kristen Dillie filed a “Satisfaction of Judgment” with the court.

FOR AND IN CONSIDERTION of amounts paid, I authorize the Clerk of the above Court to make a record of full satisfaction of this judgment. In addition, Plaintiff requests any outstanding bench warrant be vacated.

Date of original or amended judgment: September 1, 2009
Amount of original or amended judgment: \$6,986.49

WITNESS my hand and seal of November 19, 2009.

Respectfully submitted,
HINDMANSANCHEZ P.C.
Kristen Dillie, #40095

And for the second time, that should have been the end of the matter. Instead of -\$1,228.30, my account balance *should* have been \$0.00. **See Appendix A, line 211.**

By the time their collections attorney finally admitted to the court that I had paid the judgment, because I had called their bluff, the board of directors of Madison Hill H.O.A. Inc. had stolen \$1,091.49. **See Appendix B, line 07.**

And they would continue to steal my monthly assessment payments (“H.O.A. dues”) every month for another fifteen months.

07

On March 11, 2010, I received a letter from Kristen Dillie (Colorado attorney # 40,095). The directors of the Madison Hill H.O.A. corporation were demanding that I pay them \$1,821.73, and threatening to sue me if I did not.



HindmanSanchez

Attorneys at Law

Denver Office Kristen Dillie

Direct 303-991-2068

kdillie@hindmansanchez.com

March 5, 2010

Re: Delinquent Association Dues /

Madison Hill Homeowners Association, Inc.

5711 W. 92 Avenue #41 Westminster, CO 80031

Our File No. 6189.086

Dear Owner(s):

We have been retained to represent the above named Association, whose records indicate that your assessment fees are presently in arrears in the amount of \$1,721.73 through March 5, 2010, plus attorney fees of \$100.00 **for a total due of \$1,821.73**. This amount includes assessments, lien fees, late charges and interest, as well as attorney fees, which are provided for by statute and in the Association's governing documents.

Demand for payment now is made for the above amount which is past due unless payment in full is received in our office or satisfactory arrangements for payment are made. We are authorized to take whatever legal action is necessary to recover this amount without further notice to you. All further contact regarding this matter must be with this office. If further action is necessary, you may be found liable for not only the assessment arrearages, but also for interest, all late charges, court costs and additional attorney fees. In addition, a lien will be filed with the Jefferson County Clerk and Recorder.

This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Unless you, within 30 days after receipt of this notice, dispute the validity of the debt or any portion thereof, the debt will be assumed to be valid. If you notify us within the 30 day period that the debt, or any portion thereof, is disputed, we will obtain verification of the debt and a copy of such verification of the debt and a copy of such verification will be mailed to you. If you notify our office to cease contact by telephone at your place of employment, no further contact shall be made. A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any other action authorized by law to collect the debt.

If you notify our office that you refuse to pay the debt or wish us to cease further communication we will not communicate further with you except:

A. To advise you further efforts are being terminated; or

B. To notify you that we may invoke specified remedies which are ordinarily invoked or to notify you that we may invoke a specific remedy permitted by law.

FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE

www.ago.state.co.us/cadc/cadcmain.cfm or

[www.coloradoattorneygeneral.gov/ca_10/9/912-14-15\(e\)\(c\)](http://www.coloradoattorneygeneral.gov/ca_10/9/912-14-15(e)(c)).

We sincerely hope legal action will not be necessary and that you will give this matter your immediate attention. If you have any questions or wish to discuss this matter further, please contact our collection specialist at 303-432-8999, option 2.

Sincerely,



Kristen Dillie

HINDMANSANCHEZ P.C.

KND/smd

HindmanSanchez P.C. Attorneys At Law Denver & Fort Collins

5610 Ward Road, Suite 300, Arvada, Colorado 80002-1310

Tel 303.432.8999 Fax 303.432.0999 www.hindmansanchez.com

Emphasis in original.

By the time the letter was postmarked on March 09, 2010, the board of directors of Madison Hill H.O.A. Inc. had stolen \$2,031.49 from me. **See Appendix B, line 15.**

On March 27, 2010, I contacted each and every individual member of the Madison Hill H.O.A. Inc. board of directors requesting an explanation for the charges. **See Appendix C.**

On April 12, 2010, I received another demand for payment for money I did not owe. The corporation's directors were now threatening to sue me within 20 days instead of 30 days. This time they wanted \$2,076.73 from me, instead of \$1,821.73.



HindmanSanchez

Attorneys at Law

Denver Office Kristen Dillie

Direct 303-991-2068

kdillie@hindmansanchez.com

April 6, 2010

Re: Madison Hill Homeowners Association, Inc.

5711 W. 92 Avenue #41 Westminster, CO 80031

Dear Mr. Racansky:

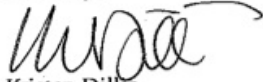
In response to your notice of dispute, enclosed please find a copy of your account history through April, 2010.

Please make your check payable to “Madison Hill Homeowners Association, Inc.” in the amount of \$2,076.73 and mail it to our Denver office listed below.

All further contact regarding this matter must be with this office. We are authorized to take whatever legal action is necessary to recover this amount, without further notice to you, unless payment in full is received in our office or satisfactory arrangements for payment are made. If you would like to work out a payment plan you must contact me within twenty (20) days of the date of this letter. If you fail to set up a payment plan with us, we will be forced to proceed with further legal action as indicated in our earlier letter to you.

Thank you for your cooperation.

Sincerely,



Kristen Dillie
HindmanSanchez P.C.
enc.

“This is an attempt to collect a debt.
Any information obtained will be used for that purpose.”

HindmanSanchez P.C. Attorneys At Law Denver & Fort Collins
5610 Ward Road, Suite 300, Arvada, Colorado 80002-1310
Tel 303.432.8999 Fax 303.432.0999 www.hindmansanchez.com

Enclosed with the letter was a ledger of my account, listing all charges and credits from December 31, 2006 to March 01, 2010. **See Appendix A, lines 052 to 230.** At the time this letter was postmarked on April 07, 2010, the corporate directors of Madison Hill H.O.A. Inc. had stolen \$2,226.49 from me. **See Appendix B, line 17.**

When I paid the judgment on October 26, 2009, the balance of my account should have been \$0.00. Instead, it was -\$786.74, because the board of directors of Madison Hill H.O.A. Inc. were unlawfully diverting my payments and applying them to illegal fees. **See Appendix A, line 205.**

When Kristen Dillie had filed the “Satisfaction of Judgment” on November 19, 2009, my account’s balance should have been \$0.00. Instead, it was -\$1,228.30 (**see Appendix A, line 211**) because the board of directors of Madison Hill H.O.A. Inc. were unlawfully diverting my payments to pay for illegal fees.

On April 23, 2010, I received another letter from Kristen Dillie, threatening to sue me within 20 days if I did not pay \$480.00 I did not owe.



HindmanSanchez

Attorneys at Law

Denver Office Kristen Dillie

Direct 303-991-2068

kdillie@hindmansanchez.com

April 20, 2010

Re: Madison Hill Homeowners Association, Inc.

5711 W. 92 Avenue #41 Westminster, CO 80031

Dear Mr. Racansky:

I have been informed that there was an error on the ledger previously forwarded to you. As you will note on the ledger, there is a credit on April 12, 2010, which represents the correction. As on the ledger previously sent, \$100.00 in attorneys fees have been incurred, but are not yet reflected on this ledger. This brings the total due through April 2010 to \$480.00

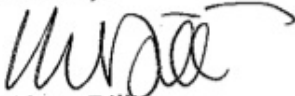
Please make your check payable to “Madison Hill Homeowners Association, Inc.” in the amount of \$480.00 and mail it to our Denver office listed below.

All further contact regarding this matter must be with this office. We are authorized to take whatever legal action is necessary to recover this amount, without further notice to you, unless payment in full is received in our office or satisfactory arrangements for payment are made. If you would like to work out a payment plan you must contact me within twenty (20) days of the date of this letter. If you fail to set

up a payment plan with us, we will be forced to proceed with further legal action as indicated in our earlier letter to you.

Thank you for your cooperation.

Sincerely,



Kristen Dillie
HindmanSanchez P.C.
enc.

“This is an attempt to collect a debt.
Any information obtained will be used for that purpose.”

HindmanSanchez P.C. Attorneys At Law Denver & Fort Collins
5610 Ward Road, Suite 300, Arvada, Colorado 80002-1310
Tel 303.432.8999 Fax 303.432.0999 www.hindmansanchez.com

Enclosed with this letter was a ledger of my account dated April 12, 2010. **See Appendix A, lines 052 to 238.** At the time this letter was postmarked on April 21, 2010, the corporate directors of Madison Hill H.O.A. Inc. had stolen \$2,226.49 from me. **See Appendix B, line 17.**

I contacted each and every individual member of the board of directors of Madison Hill H.O.A. Inc. on May 11, May 26, June 01, and July 01, 2010. **See Appendix C.**

Although they refused to provide any accounting for the fees they were billing me for and demanding from me, the last page of my final letter did provoke a response.

July 01, 2010

page 4 of 4

While I have your attention, there is one more issue that needs to be mentioned, although it's not related to your current collections effort against me.

On June 18, 2006, I contacted Homestead Management – then the property management company for Madison Hill HOA Inc. – via e-mail regarding the landscaping in front of my unit. I informed Kathleen Endes that the small garden area by the front basement window of my unit is bare, and cats, dogs, and/or other animals are using the area as a litter box. I never received a reply, and this is still an on-going problem 4 years later.

Therefore, I will be landscaping the garden area in front of my unit to discourage small animals from using it as a toilet, and to improve its appearance.

Because you and your agents have been ignoring my letters for the past 103 days, I expect to receive neither approval nor disapproval for this so-called “architectural change.” Unless I hear otherwise, I will interpret your lack of a response as approval to proceed.

Thank you.
Robert Racansky
P.O. Box 18715
Boulder, Colorado 80308
720-989-1221
robert.racansky@gmail.com



Madison Hill H.O.A. Inc. was either unable or unwilling to account for the thousands of dollars they had been demanding from me since March 2010. They refused to provide *any* evidence that I owed them the money they claimed: including documents and records that I was entitled to, both under Colorado state law ²⁸ and the governing documents of the H.O.A. corporation. ²⁹

But they did feel compelled to act quickly to prevent me from landscaping the area outside of my basement window. in order to discourage cats from using the area as a litter box. Within *two weeks*, they discussed this matter, and “DENIED” (all caps) me permission to clean up the cat poop from the area in front of my unit. **See page 71.** Whatever their motive – maybe they thought a natural litter box enhanced the property value of the building – **their denial is evidence that they were actually reading my letters.**

On July 13, 2010, I received the following e-mail from Heather Hartung (Colorado attorney # 39,142), another collections attorney working for the board of directors of Madison Hill H.O.A. Inc. It was the first time in 3 months I had received any communication regarding this matter.

From: Heather Hartung
<HHartung@hindmansanchez.com>
Date: Tue, Jul 13, 2010 at 11:45 AM
Subject: Madison Hill HOA / 5711 W 92nd
Avenue #41 (6189.086)
To: robert.racansky@gmail.com

Mr. Racansky,

Pursuant to your request, attached is a ledger dated as of July 6, 2010 which shows a current balance in the amount of \$540.00. Payment should be forwarded to my attention at the address listed below. If you have any questions, please let me know.

Thank you.

Heather L. Hartung
HindmanSanchez P.C.
hhartung@hindmansanchez.com

Denver/Fort Collins
5610 Ward Road, Suite 300
Arvada, CO 80002-1310
303.991.2040 Direct
303.432.9999 Main
303.991.2041 Fax
800.809.5242 Free
www.hindmansanchez.com
www.hoalegislate.com

Six days later, I received another e-mail from Ms. Hartung, addressing my intention to do something about the cat poop in front of my window.

From: Heather Hartung
<HHartung@hindmansanchez.com>
Date: Mon, Jul 19, 2010 at 8:16 AM
Subject: Madison Hill HOA/5711 W 92nd
Avenue #41 (Racansky) 6189.086
To: robert.racansky@gmail.com

Mr. Racansky,

Please contact my office to discuss the July ledger that was emailed to you on July 13, 2010. As previously stated, your account has been turned over for collections and as such all communication is to be with our office.

In addition, the Board has DENIED your requested architectural change. This type of change must be made by completing the appropriate form which can be found on the website or at the LCM Management office. Once completed this form must be submitted to the Board for approval.

Thank you.

Heather L. Hartung
HindmanSanchez P.C.
hhartung@hindmansanchez.com

Emphasis in original.

A few weeks later, I received another extortionist demand sent on behalf of the board of directors of Madison Hill H.O.A. Inc. Instead of 30 days or 20 days, I was now given only 10 days to pay them money I did not owe.



HindmanSanchez
Attorneys at Law

Denver Office Heather L. Hartung
Direct 303-991-2068
hhartung@hindmansanchez.com

August 06, 2010

Re: Delinquent Association Dues /
Madison Hill Homeowners Association, Inc.
5711 W. 92 Avenue #41 Westminster, CO 80031
Our File No. 6189.086

Dear Owner(s):

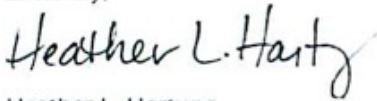
We have been retained to represent the above named Association, whose records indicate that your assessment fees are presently in arrears in the amount of \$594.01 through August 6, 2010, plus attorney fees of \$130.00 **for a total amount due of \$724.01**. This amount includes assessments, lien fees, late charges and interest, as well as attorney fees, which are provided for by statute and in the Association's governing documents.

This is our second demand for payment for the above amount which is past due and unless payment in full is received in our office or satisfactory arrangements are made within 10 days from the date of this letter, we are authorized to take whatever legal action is necessary to recover this amount, without further notice to you. All further contact regarding this matter must be with our office. If further action is necessary, you may be found liable for not only the assessment

arrearages, but also for interest, all late charges, court costs and additional attorney fees.

We sincerely hope legal action will not be necessary and that you will give this matter your immediate attention. If you have any questions or wish to discuss this matter, **please contact our collection specialist at 303-432-8999, option 2.**

Sincerely,



Heather L. Hartung
HINDMANSANCHEZ P.C.

HLH/kf

“This is an attempt to collect a debt.
Any information obtained will be used for that purpose.”

HindmanSanchez P.C. Attorneys At Law Denver & Fort Collins
5610 Ward Road, Suite 300, Arvada, Colorado 80002-1310
Tel 303.432.8999 Fax 303.432.0999 www.hindmansanchez.com

What Heather Hartung called “our second demand for payment” was actually their fifth. But you don’t have to be smart, honest, or pay attention to details to be a collections attorney.

A few weeks later, I filed a lawsuit against their law firm ³⁰, and the extortionist demands for payment stopped.

But it was not the end of the theft of my payments by the corporate directors: Randy Schneider, William D. Worrell (a.k.a. “Dan Worrell”), De Aun Burchi, Tim Nelson, and Christine Kehres. Their sense of entitlement to other people’s money would lead them to commit acts of thievery for another ½ year.

* * *

On March 15, 2011, and May 02, 2011, I again contacted each and every individual member of the Madison Hill H.O.A. Inc. board of directors. At this point, I had spent \$206.85 in postage costs alone, to mail each and every individual board member of the Madison Hill H.O.A. corporation 7 letters each (35 letters total). **See Appendix C.**

I did not know it at the time, but the H.O.A. corporate directors had finally stopped stealing my payments on March 15, 2011. They never told me. They never told me anything. But they did tell their lawyers, because their lawyers needed this information to defend themselves against my lawsuit.

* * *

On May 03 2011, HindmanSanchez P.C. filed a “Motion for Summary Judgment” in my lawsuit against them. Attached as “Exhibit G” to that Motion was a ledger of my account, dated April 25, 2011. **See Appendix A, lines 261 to 300.** It showed that on my account’s balance had been restored to it’s proper balance, \$0.00, on March 15, 2011. **See Appendix A, line 296.**

I believe the *only* reason the corporate directors of Madison Hill H.O.A. Inc. stopped stealing money from me – seven months into my litigation against their law firm – was so that their collections attorneys could claim that no harm had been done, and no crime had been committed, since my account had been restored to its proper balance.

I contacted each and every individual corporate director of Madison Hill H.O.A. Inc. again on August 08, 2011, on June 05, 2012, and for the last time on October 20, 2012. **See Appendix C.** To this day, I have never received any of the information I requested, even though I am entitled to it by both Colorado law and the governing documents of the Madison Hill H.O.A. corporation.

* * *

Even McKenzie is a former H.O.A. lawyer, and the author of *Privatopia* (1994) and *Beyond Privatopia* (2011). He currently teaches at the University of Illinois at Chicago, and blogs about H.O.A. and privatization issues at privatopia.blogspot.com . Although he was not talking about my case, something he once said perfectly describes the behavior of Madison Hill H.O.A. Inc.

It's like something you would see in Nazi Germany or Soviet Russia. People think these things don't go on. But we know they go on every day in condo and homeowners associations.

These people who have no idea how to use power at all. They won't even accept limits on their power. They don't know what the law requires of them, these directors. They go by what some lawyer tells them to do, which the lawyer tells them to do only because he or she knows they can get away with it. Because the only recourse you have is some civil suit.

...

There's nowhere for owners to turn. If the lawyer tells them "Oh, just jack 'em around. Who cares what the rules are? Who cares what the law says?" it doesn't make any difference. The transaction costs of enforcing an owner's rights are so great that they are hardly ever able to do it. ³¹

* * *

No legitimate business repeatedly demands money from a consumer ³², and then refuses to provide *any* explanation or *any* evidence why they believe the money is owed. No legitimate creditor repeatedly threatens to sue a debtor in order to collect on the debt ³³, and then suddenly ceases making those threats if they have a legitimate claim.

DATE	AMOUNT DEMANDED	DEADLINE		<i>t</i>
				March 5 th = 0
March 05, 2010	\$ 1,821.73	30 days	April 04, 2010	day 0
April 06, 2010	\$ 2,076.73	20 days	April 26, 2010	day 32
April 20, 2010	\$ 480.00	20 days	May 10, 2010	day 46
July 13, 2010	\$ 540.00		-	day 130
August 06, 2010	\$ 724.01	10 days	Aug. 16, 2010	day 154

Despite their numerous threats against me, the Madison Hill H.O.A. corporation *never* had any intention of suing me in 2010. Per 15 U.S.C. § 1692e(5), § 807 of the “Fair Debt Collections Practices Act” (F.D.C.P.A.), it is illegal to “threat to take any action that cannot legally be taken or that is not intended to be taken.” But judges, like Lily Oeffler (Colorado attorney # 22,789), are willing to let such violations of the law go unpunished if the collections agents are members of the legal profession. ³⁴

Given the costs – monetary, time, emotional, and lost opportunity – that I eventually paid to fight this, it would have been far easier and cheaper to pay when the board of directors of Madison Hill H.O.A. Inc. demanded \$2,076.73 from me. *That* would have been the rational economic choice.

On August 23, 2011, the property manager and collections attorneys for Madison Hill H.O.A. Inc. testified that if I had paid the money I did not owe, the H.O.A. corporation would have simply kept the money. Like many H.O.A. corporations, Madison Hill H.O.A. Inc. is not a legitimate business. It is an extortion racket, albeit one that had been legalized by the State of Colorado, and is part of much larger, nation-wide, house-stealing, organized crime syndicate.

08

Although the board of directors of Madison Hill H.O.A. Inc. had stopped stealing my assessment payments ("H.O.A. dues") on March 15, 2011, they still had not returned all of my property to me.

On November 03, 2008, they recorded a lien against my property, for \$1,959.38.

2008101311 11/03/2008 04:14:45 PM
PGS 1 \$6.00 DF \$0
Electronically Recorded Jefferson County CO
Pam Anderson, Clerk and Recorder TD1000 N

ASSESSMENT LIEN NOTICE

MADISON HILL HOMEOWNERS ASSOCIATION, wishing to avail itself to the provisions of the Declaration for the community, recorded at Reception No.: 630990 in the records of Jefferson County Clerk and Recorder, State of Colorado on April 4, 1974 and pursuant to C.R.S. § 38-33.3.316, and makes the following statement of lien:

Name of Owner of Property to be Charged with Lien: Robert Racansky

Legal Description: BLK 1, LOT 41, SEC 24, TOWNSHIP 2, RANGE 69, SEC NE, County of Jefferson, State of Colorado

Also Known As: 5711 W. 92nd Avenue #41, Westminster, CO 80031

Name of Association Claiming Lien: MADISON HILL
HOMEOWNERS ASSOCIATION

Present Amount of Indebtedness of Association:

\$1,959.38 through October 31, 2008, together with interest at 6.00% annum as set forth in the Declaration from the date due of such delinquency, and inclusive of processing, recording, and reasonable attorney fees, and for further assessments and late charges as they become due, less any payments made after the date herein.

MADISON HILL HOMEOWNERS
ASSOCIATION



Michael C. Payne, Attorney in Fact

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

I, Michael C. Payne, being of lawful age and being first duly sworn upon oath, do say that I am the attorney in fact for Madison Hill Homeowners Association, the Claimant herein named; that I have read the within Notice of Assessment Lien and know the contents thereof; and that the same is true and correct to the best of my knowledge, information and belief.

Subscribed and sworn to before me on October 31, 2008, by Michael C. Payne.

My commission expires: 05/21/2011

Ken Furukawa
Notary Public

Prepared by: HindmanSanchez P.C., 5610 Ward Road, Suite 300, Arvada, Colorado 80002-1310
303.432.8999/Client No. 6189.043

KEN FURUKAWA
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 05/21/2011

Although the judgment had been paid on October 26, 2009 (see **Appendix A, lines 196, 203, 204, and 205**) and Kristen Dillie (Colorado attorney # 40,095) had filed a “Satisfaction of Judgment” on November 19, 2009 (see **page 58 and page 84**), the lien on my property was not released until June 28, 2011 – 18 months after the judgment had been paid.

The lien was prepared on October 31, 2008; the same day as the lawsuit was. It is the policy of the Madison Hill H.O.A. corporation to place a lien on a home owners property when they file a lawsuit. ³⁵

7. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 15 days delinquent, **the manager shall send a written notice (“Intent to Lien”)** of non-payment, amount past due, notice that late fees have accrued, **notice of intent to file a lien** and request for immediate payment.

Emphasis added

No such notice was ever sent by the manager (L.C.M. Property Management), which should have been done around January 25, 2010.

7(c) After an installment of an annual assessment or other charges due to the Association becomes more than 45 days delinquent, the Association, or authorized agent of the Association, shall and (*sic*) turn the account over to the Association’s attorney for collection. Upon receiving the delinquent account, the Association’s attorney **shall file evidence of lien** and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due...

Emphasis added

My account was turned “over to the Association’s attorney for collection” on February 24, 2010. **See Appendix A, line 228.** Per section 7(c) (**see above**) and section 9 of their own collections policy (**see next page**), the Madison Hill H.O.A. corporation *was required* to file a lien against my property.

9. <u>Collection Procedure / Time Frames.</u> The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.	

Due Date (date payment due)	1 st day of the month due

First Notice (notice that late charges have accrued, notice of intent to file lien)	15 days after due date

Interest Accrues	30 days after due date

Delinquent account turned over to Association's attorney; Lien Filed; Demand letter sent to Owner.	45 days after due date

Emphasis added

The only party with the authority to deviate from these policies is the board of directors of Madison Hill H.O.A. Inc.

16. Waivers. The Association [Madison Hill H.O.A. Inc.] is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

21. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

In 2008, my account was turned over to the collections attorneys on September 09, 2008. **See Appendix A, line 128.** The lien was written up 52 days later (October 31, 2008), and filed with

the county 3 days after that (November 03, 2008). If they had followed a similar timeline in 2010, another lien would have been filed around April 20, 2010.

Yet no lien was ever filed in 2010, because they knew that the lien they filed in 2008 (for which I was billed in 2008) was still in effect.

In her demand letter to me of March 05, 2010, Kristen Dillie (Colorado attorney # 40,095) claimed that my

assessment fees are presently in arrears in the amount of \$1,721.73 through March 5, 2010, plus attorney fees of \$100.00 for a total due of \$1,821.73. This amount includes assessments, **lien fees**, late charges and interest, as well as attorney fees, which are provided for by statute and in the Association's governing documents.

...

...**a lien will be filed** with the Jefferson County Clerk and Recorder.

See pages 61 - 62. Emphasis added

And in her demand letter to me of August 06, 2010, Heather Hartung (Colorado attorney # 39,142) claimed that my

assessment fees are presently in arrears in the amount of \$594.01 through August 6, 2010, plus attorney fees of \$130.00 for a total amount due of \$724.01. This amount includes assessments, **lien fees**, late charges and interest, as well as attorney fees, which are provided for by statute and in the Association's governing documents.

See page 72. Emphasis added

The board of directors of Madison Hill H.O.A. Inc. did not file a lien on my property in 2010, because they had never released the lien they filed in 2008. But they billed me for the lien fees in 2008 *and* in 2010.

* * *

Collecting liens and selling them to third parties one of the services of the law firm HindmanSanchez P.C. On their web site, they advertised that

HOALiensFor Sale

Colorado currently holds the dubious honor of leading the nation in lender (or "public trustee") foreclosures. HOALiensFor Sale is a service we offer which will benefit your association and its bottom line. ³⁶

To obtain a list of H.O.A. liens for sale by HindmanSanchez's clients, go to hoaliensforsale.com , which currently re-directs to www.hindmansanchez.com/resources/pdf/hoa-liens-sale

To this day, I believe that if I had not filed a lawsuit against HindmanSanchez P.C. in 2010, Madison Hill H.O.A. Inc. would have sold the 2008 lien against my property to a third-party buyer of debts. It is the only explanation I can think of for why they held a lien on my property for over 1 ½ years after the judgment had been paid.

2008101311 11/03/2008 04:14:45 PM
PGS 1 \$6.00 DF \$0
Electronically Recorded Jefferson County CO
Pam Anderson, Clerk and Recorder TD1000 N

ASSESSMENT LIEN NOTICE

MADISON HILL HOMEOWNERS ASSOCIATION, wishing to avail itself to the provisions of the Declaration for the community, recorded at Reception No.: 630990 in the records of Jefferson County Clerk and Recorder, State of Colorado on April 4, 1974 and pursuant to C.R.S. §38-33.3.316, and makes the following statement of lien:

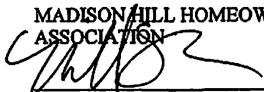
Name of Owner of Property to be Charged with Lien: Robert Racansky

Legal Description: BLK 1, LOT 41, SEC 24, TOWNSHIP 2, RANGE 69, SEC NE, County of Jefferson, State of Colorado

Also Known As: 5711 W. 92nd Avenue #41, Westminster, CO 80031

Name of Association Claiming Lien: MADISON HILL HOMEOWNERS ASSOCIATION

Present Amount of Indebtedness of Association:
\$1,959.38 through October 31, 2008, together with interest at 6.00% per annum as set forth in the Declaration from the date due of such delinquency, and inclusive of processing, recording, and reasonable attorney fees, and for further assessments and late charges as they become due, less any payments made after the date herein.

MADISON HILL HOMEOWNERS
ASSOCIATION

Michael C. Payne, Attorney in Fact

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

I, Michael C. Payne, being of lawful age and being first duly sworn upon oath, do say that I am the attorney in fact for Madison Hill Homeowners Association, the Claimant herein named; that I have read the within Notice of Assessment Lien and know the contents thereof; and that the same is true and correct to the best of my knowledge, information and belief.

Subscribed and sworn to before me on October 31, 2008, by Michael C. Payne.

My commission expires 05/21/2011
Ken Furukawa
Notary Public

Prepared by: HindmanSanchez P.C., 5610 Ward Road, Suite 300, Arvada, Colorado, 80002-1310
303.432.8999/Client No. 6189.043

KEN FURUKAWA
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 05/21/2011

November 03, 2008 – lien filed

COUNTY COURT, COUNTY OF JEFFERSON, STATE OF COLORADO Court Address: 100 Jefferson County Parkway Golden, CO 80401 Phone Number: 303-271-6228	
Plaintiff: MADISON HILL HOMEOWNERS ASSOCIATION, INC. v. Defendant(s): ROBERT RACANSKY	▲ COURT USE ONLY ▲
Attorney: Kristen Dillie Name: HindmanSanchez P.C. Address: 5610 Ward Road, Suite 300 Arvada, Colorado 80002-1310 Phone Number: 303.432.8999 Fax Number: 303.432.0999 Email: kdillie@hindmansanchez.com Atty. Reg. No.: 40095 Atty. File No.: 6189.043 (KND)	Case Number: 08 C 62579 Div.: H Ctrm.:
SATISFACTION OF JUDGMENT	
<p>FOR AND IN CONSIDERATION of amounts paid, I authorize the Clerk of the above Court to make a record of full satisfaction of this judgment. In addition, Plaintiff requests any outstanding bench warrant be vacated.</p> <p>Date of original or amended judgment: September 1, 2009 Amount of original or amended judgment: \$6,986.49</p> <p style="text-align: center;">WITNESS my hand and seal on November 19, 2009.</p> <p style="text-align: right;">Respectfully submitted, HINDMANSANCHEZ P.C.</p> <p style="text-align: right;"> <i>[Original Signature on File]</i> S/ Kristen Dillie Kristen Dillie, #40095 Brianna L. Schaefer, #34078 5610 Ward Road, Suite 300 Arvada, Colorado 80002-1310 303.432.8999 Attorneys for Plaintiff </p> <div style="text-align: right; margin-top: 20px;"> <div style="border: 2px solid black; padding: 5px; display: inline-block;"> E-FILED 11/19/09 </div> </div>	

November 19, 2009 – “Satisfaction of Judgment”
 The lien should have been released at this time.

2011060044 06/28/2011 04:02:34 PM
PGS 1 \$11.00 DF \$0
Electronically Recorded Jefferson County CO
Pam Anderson, Clerk and Recorder TD1000 N

RELEASE OF NOTICE OF ASSESSMENT LIEN

TO WHOM IT MAY CONCERN:

Madison Hill Homeowners Association, Inc., releases the Notice of Assessment Lien, Reception number 2008101311 in the records of the County of Jefferson, State of Colorado recorded November 3, 2008, which sets forth the following information:

Name of Owner of Property Charged with Lien: Robert Racansky

Legal Description: BLK 1, LOT 41, SEC 24, TOWNSHIP 2, RANGE 69, SEC NE, County of Jefferson, State of Colorado

Also known as: 5711 W. 92nd Avenue #41, Westminster, CO 80031

Name of Association Claiming Lien: Madison Hill Homeowners Association, Inc.

Madison Hill Homeowners Association, Inc.

Heather L. Hartung
Heather L. Hartung, Attorney in Fact

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

I, Heather L. Hartung, being of lawful age and being first duly sworn upon oath, do say that I am the Attorney in Fact, Madison Hill Homeowners Association, Inc., Claimant herein named; that I have read the within Release of Notice of Assessment Lien and know the contents thereof; and that the same is true and correct to the best of my knowledge, information and belief.

Heather L. Hartung

Subscribed and acknowledged before me this 15th day of June, 2011.

My Commission Expires: 05/21/2015

Ken Furukawa

Prepared By:
HindmanSanchez P.C.
5610 Ward Road, Suite 300
Arvada, Colorado 80002-1310
303.432.8999/Client No. 6189.043

KEN FURUKAWA
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 05/21/2015

0038020.RTF:1

June 28, 2011 – lien released
This is more than 1 ½ years after the “Satisfaction of Judgment”,
more than 1 year since the first threatening demand for payment in March 2010,
and 10 months into my litigation against HindmanSanchez P.C.

09

In Colorado, the statutory definition of theft is

TITLE 18. CRIMINAL CODE
ARTICLE 4. OFFENSES AGAINST PROPERTY
PART 4. THEFT
C.R.S. 18-4-401 (2012)

- (3) A person commits theft when he knowingly obtains **or** exercises control over anything of value of another without authorization, **or** by threat **or** deception, **and**:
- (e) Intends to deprive the other person permanently of the use or benefit of the thing of value; **or**
 - (f) Knowingly uses, conceals, or abandons the thing of value in such manner as to deprive the other person permanently of its use or benefit; **or**
 - (g) Uses, conceals, or abandons the thing of value intending that such use, concealment, or abandonment will deprive the other person permanently of its use and benefit; **or**
 - (h) Demands any consideration to which he is not legally entitled as a condition of restoring the thing of value to the other person.

Emphasis added

In addition to the common sense definition of stealing, the actions of the Madison Hill H.O.A. corporation meet the statutory requirements of “theft”.

- “knowingly”, per C.R.S. §18-4-401 (1)
- “exercises control...without authorization”, per C.R.S. §18-4-401 (1)
- “obtains control...by deception”, per C.R.S. §18-4-401 (1)
- “obtains or exercises control...by threat”, per C.R.S. §18-4-401 (1)
- “intends to deprive”, per C.R.S. §18-4-401 (1)(a)
- “uses...to deprive”, per C.R.S. §18-4-401 (1)(b) and (1)(c)
- “demands consideration”, per C.R.S. §18-4-401 (1)(d)

One does not need years of law school and experience as a lawyer (or a judge) to see the obvious.

This section clearly delineates four acts which, if done with the intent specified, constitute the crime of theft, so that **any person of common intelligence can readily comprehend the meaning and application of the unambiguous words** used by the general assembly in drafting this section.

Howe v. People, 178 Colo. 248, 496 P.2d 1040 (1972)

Emphasis added

In my experience, the only persons who *cannot* “readily comprehend the meaning and application of the unambiguous words” in Colorado’s theft statute are lawyers and judges.

* * *

KNOWINGLY
C.R.S. §18-4-401 (1)

The illegal diversion of my assessment payments (“H.O.A. dues”), to pay for illegal attorney fees and illegal late fees, was done in accordance with the collection policies unilaterally adopted and amended by the board of directors of Madison Hill H.O.A. Inc. On October 07, 2009, Jefferson County Colorado Judge Tammy Greene issued a Court Order explicitly ordering the Madison Hill H.O.A. corporation to *not* redirect my assessment payments.

The board of directors of Madison Hill H.O.A. Inc. were receiving monthly status reports from their collections attorneys about my account.

Keeping You Informed

As a board member or manager, you want and need to be kept informed of each collection matter our office is handling. We provide - free of charge - a monthly written status report explaining to you how the accounts are progressing, and what the next steps are.

Of course you are also welcome to call us anytime to receive a verbal update as to the status of your association's collections matters, again, free of charge. When you retain HindmanSanchez to address your collections matters, you're provided with contact names and phone numbers so that you always know who to call with questions or concerns. ³⁷

To this day, the board of directors of Madison Hill H.O.A. Inc. have refused to produce those monthly status reports, in spite of my my statutory and contractual rights to those documents.

The board of directors of Madison Hill H.O.A. Inc. were also receiving monthly status reports from L.C.M. Property Management Inc. Their contract with L.C.M. Property Management Inc. (“Agent”) states that

Agent shall maintain records of all income, expenses, assets, and liabilities relating to the Property and shall submit this accounting to the Association on a monthly basis.

Between March 27, 2010 and March 15, 2011, I contacted each and every individual member of the board of directors of Madison Hill H.O.A. Inc. five times (x 5 board members = 25 letters total), via United States Postal Service, certified mail, with return receipt, about the discrepancies with my account. In contrast, communications from their agents and attorneys to me were via regular mail service, with no delivery verification, per their own policies. My communications to the board members were above and beyond what they consider sufficient notice.

In spite of being individually contacted 5 times each, the board members continued to authorize the unlawful redirection of my assessment payments (“H.O.A. dues”) until March 15, 2011.

Anything details that the board members were ignorant of regarding the theft of my assessment payments (“H.O.A. dues”) was the result of their own *choice* to be deliberately ignorant.

It is worth noting that the Madison Hill H.O.A. corporation made three credits to my account:

- \$1,126.73 (“ 09/09 JUDGMENT CR”) on April 12, 2010.
See Appendix A, line 238
- \$0,100.99 (“BAD DEBT FOR \$0 BAL”) on July 30, 2010.
See Appendix A, line 255
- \$0,629.01 (“WAIVE / ADJ...”) on March 15, 2011.
See Appendix A, line 296

This is evidence that they knew the fees they were demanding from me were unlawful. Otherwise, they would have proceeded to take legal action against me, as they had repeatedly threatened to do. It is also worth noting that on August 31, 2009, the Madison Hill H.O.A. corporation testified that the \$100.99 fee had been waived by the board of directors and credited to my account. Yet on February 24, 2010, the corporation directed its collections attorneys to collect that fee from me.

Nor did the Madison Hill H.O.A. corporation file a lien on my property in April 2010, as they were *required* to do by their own collections policy if I had owed them the money in question. The *only* party with the authority to deviate from that policy is the board of directors of Madison Hill H.O.A. Inc.

16. Waivers. The Association [Madison Hill H.O.A. Inc.] is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

21. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

EXERCISES CONTROL...WITHOUT AUTHORIZATION

C.R.S. §18-4-401 (1)

On August 31, 2009, Judge Greene instructed the attorney and business manager of Madison Hill H.O.A. Inc., that they could not sue me for attorney fees.

The Court awards attorney fees.

... [attorney fees are] not subject to an award by the jury. And this is what I said at the very beginning. I decide the costs. Attorney's fees are to be considered costs, not damages.

The award by the jury is the damages; which is the assessment, the interest, and the late fees. If they determine that any amount is owing, then you are the prevailing party, and then **attorney's fees will be determined by the Court.**

Emphasis added

On October 07, 2009, Judge Greene awarded Madison Hill H.O.A. Inc. \$6,986.49 in her final judgment. She ordered the Madison Hill H.O.A. corporation ordered the H.O.A. to account for the judgment separately from my regular assessments ("H.O.A. dues").

Finally, the Court ORDERS that the Plaintiff shall account for the collection of this judgment separately from the accrual of new assessments, such that the Defendant may stay current in his monthly assessments without accruing late fees or interests as a result of the attorney's fees and costs awarded herein.

This document constitutes a ruling of the court and should be treated as such.

The board of directors of Madison Hill violated this Court Order every month for 1 ½ years, by diverting my assessment payments to pay for unlawful late fees and unlawful attorney fees.

OBTAINS CONTROL...BY DECEPTION

C.R.S. §18-4-401 (1)

On October 26, 2009, I had paid the judgment in *Madison Hill H.O.A. Inc. vs Robert Racansky*. **See Appendix A, lines 196, 203, 204, and 205.** On November 19, 2009, Kristen Dillie (Colorado attorney # 40,095) filed a “Satisfaction of Judgment”. **See pages 58 and 84.** From that point, I had no reason to believe, no knowledge, and no notice, that my payments for current assessments (“H.O.A. dues”) were being used to pay for unlawful fees that were explicitly prohibited by a judge’s instructions and a judge’s Court Order.

My intent and expectation of making payments for current assessments (“H.O.A. dues”) was to pay for current assessments. My intention and expectation was *not* to pay for illegal attorney fees, illegal late fees, or prior assessments.

The *only* contractual authority the Madison Hill H.O.A. corporation had to redirect my payments was if I was delinquent in paying my assessments (“H.O.A. dues”), which I was not. If I had been delinquent in paying my assessments (“H.O.A. dues”), if my account had been in arrears, the H.O.A. corporation was *required* to notify me before turning my account over to their collections attorneys on February 24, 2010.

7. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association become more than 15 days delinquent, **the manager shall send a written notice** (“Intent to Lien”) of non-payment, amount past due, notice that late fees have accrued, notice of intent to file a lien and request for immediate payment.

The required notification was never sent by the manager, which should have been done around January 25, 2010. The *only* party with the authority to deviate from that policy is the board of directors of Madison Hill H.O.A. Inc.

16. Waivers. The Association [Madison Hill H.O.A. Inc.] is hereby authorized...to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

21. Deviations. The board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

OBTAINS OR EXERCISES CONTROL...BY THREAT

C.R.S. §18-4-401 (1)(a)

I do not pay assessments (“H.O.A. dues”) to the Madison Hill H.O.A. corporation because I like giving money to thieves and looters and parasites. Nor do I pay assessments (“H.O.A. dues”) because believe that I’m getting value in exchange for my money. I most certainly am *not* receiving anything of value from the H.O.A. corporation.

I pay assessments (“H.O.A. dues”) for the same reason I pay taxes: because if I do not, the Madison Hill H.O.A. corporation – like the I.R.S. – will charge me extortionist attorney fees, place a lien on my property, sue me, and foreclose on my property. But unlike the I.R.S., the Madison Hill H.O.A. corporation will do those things even if I *do* pay assessments (“H.O.A. dues”).

According to the collections policy of Madison Hill H.O.A. Inc., the H.O.A. corporation authorized itself to foreclose on my property if they believed that a lawsuit would be unsuccessful.

15. Judicial Foreclosure. The Association [Madison Hill H.O.A. Inc.] may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. **The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.**

Emphasis added

The ability to take a home owner’s property is an enormous threat to wield against any home owner who is governed by an H.O.A. corporation. The H.O.A. law firm HindmanSanchez P.C. has advertised to board members that

We understand the mind-set of delinquent homeowners. We know that when it's time to pay the bills, assessments are often low on the priority list. **Our goal is to move assessments to the top of the priority list; to impress upon owners that paying assessments is critical to keeping their home.**

...
We have developed successful alternatives when traditional collection methods fail, **including the use of foreclosures** ³⁸

Keep in mind that “assessments” (“H.O.A. dues”) can also mean disputed fines and fees, including attorney fees, as described in **Chapter 04** of this book. Every fine, every fee, and every demand by an H.O.A. corporation is backed with the threat of foreclosure.

INTENDS TO DEPRIVE

C.R.S. §18-4-401 (1)(a)

On February 24, 2010, the board of directors of Madison Hill H.O.A. Inc. directed their collections attorneys to extort additional payments from me that I did not owe, in order to cover up the theft of my assessment payments (“H.O.A. dues”).

On August 23, 2011, the business manager and collections attorneys for the Madison Hill H.O.A. corporation testified that if I had paid the money demanded from me in March, April, and August 2010 – money that I did not owe – the Madison Hill H.O.A. corporation would have kept the money.

USES...TO DEPRIVE

C.R.S. §18-4-401 (1)(b)

and

C.R.S. §18-4-401 (1)(c)

Per their own collections policy, the board of directors of Madison Hill H.O.A. Inc. used my assessment payments (“H.O.A. dues”) to pay for unlawful fees, including unlawful attorney fees.

Per their own collections policy and accounting methods, the illegal use of my assessment payments (“H.O.A. dues”) for unlawful fees created an artificial delinquency in my account.

Per their own collections policy, the board of directors of Madison Hill H.O.A. Inc. then directed their collections attorney to demand payment from me, due to the artificial delinquency in my account that they unlawfully created.

To my knowledge, the \$1,375.84 in excessive and illegal attorney fees was not refunded by the law firm HindmanSanchez P.C. Instead, that cost was paid by the other home owners, through the collection of their assessments ("H.O.A. dues").

DEMANDS CONSIDERATION

C.R.S. §18-4-401 (1)(d)

The board of directors of Madison Hill H.O.A. Inc. repeatedly made threatening demands for money that I did not owe, as a condition of returning my account to its proper balance and releasing the lien on my property (which should have been released in October 2009). They did so on

March 05, 2010	demand for \$1,721.73	pp. 61 - 63
April 06, 2010	demand for \$2,076.73	pp. 64 - 65
April 20, 2010	demand for \$ 480.00	pp. 66 - 67
July 13, 2010 and	demand for \$ 540.00	p. 70
August 06, 2010	demand for \$ 724.01	pp. 72 - 73

* * *

Far from being a simple accounting dispute an honest mistake, a harmless error, *etc.*, as I expect the five thieves to claim, their redirection of my assessment payments ("H.O.A. dues") to pay for unlawful fines and fees were acts of theft as defined by both Colorado law and plain common sense.

Although there will be (and has been) a lot of finger-pointing among the triumvirate of the H.O.A. corporation's board of directors, their property management company ³⁹, and their collections attorneys ⁴⁰ – and I do believe that those other parties were *very* complicit in these crimes – **the ultimate responsibility rests with the H.O.A. corporation's board of directors. Everything the property managers and collections attorneys did was under the authority and direction of the corporate directors. That's where the buck stops.**



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H.O.A. corporations are evidence that conservatives, libertarians, and Republicans are as ignorant of the real-world consequences of their ideologies as your stereotypical college-campus Leftist wearing a Che Guevara t-shirt driving around in a Prius with a “Hope and Change” bumper sticker.

* * *

Two weeks before Memorial Day weekend 2010, WFAA-TV in Dallas/Ft. Worth reported a story about Michael Clauer. While Captain Clauer was serving in Operation Iraqi Freedom, his \$300,000 house was foreclosed upon by his H.O.A. corporation to collect \$800 in assessments (“H.O.A. dues”). The house had been paid for, and was owned free-and-clear of a mortgage.

Who profited from this action?

In May 2008, the Heritage Lakes H.O.A. corporation sold the Clauers’ house to Mark DiSanti for \$3,200. DiSanti then sold the house to Jad Aboul-Jibin for \$135,000.

In June 2009, Aboul-Jibin started demanding rent from the Clauers. This was the first time they were made aware that their house had been sold. In August 2009, Aboul-Jibin sent the Clauer family an eviction notice. Captain Clauer was in Iraq at the time, commanding over 100 men in a Middle Eastern combat zone, but his wife and children were living in the house. **41, 42**

Before Memorial Day weekend 2010, the only national media outlet to report the Clauers' story was the left-wing *Mother Jones*. ⁴³

A month later, National Public Radio's "All Thing's Considered" mentioned the incident in a story about H.O.A. foreclosures. ⁴⁴

This story had the heroes and villains that *should* have made it headline material for Fox News Channel :

- an American soldier deployed to a war zone
- Memorial Day weekend
- the theft of private property
- greedy lawyers

But, like the modern day heirs of Walter Duranty, conservative and libertarian pundits kept their viewers, listeners, and readers completely ignorant about this unconscionable crime. I challenge you to find one single story from any conservative or libertarian source about this incident. Just *one*.

You won't, because conservatives, libertarians, and Republicans are so enamored with H.O.A. corporations that they place the profits of corporate lawyers like Vinay B. Patel (Texas attorney # 24,007,812) above the interests of America's military service personnel.

This wasn't a case of just one or two conservative media outlets dropping the ball. This was systemic. The Right remained silent, because the story didn't fit some ideological narrative.

Shame on you Rush Limbaugh, Bill O'Reilly, Sean Hannity, Glenn Beck, Glenn Reynolds, Bill Whittle, Ann Coulter, Michelle Malkin, Mike Rosen, John Stossel, James Taranto, Jonah Goldberg, *etc.* ⁴⁵

Special scorn is reserved for Walter Olson and Ted Frank, editors of a web site called overlawyered.com, who claim to be "chronicling the high cost of our legal system." For over a decade, this dynamic duo has given a free-pass to the activities of rapacious H.O.A. attorneys stealing the homes of individual Americans. It's not as though there has been a shortage of material for Messrs. Olson and Frank to blog about, so some other motive is at work. All I can be certain of is that their concern for consumers is as sincere as Al Gore's concern for the environment.

Why have the T.E.A. partying disciples of Ayn Rand and Ronald Reagan chosen to place the collectivist interests of H.O.A. corporations and the profits of H.O.A. lawyers above the individual private property rights of American home owners; including the troops they claim to support? ⁴⁶

'libertarians' seem to have a hard-on that just won't quit for petty authoritarianism and power imbalances, so long as they can be couched in the language of contract...

In this case, an HOA is basically what happens when you think 'zoning' is fascist but you want control over what color your neighbor's house is. ⁴⁷

If you want an idea of just how powerless home owners governed by H.O.A. corporations really are, consider this: **Bill Brauch, who is the Director of the Consumer Protection Division of the Iowa Attorney General's Office**, has said that

he would never join a homeowners' association.

“You have so little control over the many negative things that can happen to you,” he said. “And then you become trapped in a situation beyond your control that only continues to deteriorate.” ⁴⁸

* * *

Foreclosing on home owners *is* the business of H.O.A. corporations. **See Chapter 04.** The profit-motive ensures that it can be no other way.

And in 33 states, an HOA does not need to go before a judge to collect on the liens. It's called nonjudicial foreclosure, and in practice it means a house can be sold on the courthouse steps with no judge or arbitrator involved. In Texas the process period is a mere 27 days — the shortest of any state.

David Kahne, a Houston lawyer who advises homeowners, says that in Texas, the law is so weighted in favor of HOAs, he advises people that instead of hiring him, they should call their association and beg for mercy.

"I suggest you call the association and cry," he says

...

With the recession, foreclosure filings for delinquent HOA assessments in Texas have increased from about 1 percent of all home foreclosures to more than 10 percent currently, according to the industry. ⁴⁹

* * *

When an H.O.A. corporation forecloses on a home owner, the home owner is still responsible for paying the mortgage. H.O.A. corporations can, and do, make money by renting foreclosed properties until the mortgage holder forecloses on its priority lien. It's a practice promoted by the industry's attorneys. ⁵⁰

For example, Robert Tankel, an H.O.A. attorney in Florida,

advocates showing no mercy toward property owners who fall behind on their homeowners association fees.

"If you have to sue some people, that's life," Tankel advised associations in a YouTube video.

The pitch helped Tankel secure more than 500 association clients, some of which have gone after homeowners for as little as \$239.50 in unpaid fees. The swift action allows associations to foreclose on the property, kick the homeowner out, and then collect rent from a new tenant or sell the homes to third parties.

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"It's called capitalism," Tankel said. "It's the free market." ⁵²

Nothing promotes the ideas "capitalism" and "free markets" more than foreclosing on home owners for trivial amounts and reasons (such as to collect less than \$10) ⁵³, under the guise of a some-document-called-a-contract, so an attorney representing an H.O.A. corporation can make a profit from a real-estate "investment".

* * *

Contrary to claims that no true libertarian regimes have ever existed ⁵⁴, there are 325,000 privatized corporate “governments” in the United States today. And ²/₃ of the people living under their jurisdiction have a negative view of them, with ¹/₅ having been in what they call a “war” with their H.O.A. corporation. **See page 17.**

H.O.A. corporations are among the least regulated industry in the United States. Even the few regulations that exist are not being enforced. ⁵⁵ If you want to see the Libertarian and Republican Parties’ vision for America, look at the feefdoms and lawyerocracies that the industry calls “community associations”.

If H.O.A. corporations are manifestations of capitalism and free-markets, as their supporters claim, then something is seriously wrong with conservative and libertarian ideas about capitalism and free-markets. Conservatives, libertarians, *etc.*, need to do some serious soul-searching, because The Privatized Toll Road To Serfdom doesn’t lead to a better place than The Road To Serfdom. ⁵⁶

* * *

Ideas to fix the well-known problems of H.O.A. corporations could fill an entire book. ⁵⁷ But the usual laundry-list of proposals of reform and regulation are doomed to failure, because they don’t eliminate the perverse incentives and moral hazards inherent in the system.

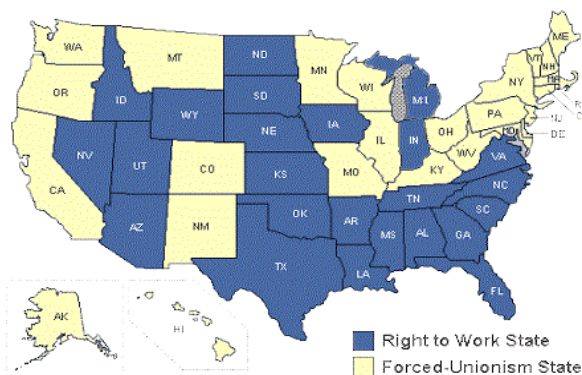
The negative element of certain people will find a way to try to circumvent and find loopholes and try to get around it. That’s why this is a never ending job. We create laws and people find ways to get around them. ⁵⁸

And that's assuming that legislative proposals aren't corrupted by special interests, who are making a *lot* of money feeding off of American home owners. What we are left with, often deliberately, is the *illusion* of reform that leaves home owners more powerless than before.

Like everybody else who has dealt with this issue, I have a ~~solution~~ policy proposal. If the Republicans were smart – *wait for the laughter to die down* – they could be on the right side of this generation's civil rights struggle ⁵⁹, simply by advocating the prohibition of mandatory membership in an H.O.A. corporation as a condition of home ownership. It is not a novel idea – I stole it from the Republican Party. It is the official position of the Republican Party that

We support the right of States to enact Right-to-Work laws and encourage them to do so to promote greater economic liberty. Ultimately, we support the enactment of a National Right-to-Work law to promote worker freedom and to promote greater economic liberty. ⁶⁰

Twenty-four states currently prohibit mandatory membership in a labor union as a condition of employment. ⁶¹ These states are known as “Right-to-Work” states.



Whenever conservatives and libertarians speak about labor unions, the word “forced” is often used; as in, “workers are ‘forced’ to join unions”. In the following examples, substitute “H.O.A.” for “union”, “home owner” for “worker”, and “home” for “job”.

Al Franken [Democrat – Minnesota] made a late appearance and demonstrated, once again, why Saturday Night Live suits him better than the United States Senate. Franken got angry and said it is untrue that anyone is ever forced to join a union. He obviously never worked in the produce section at Shop ‘n Save in Pittsburgh, Pennsylvania. In a closed-shop state like Pennsylvania, the laws require employees to be members of a union if the employer is unionized. Enzi [Senator Mike Enzi, Republican – Wyoming] quipped, in response to Franken’s error, that you wouldn’t have to join a union unless “you wanted a job.” ⁶²

If Senator Franken said that home owners aren’t forced to join an H.O.A. corporation, would Senator Enzi quip in response, “unless you want to own a home”?

A group of conservative U.S. senators has introduced a bill to restrict unions from forcing workers to join and pay dues as a condition of employment.

The move on Capitol Hill comes as several states consider what’s known as “right-to-work” legislation.

...
 “No American should be forced to join a union and pay dues to get a job in this country,” Sen. Jim DeMint, R-S.C., said in a statement. “Many Americans are already struggling just to put food on the table, and they shouldn’t have to fear losing their

jobs or face discrimination if they don't want to join a union. Forced-unionism shields unions from member accountability and has a detrimental effect on the economy." ⁶³

Does Senator DeMint believe that Americans – many whom are “struggling to put food on the table” – should be forced to join an H.O.A. corporation and pay dues to live in a home? ⁶⁴ Are he and his Republican colleagues aware that forced membership in H.O.A. corporations shields H.O.A. directors and vendors from member accountability, and has a detrimental effect on the economy? And if they are, do they care?

Making workers pay dues to be represented by an organization they disagree with is hardly fair or just. ⁶⁵

Does Ron Paul believe that making home owners pay dues to be represented by an organization they disagree with *is* fair and just? I'll let you decide for yourself, but the answer is probably “yes”.

Protecting workers' rights. No one should be forced to pay tribute to a union to get or keep a job. We need to pass "right to work" legislation, as more than 20 other states have done. ⁶⁶

But home owners *should* be forced to pay tribute to an H.O.A. corporation to get or keep a house! Because a some-document-called-a-contract says so! Just like they do for labor unions!

Advocates of “Right-to-Work” laws claim that prohibiting mandatory membership in labor union as a condition of employment has resulted in all sorts of wonderful benefits.

Right-to-work states have generally lower unemployment, higher job growth, lower taxes and better business climates. ⁶⁷

Three of the nation’s ten best public high schools are in Texas — the no-income tax, **right-to-work** state... Florida, another no-income tax, **right-to-work** state...has two of the top ten schools. ⁶⁸

Emphasis added

Imagine what prohibiting mandatory membership in an H.O.A. corporation as a condition of home ownership could accomplish!

“Right-to-Work” laws vary from state to state. An example of one such statute is Texas Codes Title 3 § 101.053.

**Contract Requiring or Prohibiting
Labor Union Membership Void**

A contract is void if it requires that, to work for an employer, employees or applicants for employment:

- (1) must be or may not be members of a labor union; or
- (2) must remain or may not remain members of a labor union. (Enacted 1993.)

A “Right-to-Own” law could look something like this:

**Contract Requiring or Prohibiting
Homeowners Association (H.O.A.) Membership Void**

A contract is void if it requires that, to own a home, home owners:

- (1) must be or may not be members of an H.O.A. ; or
- (2) must remain or may not remain members of an H.O.A.

The threat that H.O.A. corporations pose to the property rights and civil liberties of individual Americans goes *way* beyond the horror stories of petty authoritarianism we often hear about.

As long as home owners are mandatory members of their H.O.A. corporation, the profit-motive ensures that they will be treated as a resource to be exploited (*e.g.*, “Finding the Gold” on **page 57**). They will continue to be subjected to unlimited liability. A home owner’s personal assets will be forever collateral to whatever debts and liabilities the H.O.A. corporation creates, even after their mortgage is paid off.

As a corporation, an H.O.A. is a defective product. ⁶⁹

For example:

In 2012, home owners in the Deer Path Woods condominium complex in Reading, Pennsylvania, were evicted from their homes. Kevin Timochenko, a developer and convicted felon, purchased 90% of the units, giving him control of the H.O.A. corporation. After dissolving the H.O.A. corporation, he sold the corporation’s assets – the condominiums – to Hoya I L.P., another corporation controlled by Kevin Timochenko, for about $\frac{1}{3}$ of their fair market value.

Under Pennsylvania law, it is the seller who determines the value. In this case, that the seller and buyer were different legal entities (corporations), with competing interests, was a legal fiction that allowed Timochenko to circumvent the intent of the law.

The home owners divested of their property ownership were left with the responsibility for paying the balance of their mortgages. They have no recourse, because everything that Kevin Timochenko did was perfectly legal. ⁷⁰

* * *

Would “Right-to-Own Your Home” legislation result in major disruptions to the housing market? Absolutely. ⁷¹ But major disruptions have already happened, and more are coming. As H.O.A. corporations become insolvent and go bankrupt, they will drag their “members” down with them in another wave of foreclosures. Why not allow the home owners to get off of the sinking ships?

Would there be “free riders” in H.O.A. corporations if home owners are allowed to opt-out? Yes, just as there are “free riders” in work places where non-mandatory unions have negotiated benefits and conditions. But the supporters of “Right-to-Work” don’t seem to be bothered by that.

I’m not going to discuss all of the consequences, ramifications, pros, and cons, of prohibiting mandatory membership in an H.O.A. corporation as a condition of home ownership here. And I’m not going to pretend to have all of the answers. That could probably fill several chapters in a book about housing policy and markets, which is a hideously complicated subject. I’ll leave that to people a lot smarter than me.

But I will say this: H.O.A. corporations *should* have to *continuously* earn a home owner’s business, rather than being able to hold a home owner’s house hostage simply because a some-document-called-a-contract on display in a dark cellar of the county building in the bottom of a locked filing cabinet stuck in a disused lavatory with a sign on the door saying “Beware of the Leopard” ⁷² says they can.

Only if home owners are allowed to opt-out of H.O.A. corporations, without having to give up their homes, will H.O.A. corporations have *any* incentive to treat their members as customers, and provide some value in exchange for money.

That is how capitalism and free markets are *supposed* to work.

This is why those who fetishize the collectivism of corporations, and the collective ownership of private property, will oppose the idea. They will continue to insist that the millions of home owners who are being victimized by H.O.A. corporations consented to and deserve anything and everything that is being done to them. “If the home owners weren’t fully informed about what rights they were giving up, well, that’s too bad for them”. “They should have known better”. “It’s their fault that they didn’t read all of the fine print in the unilaterally-amendable adhesion-contract” (that may or may not have been presented them). “To hell with them if they didn’t understand all of its implications” (even those not stated in the some-document-called-a-contract, such as the unlimited liability).

Telling people who are being abused that they agreed to be abused will only work for so long, before they start looking for their rights elsewhere.

During the 20th century, your stereotypical Che Guevara t-shirt wearing college campus Leftists – who today are probably driving Priuses with “Hope and Change” bumper stickers – would excuse the failure of Communism by saying something like, “Communism is great in theory, it’s just that people aren’t good enough for it.” Like those useful idiots of yesteryear, today’s H.O.A. apologists blame the individual American home owner for the failures of communisty association corporations. They can offer nothing more than some variation of “Capitalism is great in theory, it’s just that people aren’t good enough for it”.

Sixty million Americans are living under the heavy-handed governance of privatized corporate-communist regimes celebrated as expressions of pure free-market capitalism. It is as though an Irony Curtain has descended across America’s neighborhoods. ⁷³



“If you saw Atlas, the giant who holds the world on his shoulders, if you saw the blood running down his chest, his knees buckling, his arms trembling but still trying to hold the world aloft with the last of his strength, and the greater the effort the heavier the world bore down upon his shoulders – what would you tell him to do?”

- Ayn Rand. *Atlas Shrugged*. 1957.

APPENDIX A

From:		12/03/2008 11:20		#331 P.003/004				
DATE: 12/03/08		MADISON HILL HOMEOWNERS ASSN		PAGE 1				
MADISON HILL HOMEOWNERS ASSN		A/R ACCOUNTS ANALYSIS						
ACCOUNT NO.	NAME AND ADDRESS	***** TRANSACTIONS *****	DATE	REF	DESCRIPTION	CHARGES	CREDITS	BALANCE

05711-0-041-1	RACANSKY, ROBERT 5711 W 92ND AVE #41 WESTMINSTER, CO 80031		12/31/06		BALEWD BALANCE FORWARD	100.99		100.99
			01/01/07	C01041	ASSESSMENT	161.00		261.99
			01/08/07	433732	PAYMENT THANK YOU		161.00	100.99
			02/01/07	C02041	ASSESSMENT	161.00		261.99
			02/15/07	L02006	LATE CHARGE	20.00		281.99
			02/20/07	077952	PAYMENT THANK YOU		161.00	120.99
			03/01/07	C03041	ASSESSMENT	161.00		281.99
			03/06/07	854194	PAYMENT THANK YOU		161.00	120.99
			03/15/07	L03005	LATE CHARGE	20.00		140.99
			03/31/07	L03004	LATS INTEREST	.60		141.59
			04/01/07	C04041	ASSESSMENT	161.00		302.59
			04/10/07	342353	PAYMENT THANK YOU		161.00	141.59
			04/15/07	L04006	LATE CHARGE	20.00		161.59
			04/30/07	L04005	LATE INTEREST	.70		162.29
			05/01/07	C05041	ASSESSMENT	161.00		323.29
			05/07/07	374020	PAYMENT THANK YOU		161.00	162.29
			05/15/07	L05006	LATE CHARGE	20.00		182.29
			05/31/07	L05003	LATE INTEREST	.81		183.10
			06/01/07	C06041	ASSESSMENT	161.00		344.10
			06/11/07	804680	PAYMENT THANK YOU		161.00	183.10
			06/15/07	L06005	LATE CHARGE	20.00		203.10
			06/30/07	L06004	LATE INTEREST	.91		204.01
			07/01/07	C07041	ASSESSMENT	161.00		365.01
			07/09/07	816537	PAYMENT THANK YOU		161.00	204.01

The following is a ledger of my account with Madison Hill H.O.A. Inc., from January 2005 to April 2011.

I have reproduced the information from the original ledgers as tables in this Appendix, because

- some of the original ledgers obtained from L.C.M. Property Management Inc. have poor print quality, and are difficult to read
- they may be even harder to read when formatted for publication in this book (from 8 1/2"x11" sheets to 6"x9").
- the information in many of the ledgers is duplicative (*i.e.*, more recent ledgers re-print line items from earlier ledgers).

TABLE 01: January 12, 2007 (1 of 2)
01/01/05 – 12/29/06

	DATE	DESCRIPTION	AMOUNT	BALANCE
001	01/01/05	assessment	- \$ 161.00	- \$ 161.00
002	01/12/05	payment	+ \$ 161.00	\$ 0.00
003	02/01/05	assessment	- \$ 161.00	- \$ 161.00
004	02/14/05	payment	+ \$ 161.00	\$ 0.00
005	03/01/05	assessment	- \$ 161.00	- \$ 161.00
006	03/10/05	payment	+ \$ 161.00	\$ 0.00
007	04/01/05	assessment	- \$ 161.00	- \$ 161.00
008	04/13/05	payment	+ \$ 161.00	\$ 0.00
009	05/01/05	assessment	- \$ 161.00	- \$ 161.00
010	05/05/05	payment	+ \$ 161.00	\$ 0.00
011	06/01/05	assessment	- \$ 161.00	- \$ 161.00
012	06/10/05	payment	+ \$ 161.00	\$ 0.00
013	07/01/05	assessment	- \$ 161.00	- \$ 161.00
014	07/08/05	payment	+ \$ 161.00	\$ 0.00
015	08/01/05	assessment	- \$ 161.00	- \$ 161.00
016	08/04/05	payment	+ \$ 161.00	\$ 0.00
017	09/01/05	assessment	- \$ 161.00	- \$ 161.00
018	09/13/05	payment	+ \$ 161.00	\$ 0.00
019	10/01/05	assessment	- \$ 161.00	- \$ 161.00
020	10/18/05	payment	+ \$ 161.00	\$ 0.00
021	11/01/05	assessment	- \$ 161.00	- \$ 161.00
022	11/08/05	payment	+ \$ 161.00	\$ 0.00
023	12/01/05	assessment	- \$ 161.00	- \$ 161.00
024	12/05/05	payment	+ \$ 161.00	\$ 0.00

TABLE 01: January 12, 2007 (2 of 2)
01/01/05 – 12/29/06

	DATE	DESCRIPTION	AMOUNT	BALANCE
025	01/01/06	assessment	- \$ 161.00	- \$ 161.00
026	01/16/06	payment	+\$ 161.00	\$ 0.00
027	02/01/06	assessment	- \$ 161.00	- \$ 161.00
028	02/20/06	payment	+\$ 161.00	\$ 0.00
029	03/01/05	assessment	- \$ 161.00	- \$ 161.00
030	03/14/06	payment	+\$ 161.00	\$ 0.00
031	04/01/06	assessment	- \$ 161.00	- \$ 161.00
032	04/12/06	payment	+\$ 161.00	\$ 0.00
033	05/01/06	assessment	- \$ 161.00	- \$ 161.00
034	05/10/06	payment	+\$ 161.00	\$ 0.00
035	06/01/06	assessment	- \$ 161.00	- \$ 161.00
036	06/19/06	payment	+\$ 161.00	\$ 0.00
037	07/01/06	assessment	- \$ 161.00	- \$ 161.00
038	07/14/06	payment	+\$ 161.00	\$ 0.00
039	08/01/06	assessment	- \$ 161.00	- \$ 161.00
040	08/10/06	payment	+\$ 161.00	\$ 0.00
041	09/01/06	assessment	- \$ 161.00	- \$ 161.00
042	09/15/06	payment	+\$ 161.00	\$ 0.00
043	10/01/05	assessment	- \$ 161.00	- \$ 161.00
044	10/18/06	payment	+\$ 161.00	\$ 0.00
045	10/20/06	“status letter” fee	- \$ 100.00	- \$ 100.00
046	11/01/06	assessment	- \$ 161.00	- \$ 261.00
047	11/10/06	payment	+\$ 161.00	- \$ 100.00
048	11/20/06	late interest	- \$ 0.49	- \$ 100.49
049	12/01/06	assessment	- \$ 161.00	- \$ 261.49
050	12/29/06	payment	+\$ 161.00	- \$ 100.49
051	12/29/06	late interest	- \$ 0.50	- \$ 100.99

TABLE 02: August 27, 2009 (1 of 6)
12/31/06 – 08/15/09

	DATE	DESCRIPTION	AMOUNT	BALANCE
052	12/31/06	balance forward	- \$ 100.99	- \$ 100.99
053	01/01/07	assessment	- \$ 161.00	- \$ 261.99
054	01/08/07	payment	+ \$ 161.00	- \$ 100.99
055	02/01/07	assessment	- \$ 161.00	- \$ 261.99
056	02/15/07	late fee	- \$ 20.00	- \$ 281.99
057	02/20/07	payment	+ \$ 161.00	- \$ 120.99
058	03/01/07	assessment	- \$ 161.00	- \$ 281.99
059	03/06/07	payment	+ \$ 161.00	- \$ 120.99
060	03/15/07	late fee	- \$ 20.00	- \$ 140.99
061	03/31/07	late interest	- \$ 0.60	- \$ 141.59
062	04/01/07	assessment	- \$ 161.00	- \$ 302.59
063	04/10/07	payment	+ \$ 161.00	- \$ 141.59
064	04/15/07	late fee	- \$ 20.00	- \$ 161.59
065	04/30/07	late interest	- \$ 0.70	- \$ 162.29
066	05/01/07	assessment	- \$ 161.00	- \$ 323.29
067	05/07/07	payment	+ \$ 161.00	- \$ 162.29
068	05/15/07	late fee	- \$ 20.00	- \$ 182.29
069	05/31/07	late interest	- \$ 0.81	- \$ 183.10
070	06/01/07	assessment	- \$ 161.00	- \$ 344.10
071	06/11/07	payment	+ \$ 161.00	- \$ 183.10
072	06/15/07	late fee	- \$ 20.00	- \$ 203.10
073	06/30/07	late interest	- \$ 0.91	- \$ 204.01
074	07/01/07	assessment	- \$ 161.00	- \$ 365.01
075	07/09/07	payment	+ \$ 161.00	- \$ 204.01
076	07/15/07	late fee	- \$ 20.00	- \$ 224.01
077	07/31/07	late interest	- \$ 1.02	- \$ 225.03

TABLE 02: August 27, 2009 (2 of 6)
12/31/06 – 08/15/09

	DATE	DESCRIPTION	AMOUNT	BALANCE
078	08/01/07	assessment	- \$ 161.00	- \$ 386.03
079	08/15/07	late fee	- \$ 20.00	- \$ 406.03
080	08/17/07	payment	+ \$ 161.00	- \$ 245.03
081	08/31/07	late interest	- \$ 1.12	- \$ 246.15
082	09/01/07	assessment	- \$ 161.00	- \$ 407.15
083	09/10/07	payment	+ \$ 161.00	- \$ 246.15
084	09/15/07	late fee	- \$ 20.00	- \$ 266.15
085	09/30/07	late interest	- \$ 1.23	- \$ 267.38
086	10/01/07	assessment	- \$ 161.00	- \$ 428.38
087	10/09/07	payment	+ \$ 161.00	- \$ 267.38
088	10/15/07	late fee	- \$ 20.00	- \$ 287.38
089	11/01/07	assessment	- \$ 161.00	- \$ 448.38
090	11/13/07	payment	+ \$ 161.00	- \$ 287.38
091	11/15/07	late fee	- \$ 20.00	- \$ 307.38
092	12/01/07	assessment	- \$ 161.00	- \$ 468.38
093	12/10/07	payment	+ \$ 161.00	- \$ 307.38
094	12/15/07	late fee	- \$ 20.00	- \$ 327.38
095	01/01/08	assessment	- \$ 161.00	- \$ 488.38
096	01/07/08	payment	+ \$ 181.00	- \$ 307.38
097	01/15/08	late fee	- \$ 20.00	- \$ 327.38
098	02/01/08	assessment	- \$ 161.00	- \$ 488.38
099	02/11/08	payment	+ \$ 181.00	- \$ 307.38
100	02/15/08	late fee	- \$ 20.00	- \$ 327.38
101	03/01/08	assessment	- \$ 161.00	- \$ 488.38
102	03/01/08	special assessment	- \$ 74.00	- \$ 562.38
103	03/10/08	payment	+ \$ 181.00	- \$ 381.38
104	03/15/08	late fee	- \$ 20.00	- \$ 401.38

TABLE 02: August 27, 2009 (3 of 6)
12/31/06 – 08/15/09

	DATE	DESCRIPTION	AMOUNT	BALANCE
105	04/01/08	assessment	- \$ 161.00	- \$ 562.38
106	04/01/08	special assessment	- \$ 74.00	- \$ 636.38
107	04/07/08	payment	+ \$ 181.00	- \$ 455.38
108	04/15/08	late fee	- \$ 20.00	- \$ 475.38
109	05/01/08	assessment	- \$ 161.00	- \$ 636.38
110	05/01/08	special assessment	- \$ 74.00	- \$ 710.38
111	05/06/08	payment	+ \$ 181.00	- \$ 529.38
112	05/15/08	late fee	- \$ 20.00	- \$ 549.38
113	06/01/08	assessment	- \$ 161.00	- \$ 710.38
114	06/01/08	special assessment	- \$ 74.00	- \$ 784.38
115	06/06/08	payment	+ \$ 181.00	- \$ 603.38
116	06/15/08	late fee	- \$ 20.00	- \$ 623.38
117	07/01/08	assessment	- \$ 161.00	- \$ 784.38
118	07/01/08	special assessment	- \$ 74.00	- \$ 858.38
119	07/07/08	payment	+ \$ 181.00	- \$ 677.38
120	07/15/08	late fee	- \$ 20.00	- \$ 697.38
121	08/01/08	assessment	- \$ 161.00	- \$ 858.38
122	08/01/08	special assessment	- \$ 74.00	- \$ 932.38
123	08/08/08	payment	+ \$ 181.00	- \$ 751.38
124	08/15/08	late fee	- \$ 20.00	- \$ 771.38
125	09/01/08	assessment	- \$ 161.00	- \$ 932.38
126	09/01/08	special assessment	- \$ 74.00	- \$1,006.38
127	09/09/08	payment	+ \$ 181.00	- \$ 825.38
128	09/09/08	COLLECTIONS ATTORNEYS	- \$ 95.00	- \$ 920.38
129	09/15/08	late fee	- \$ 20.00	- \$ 940.38

TABLE 02: August 27, 2009 (4 of 6)
12/31/06 – 08/15/09

	DATE	DESCRIPTION	AMOUNT	BALANCE
130	10/01/08	assessment	- \$ 161.00	- \$1,101.38
131	10/01/08	special assessment	- \$ 74.00	- \$1,175.38
132	10/07/08	payment	+ \$ 181.00	- \$ 994.38
133	10/15/08	late fee	- \$ 20.00	- \$1,014.38
134	11/01/08	assessment	- \$ 161.00	- \$1,175.38
135	11/01/08	special assessment	- \$ 74.00	- \$1,249.38
136	11/07/08	payment	+ \$ 181.00	- \$1,068.38
137	11/15/08	late fee	- \$ 20.00	- \$1,088.38
138	11/21/08	REIMBURSED LEGAL REF 092308	- \$ 95.00	- \$1,183.38
139	12/01/08	assessment	- \$ 161.00	- \$1,344.38
140	12/01/08	special assessment	- \$ 74.00	- \$1,418.38
141	12/09/08	payment	+ \$ 161.00	- \$1,257.38
142	12/15/08	payment	+ \$ 740.00	- \$ 517.38
143	12/15/08	late fee	- \$ 20.00	- \$ 537.38
144	12/21/08	REIMBURSED LEGAL REF 112008	- \$ 471.00	- \$1,008.38
145	01/01/09	assessment	- \$ 161.00	- \$1,169.38
146	01/01/09	special assessment	- \$ 74.00	- \$1,243.38
147	01/06/09	payment	+ \$ 161.00	- \$1,082.38
148	01/06/09	payment	+ \$ 74.00	- \$1,008.38
149	01/15/09	late fee	- \$ 20.00	- \$1,028.38
150	01/21/09	REIMBURSED LEGAL REF 122108	- \$ 163.35	- \$1,191.73

TABLE 02: August 27, 2009 (5 of 6)
12/31/06 – 08/15/09

	DATE	DESCRIPTION	AMOUNT	BALANCE
151	02/01/09	assessment	- \$ 161.00	- \$1,352.73
152	02/01/09	special assessment	- \$ 74.00	- \$1,426.73
153	02/06/09	payment	+ \$ 161.00	- \$1,265.73
154	02/06/09	payment	+ \$ 74.00	- \$1,191.73
155	02/15/09	late fee	- \$ 20.00	- \$1,211.73
156	02/21/09	REIMBURSED LEGAL REF 012209	- \$ 123.00	- \$1,334.73
157	03/01/09	assessment	- \$ 161.00	- \$1,495.73
158	03/01/09	special assessment	- \$ 74.00	- \$1,569.73
159	03/09/09	payment	+ \$ 161.00	- \$1,408.73
160	03/09/09	payment	+ \$ 74.00	- \$1,334.73
161	03/15/09	late fee	- \$ 20.00	- \$1,354.73
162	04/01/09	assessment	- \$ 161.00	- \$1,515.73
163	04/01/09	special assessment	- \$ 74.00	- \$1,589.73
164	04/07/09	payment	+ \$ 161.00	- \$1,428.73
165	04/07/09	payment	+ \$ 74.00	- \$1,354.73
166	04/15/09	late fee	- \$ 20.00	- \$1,374.73
167	05/01/09	REIMBURSED LEGAL REF 042309	- \$ 40.00	- \$1,414.73
168	05/01/09	assessment	- \$ 161.00	- \$1,575.73
169	05/01/09	special assessment	- \$ 74.00	- \$1,649.73
170	05/08/09	payment	+ \$ 161.00	- \$1,488.73
171	05/08/09	payment	+ \$ 74.00	- \$1,414.73
172	05/15/09	late fee	- \$ 20.00	- \$1,434.73

TABLE 02: August 27, 2009 (6 of 6)
12/31/06 – 08/15/09

	DATE	DESCRIPTION	AMOUNT	BALANCE
173	06/01/09	REIMBURSED LEGAL REF 052509	- \$ 600.00	- \$2,034.73
174	06/01/09	assessment	- \$ 161.00	- \$2,195.73
175	06/01/09	special assessment	- \$ 74.00	- \$2,269.73
176	06/08/09	payment	+ \$ 161.00	- \$2,108.73
177	06/08/09	payment	+ \$ 74.00	- \$2,034.73
178	06/15/09	late fee	- \$ 20.00	- \$2,054.73
179	07/01/09	REIMBURSED LEGAL REF 062209	- \$ 280.00	- \$2,334.73
180	07/01/09	assessment	- \$ 161.00	- \$2,495.73
181	07/01/09	special assessment	- \$ 74.00	- \$2,569.73
182	07/07/09	payment	+ \$ 161.00	- \$2,408.73
183	07/07/09	payment	+ \$ 74.00	- \$2,334.73
184	07/15/09	late fee	- \$ 20.00	- \$2,354.73
185	08/01/09	assessment	- \$ 161.00	- \$2,515.73
186	08/01/09	special assessment	- \$ 74.00	- \$2,589.73
187	08/06/09	payment	+ \$ 161.00	- \$2,428.73
188	08/06/09	payment	+ \$ 74.00	- \$2,354.73
189	08/15/09	late fee	- \$ 20.00	- \$2,374.73

TABLE 03: February 25, 2010 (1 of 3)
12/31/06 – 03/10/10

The original ledger produced on February 25, 2010, listed all transactions from 12/13/06. They are the same transactions from the previous list above, so I won't duplicate them here.

	DATE	DESCRIPTION	AMOUNT	BALANCE
190	09/01/09	REIMBURSED LEGAL REF 082409	- \$ 80.00	- \$2,454.73
191	09/01/09	assessment	- \$ 161.00	- \$2,615.73
192	09/01/09	special assessment	- \$ 74.00	- \$2,689.73
193	09/09/09	payment	+ \$ 74.00	- \$2,615.73
194	09/09/09	payment	+ \$ 161.00	- \$2,454.73
195	09/15/09	late fee	- \$ 20.00	- \$2,474.73
196	09/24/09	payment	+ \$ 386.49	- \$2,088.24
197	10/01/09	REIMBURSED LEGAL REF 092309	- \$5,278.50	- \$7,366.74
198	10/01/09	assessment	- \$ 161.00	- \$7,527.74
199	10/01/09	special assessment	- \$ 74.00	- \$7,601.74
200	10/07/09	payment	+ \$ 74.00	- \$7,527.74
201	10/07/09	payment	+ \$ 161.00	- \$7,366.74
202	10/15/09	late fee	- \$ 20.00	- \$7,386.74
203	10/26/09	payment	+ \$ 701.25	- \$6,685.49
204	10/26/09	payment	+ \$ 212.50	- \$6,472.99
205	10/26/09	payment	+ \$5,686.25	- \$ 786.74

TABLE 03: February 25, 2010 (2 of 3)
12/31/06 – 03/10/10

	DATE	DESCRIPTION	AMOUNT	BALANCE
206	11/01/09	REIMBURSED LEGAL REF 102209	- \$ 421.56	- \$1,208.30
207	11/01/09	assessment	- \$ 161.00	- \$1,369.30
208	11/01/09	special assessment	- \$ 74.00	- \$1,443.30
209	11/06/09	payment	+ \$ 74.00	- \$1,369.30
210	11/06/09	payment	+ \$ 161.00	- \$1,208.30
211	11/15/09	late fee	- \$ 20.00	- \$1,228.30
212	12/01/09	REIMBURSED LEGAL REF 112209	- \$ 103.43	- \$1,331.73
213	12/01/09	assessment	- \$ 161.00	- \$1,492.73
214	12/01/09	special assessment	- \$ 74.00	- \$1,566.73
215	12/07/09	payment	+ \$ 74.00	- \$1,492.73
216	12/07/09	payment	+ \$ 161.00	- \$1,331.73
217	12/15/09	late fee	- \$ 20.00	- \$1,351.73
218	01/01/10	assessment	- \$ 161.00	- \$1,512.73
219	01/01/10	special assessment	- \$ 74.00	- \$1,586.73
220	01/07/10	payment	+ \$ 74.00	- \$1,512.73
221	01/07/10	payment	+ \$ 161.00	- \$1,351.73
222	01/15/10	late fee	- \$ 20.00	- \$1,371.73

TABLE 03: February 25, 2010 (3 of 3)
12/31/06 – 03/10/10

	DATE	DESCRIPTION	AMOUNT	BALANCE
223	02/01/10	assessment	- \$ 161.00	- \$1,532.73
224	02/01/10	special assessment	- \$ 74.00	- \$1,606.73
225	02/05/10	payment	+ \$ 74.00	- \$1,532.73
226	02/05/10	payment	+ \$ 161.00	- \$1,371.73
227	02/15/10	late fee	- \$ 20.00	- \$1,391.73
228	02/24/10	COLLECTIONS ATTORNEYS	- \$ 95.00	- \$1,486.73
229	03/01/10	assessment	- \$ 161.00	- \$1,647.73
230	03/01/10	special assessment	- \$ 74.00	- \$1,721.73

At the end of the ledger were some items hand-written by Kristen Dillie (Colorado attorney # 40,095).

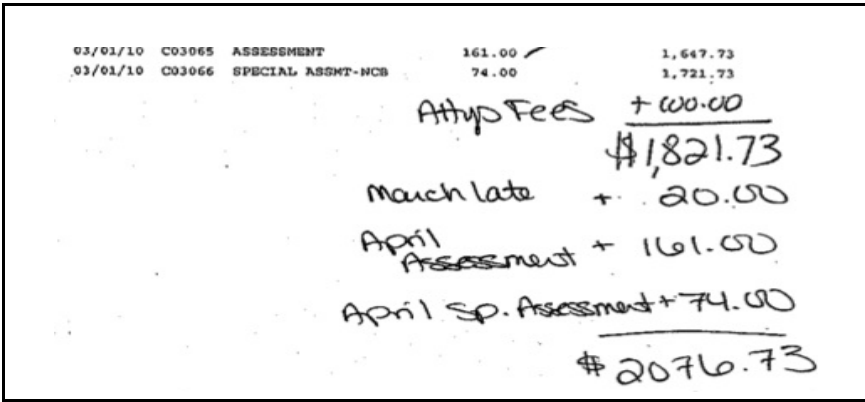


TABLE 04: April 12, 2010
12/31/06 – 04/12/10

	DATE	DESCRIPTION	AMOUNT	BALANCE
229	03/01/10	assessment	- \$ 161.00	- \$1,647.73
230	03/01/10	special assessment	- \$ 74.00	- \$1,721.73
231	03/08/10	payment	+ \$ 74.00	- \$1,647.73
232	03/08/10	payment	+ \$ 161.00	- \$1,486.73
233	03/15/10	late fee	- \$ 20.00	- \$1,506.73
234	04/01/10	assessment	- \$ 161.00	- \$1,666.73
235	04/01/10	special assessment	- \$ 74.00	- \$1,741.73
236	04/06/10	payment	+ \$ 74.00	- \$1,667.73
237	04/06/10	payment	+ \$ 161.00	- \$1,506.73
238	04/12/10	09/09 JUDGMENT CR REF 09/09	+ \$1,126.73	- \$ 380.00

04/06/10	366209	PAYMENT THANK YOU	74.00-	1,667.73
04/06/10	366212	PAYMENT THANK YOU	161.00-	1,506.73
04/12/10	09/09	09/09 JUDGMENT CR	1,126.73-	380.00
			(Atty Fees)	+100
				<u>\$480.00</u>

TABLE 05: July 12, 2010
01/01/07 – 07/06/10

	DATE	DESCRIPTION	AMOUNT	BALANCE
229	03/01/10	assessment	- \$ 161.00	- \$1,647.73
230	03/01/10	special assessment	- \$ 74.00	- \$1,721.73
231	03/08/10	payment	+ \$ 74.00	- \$1,647.73
232	03/08/10	payment	+ \$ 161.00	- \$1,486.73
233	03/15/10	late fee	- \$ 20.00	- \$1,506.73
233 ½	04/01/10	REIMBURSED LEGAL REF 032310	- \$ 100.00	- \$1,606.73
234	04/01/10	assessment	- \$ 161.00	- \$1,767.73
235	04/01/10	special assessment	- \$ 74.00	- \$1,841.73
236	04/06/10	payment	+ \$ 74.00	- \$1,767.73
237	04/06/10	payment	+ \$ 161.00	- \$1,606.73
238	04/12/10	09/09 JUDGMENT CR REF 09/09	+ \$1,126.73	- \$ 480.00
239	04/15/10	late fee	- \$ 20.00	- \$ 500.00
240	05/01/10	assessment	- \$ 161.00	- \$ 661.00
241	05/01/10	special assessment	- \$ 74.00	- \$ 735.00
242	05/07/10	payment	+ \$ 74.00	- \$ 661.00
243	05/07/10	payment	+ \$ 161.00	- \$ 500.00
244	05/15/10	late fee	- \$ 20.00	- \$ 520.00
245	06/01/10	assessment	- \$ 161.00	- \$ 681.00
246	06/01/10	special assessment	- \$ 74.00	- \$ 755.00
247	06/07/10	payment	+ \$ 161.00	- \$ 594.00
248	06/08/10	payment	+ \$ 74.00	- \$ 520.00
249	06/15/10	late fee	- \$ 20.00	- \$ 540.00
250	07/01/10	assessment	- \$ 161.00	- \$ 701.00
251	07/01/10	special assessment	- \$ 74.00	- \$ 775.00
252	07/06/10	payment	+ \$ 74.00	- \$ 701.00
253	07/06/10	payment	+ \$ 161.00	- \$ 540.00

TABLE 06: January 26, 2011 (1 of 2)
01/01/09 – 01/15/11

	DATE	DESCRIPTION	AMOUNT	BALANCE
254	07/15/10	late fee	- \$ 20.00	- \$ 560.00
255	07/30/10	BAD DEBT FOR \$0 BAL REF WR-OFF	+ \$ 100.99	- \$ 459.01
256	08/01/10	assessment	- \$ 161.00	- \$ 620.01
257	08/01/10	special assessment	- \$ 74.00	- \$ 694.01
258	08/04/10	payment	+ \$ 74.00	- \$ 620.01
259	08/04/10	payment	+ \$ 161.00	- \$ 459.01
260	08/15/10	late fee	- \$ 20.00	- \$ 479.01
261	09/01/10	REIMBURSED LEGAL REF 082310	- \$ 30.00	- \$ 509.01
262	09/01/10	assessment	- \$ 161.00	- \$ 670.01
263	09/01/10	special assessment	- \$ 74.00	- \$ 744.01
264	09/07/10	payment	+ \$ 74.00	- \$ 670.01
265	09/07/10	payment	+ \$ 161.00	- \$ 509.01
266	09/15/10	late fee	- \$ 20.00	- \$ 529.01
267	10/01/10	assessment	- \$ 161.00	- \$ 690.01
268	10/01/10	special assessment	- \$ 74.00	- \$ 764.01
269	10/08/10	payment	+ \$ 74.00	- \$ 690.01
270	10/08/10	payment	+ \$ 161.00	- \$ 529.01
271	10/15/10	late fee	- \$ 20.00	- \$ 549.01
272	11/01/10	assessment	- \$ 161.00	- \$ 710.01
273	11/01/10	special assessment	- \$ 74.00	- \$ 784.01
274	11/04/10	payment	+ \$ 74.00	- \$ 710.01
275	11/04/10	payment	+ \$ 161.00	- \$ 549.01
276	11/15/10	late fee	- \$ 20.00	- \$ 569.01

TABLE 06: January 26, 2011 (2 of 2)
01/01/09 – 01/15/11

	DATE	DESCRIPTION	AMOUNT	BALANCE
277	12/01/10	assessment	- \$ 161.00	- \$ 730.01
278	12/01/10	special assessment	- \$ 74.00	- \$ 804.01
279	12/07/10	payment	+ \$ 74.00	- \$ 730.01
280	12/07/10	payment	+ \$ 161.00	- \$ 569.01
281	12/15/10	late fee	- \$ 20.00	- \$ 589.01
282	01/01/11	assessment	- \$ 163.74	- \$ 752.75
283	01/01/11	special assessment	- \$ 74.00	- \$ 826.75
284	01/06/11	payment	+ \$ 74.00	- \$ 752.75
285	01/06/11	payment	+ \$ 163.74	- \$ 589.01
286	01/15/11	late fee	- \$ 20.00	- \$ 609.01

TABLE 07: April 25, 2011
09/01/10 – 04/07/11

	DATE	DESCRIPTION	AMOUNT	BALANCE
287	02/01/11	assessment	- \$ 163.74	- \$ 772.75
288	02/01/11	special assessment	- \$ 74.00	- \$ 846.75
289	02/04/11	payment	+ \$ 74.00	- \$ 772.75
290	02/04/11	payment	+ \$ 163.74	- \$ 609.01
291	02/15/11	late fee	- \$ 20.00	- \$ 629.01
292	03/01/11	assessment	- \$ 163.74	- \$ 792.75
293	03/01/11	special assessment	- \$ 74.00	- \$ 866.75
294	03/04/11	payment	+ \$ 74.00	- \$ 792.75
295	03/04/11	payment	+ \$ 163.74	- \$ 629.01
296	03/15/11	WAIVE/ADJ BALANCE REF ADJBAL	+ \$ 629.01	\$ 0.00
297	04/01/11	assessment	- \$ 163.74	- \$ 163.74
298	04/01/11	special assessment	- \$ 74.00	- \$ 237.74
299	04/04/11	payment	+ \$ 74.00	- \$ 163.74
300	04/04/11	payment	+ \$ 163.74	\$ 0.00

Table 01 is a ledger of my account with Madison Hill H.O.A. Inc., generated on January 12, 2007, showing transactions from 01/01/05 to 12/29/06. It was submitted as “Plaintiff’s Exhibit 3” in court on August 31, 2009 (*Madison Hill H.O.A. Inc. v Robert Racansky*).

The line numbers in the left column are not from the original ledgers, but were added by me as a reference device for publication in this book.

I denote charges and arrearages with a minus sign (“-”), and payments with a plus sign (“+”). In the original ledgers, the management company does the opposite.

Table 02 is a ledger of my account generated on August 27, 2009, showing transactions from 12/31/06 to 08/15/09. It was submitted as “Plaintiff’s Exhibit 3” in court on August 31, 2009 (*Madison Hill H.O.A. Inc. v Robert Racansky*).

At the end of 2006, Madison Hill H.O.A. Inc. changed management companies, from Homestead Management company to L.C.M. Property Management company. The only difference this made to me at the time was that I mailed my payments to some office in Denver instead of some office in Broomfield.

The change of management companies is why the new ledger begins with “Balance Forward”, and why the first statement I received from L.C.M. showed a balance of \$0.00, with only \$161.00 – my regular assessment – due.

MADISON HILL HOMEOWNERS ASSN
 C/O LCM PROPERTY MANAGEMENT
 1776 S JACKSON ST #530
 DENVER CO 80210

B57	ACCOUNT NUMBER 05711-0-041-1	CLOSE DATE 01/01/07
	PAYMENT DUE BY 01/01/07	AMOUNT DUE 161.00

PLEASE CHECKS PAYABLE TO YOUR ASSOCIATION
 PLEASE NOTE ANY CHANGES IN BELOW ADDRESS

RACANSKY, ROBERT
 5711 W 92ND AVE #41
 WESTMINSTER CO 80031

DETACH AND RETURN THIS PORTION WITH YOUR REMITTANCE

MADISON HILL HOMEOWNERS ASSN
 % LCM PROPERTY MANAGEMENT
 To: PO BOX 5568
 DENVER CO 80217-5568

85705711004110000161000000000003

DATE	REFERENCE	DESCRIPTION	CHARGES	CREDITS	BALANCE
01/01/07	PREVIOUS BALANCE C01041	ASSESSMENT	161.00		.00 161.00

Table 03 is a ledger of my account generated on February 25, 2010, showing transactions from 12/31/06 to 03/01/10. It was sent to me by collections attorney Kristen Dillie, enclosed with her letter of April 06, 2010 demanding payment of \$2,076.73 that I did not owe.

Table 04 is a ledger of my account generated on April 12, 2010, showing transactions from 12/31/06 to 04/12/10. It was sent to me by collections attorney Kristen Dillie, enclosed with her letter of April 20, 2010 demanding payment of \$480.00 that I did not owe.

Table 05 is a ledger of my account generated on July 12, 2010, showing transactions from 01/01/07 to 07/06/10. It was sent to me by Heather Hartung (Colorado attorney # 39,142), attached to her e-mail of July 13, 2010 demanding payment of \$540.00 that I did not owe.

Note that the attorney fee billed to my account on April 01, 2010,

232	03/08/10	payment	+ \$ 161.00	- \$1,486.73
233	03/15/10	late fee	- \$ 20.00	- \$1,506.73
233 ½	04/01/10	REIMBURSED LEGAL REF 032310	- \$ 100.00	- \$1,606.73
234	04/01/10	assessment	- \$ 161.00	- \$1,767.73
235	04/01/10	special assessment	- \$ 74.00	- \$1,841.73
236	04/06/10	payment	+ \$ 74.00	- \$1,767.73

does not appear in **Table 04**, the ledger generated on April 12,

232	03/08/10	payment	+ \$ 161.00	- \$1,486.73
233	03/15/10	late fee	- \$ 20.00	- \$1,506.73
234	04/01/10	assessment	- \$ 161.00	- \$1,666.73
235	04/01/10	special assessment	- \$ 74.00	- \$1,741.73
236	04/06/10	payment	+ \$ 74.00	- \$1,667.73

which is why I numbered that line “233 ½” .

Table 06 is a ledger of my account generated on January 26, 2011, showing transactions from 01/01/09 to 01/05/11. It was picked up by me in person, from the office of L.C.M. Property Management Inc. in Denver, on January 26, 2011.

Table 07 is a ledger of my account generated on April 25, 2011, showing transactions from 09/01/11 to 04/07/11. It was submitted HindmanSanchez P.C. as “Defendant’s Exhibit G” in their “Defendant’s Motion for Summary Judgment” on May 03, 2011 (*Robert Racansky v HindmanSanchez P.C.*), which is how I found out about it.

APPENDIX B

Here are all of my payments that were stolen by the board of directors of Madison Hill H.O.A. Inc. The theft was accomplished by diverting these payments to unlawful fees without any legal authority to do so, and in direct violation of a judge's Court Order.

	"Appendix A" line number	DATE	AMOUNT STOLEN	TOTAL AMOUNT STOLEN
01	193	Sept. 09, 2009	\$ 74.00	\$ 74.00
02	194	Sept. 09, 2009	\$ 161.00	\$ 235.00
03	196	Sept. 24, 2009	\$ 386.49	\$ 621.49
04	200	Oct. 07, 2009	\$ 74.00	\$ 695.49
05	201	Oct. 07, 2009	\$ 161.00	\$ 856.49
06	209	Nov. 06, 2009	\$ 74.00	\$ 930.49
07	210	Nov. 06, 2009	\$ 161.00	\$ 1,091.49
08	215	Dec. 07, 2009	\$ 74.00	\$ 1,165.49
09	216	Dec. 07, 2009	\$ 161.00	\$ 1,326.49
10	220	Jan. 07, 2010	\$ 74.00	\$ 1,400.49
11	221	Jan. 07, 2010	\$ 161.00	\$ 1,561.49
12	225	Feb. 05, 2010	\$ 74.00	\$ 1,635.49
13	226	Feb. 05, 2010	\$ 161.00	\$ 1,796.49
14	231	March 08, 2010	\$ 74.00	\$ 1,870.49
15	232	March 08, 2010	\$ 161.00	\$ 2,031.49
16	236	April 06, 2010	\$ 74.00	\$ 2,105.49
17	236	April 06, 2010	\$ 161.00	\$ 2,266.49
18	242	May 07, 2010	\$ 74.00	\$ 2,340.49
19	243	May 07, 2010	\$ 161.00	\$ 2,501.49

	"Appendix A" line number	DATE	AMOUNT STOLEN	TOTAL AMOUNT STOLEN
20	247	June 07, 2010	\$ 161.00	\$ 2,662.49
21	248	June 08, 2010	\$ 74.00	\$ 2,736.49
22	252	July 06, 2010	\$ 74.00	\$ 2,810.49
23	253	July 06, 2010	\$ 161.00	\$ 2,971.49
24	258	Aug. 04, 2010	\$ 74.00	\$ 3,045.49
25	259	Aug. 04, 2010	\$ 161.00	\$ 3,206.49
26	264	Sept. 07, 2010	\$ 74.00	\$ 3,280.49
27	265	Sept. 07, 2010	\$ 161.00	\$ 3,441.49
28	269	Oct. 08, 2010	\$ 74.00	\$ 3,515.49
29	270	Oct. 08, 2010	\$ 161.00	\$ 3,676.49
30	274	Nov. 04, 2010	\$ 74.00	\$ 3,750.49
31	275	Nov. 04, 2010	\$ 161.00	\$ 3,911.49
32	279	Dec. 07, 2010	\$ 74.00	\$ 3,985.49
33	280	Dec. 07, 2010	\$ 161.00	\$ 4,146.49
34	284	Jan. 06, 2011	\$ 74.00	\$ 4,220.49
35	285	Jan. 06, 2011	\$ 163.74	\$ 4,384.23
36	289	Feb. 04, 2011	\$ 74.00	\$ 4,458.23
37	290	Feb. 04, 2011	\$ 163.74	\$ 4,621.97
38	294	March 04, 2011	\$ 74.00	\$ 4,695.97
39	295	March 04, 2011	\$ 163.74	\$ 4,859.71

The numbers in the second column correspond to the line numbers of the ledgers in **Appendix A**.

APPENDIX C

Before writing this book, I had contacted each and every individual member of the Madison Hill H.O.A. Inc. board of directors 10 times.

To this day, I have never received any type of explanation from them, any accounting for the fees they were demanding from me, or any of the records and documents I asked for.

My postage costs alone were \$325.45 – and that does not include the cost of printing, my time writing the letters, standing in line at the post office, or the cost of postage for the letters mailed to L.C.M. Property Management Inc.

- | | |
|----------------------|--|
| 1. March 27, 2010 | 5 letters via USPS certified mail, \$ 27.70 postage |
| 2. May 11, 2010 | 5 letters via USPS certified mail, \$ 27.70 postage |
| 3. May 26, 2010 | 5 letters via USPS certified mail, \$ 27.70 postage |
| 4. June 01, 2010 | 5 letters via USPS certified mail, \$ 27.70 postage |
| 5. July 01, 2010 | 5 letters via USPS certified mail, \$ 28.55 postage |
| 6. March 15, 2011 | 5 letters via USPS certified mail, \$ 34.15 postage |
| 7. May 02, 2011 | 5 letters via USPS certified mail, \$ 33.35 postage |
| 8. August 08, 2011 | 5 letters via USPS certified mail, \$ 32.25 postage |
| 9. June 01, 2012 | 5 letters via USPS certified mail, \$ 43.35 postage |
| 10. October 22, 2012 | 5 letters via USPS certified mail, \$ <u>43.00</u> postage |
| | 50 letters via USPS certified mail = \$325.45 postage |

Out of the 50 letters I mailed to the corporate directors of Madison Hill H.O.A. Inc., 25 were returned to me unopened.

Copies of all of the Certified Mail Receipts, USPS form 3800, appear on the following pages. I have not included the USPS Form 3811, “Domestic Return Receipt” (with the signatures) here.

March 27, 2010

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

WESTMINSTER CO 80031 **MAIL USE**

Postage	\$ 0.44
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

Sent To: Randy Schneider
 Street, Apt. No. or PO Box No.: 5731 W 92 AVE # 108
 City, State, ZIP+4: Westminster, CO 80031

PS Form 3800, August 2006 See Reverse for Instructions

0136 0136 EOB S351
 18 Postmark Here
 BOULDER CO

USPS 7009 3410 0000 6629 8506 delivered signed for by (illegible)

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

LONGMONT CO 80501 **MAIL USE**

Postage	\$ 0.44
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

Sent To: William Worrell
 Street, Apt. No. or PO Box No.: 1807 Sunlight DR
 City, State, ZIP+4: Longmont CO 80501

PS Form 3800, August 2006 See Reverse for Instructions

0136 0136 EOB S351
 18 Postmark Here
 BOULDER CO

USPS 7009 3410 0000 6629 8513 delivered March 29, 2010 signed for by "Wendi A Worrell"

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

WESTMINSTER CO 80031 **MAIL USE**

Postage	\$ 0.44
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

Sent To: Deann Burchi
 Street, Apt. No. or PO Box No.: 5711 W 92 AVE # 31
 City, State, ZIP+4: Westminster, CO 80031

PS Form 3800, August 2006 See Reverse for Instructions

0136 0136 EOB S351
 18 Postmark Here
 BOULDER CO

USPS 7009 3410 0000 6629 8537 delivered signed for by "De Aun Burchi"

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

WESTMINSTER CO 80031 **MAIL USE**

Postage	\$ 0.44
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

Sent To: Timothy Nelson
 Street, Apt. No. or PO Box No.: 5731 W 92 AVE # 138
 City, State, ZIP+4: Westminster, CO 80031

PS Form 3800, August 2006 See Reverse for Instructions

0136 0136 EOB S351
 18 Postmark Here
 BOULDER CO

USPS 7009 3410 0000 6629 8490 NOT DELIVERABLE

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

WESTMINSTER CO 80031 **MAIL USE**

Postage	\$ 0.44
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

Sent To: Christine Kehres
 Street, Apt. No. or PO Box No.: 5711 W 92 AVE # 7
 City, State, ZIP+4: Westminster, CO 80031

PS Form 3800, August 2006 See Reverse for Instructions

0136 0136 EOB S351
 18 Postmark Here
 BOULDER CO

USPS 7009 3410 0000 6629 8520 delivered March 30, 2010 signed for by "Chris Kehres"

May 11, 2010

<p>U.S. Postal Service[™] CERTIFIED MAIL[™] RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031 MAIL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 0.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>04 Postmark Here</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 5.54</td> <td>05/11/2010</td> </tr> </table> <p>Sent To RANDY SCHNEIDER Street, Apt. No. or PO Box No. 5731 W 92 AVE #108 City, State, ZIP+4[®] WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>7009 3410 0000 6629 8452</p>	Postage	\$ 0.44	0136	Certified Fee	\$2.80	04 Postmark Here	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 5.54	05/11/2010	<p>U.S. Postal Service[™] CERTIFIED MAIL[™] RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>LONGMONT CO 80501 MAIL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 0.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>04 Postmark Here</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 5.54</td> <td>05/11/2010</td> </tr> </table> <p>Sent To WILLIAM WORRELL Street, Apt. No. or PO Box No. 1807 SUNLIGHT DR City, State, ZIP+4[®] LONGMONT, CO 80501</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>9818 6299 0000 0418 6007</p>	Postage	\$ 0.44	0136	Certified Fee	\$2.80	04 Postmark Here	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 5.54	05/11/2010
Postage	\$ 0.44	0136																													
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<p>U.S. Postal Service[™] CERTIFIED MAIL[™] RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031 MAIL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 0.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>04 Postmark Here</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 5.54</td> <td>05/11/2010</td> </tr> </table> <p>Sent To DEAN BURCHI Street, Apt. No. or PO Box No. 5711 W 92 AVE #31 City, State, ZIP+4[®] WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>7009 3410 0000 6629 8469</p>	Postage	\$ 0.44	0136	Certified Fee	\$2.80	04 Postmark Here	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 5.54	05/11/2010	<p>U.S. Postal Service[™] CERTIFIED MAIL[™] RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031 MAIL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 0.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>04 Postmark Here</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 5.54</td> <td>05/11/2010</td> </tr> </table> <p>Sent To TIMOTHY NELSON Street, Apt. No. or PO Box No. 5731 W 92 AVE #138 City, State, ZIP+4[®] WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>5148 6299 0000 0418 6007</p>	Postage	\$ 0.44	0136	Certified Fee	\$2.80	04 Postmark Here	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 5.54	05/11/2010
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Restricted Delivery Fee (Endorsement Required)	\$0.00																														
Total Postage & Fees	\$ 5.54	05/11/2010																													

USPS 7009 3410 0000 6629 8452 delivered signed for by (*illegible*)

USPS 7009 3410 0000 6629 8438 delivered May 14, 2010 signed for by "Wendi A Worrell"

USPS 7009 3410 0000 6629 8469 delivered signed for by (*illegible*)

USPS 7009 3410 0000 6629 8445 UNCLAIMED:

USPS 7009 3410 0000 6629 8476 delivered May 15, 2010 signed for by "Chris Kehres"

May 26, 2010

<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr><td>Postage</td><td>\$ \$0.44</td></tr> <tr><td>Certified Fee</td><td>\$2.80</td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td>\$2.30</td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td>\$0.00</td></tr> <tr><td>Total Postage & Fees</td><td>\$ \$5.54</td></tr> </table> <p>Sent To Randy Schneider Street, Apt. No. or PO Box No. 5731 W 92 AVE 108 City, State, ZIP+4 Westminster, CO 80031 PS Form 3800, August 2006 See Reverse for Instructions</p> <p>7009 2620 0001 5934 5656</p> <p>USPS 7009 2820 0001 5934 5656 delivered signed for by (<i>illegible</i>)</p>	Postage	\$ \$0.44	Certified Fee	\$2.80	Return Receipt Fee (Endorsement Required)	\$2.30	Restricted Delivery Fee (Endorsement Required)	\$0.00	Total Postage & Fees	\$ \$5.54	<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>LONGMONT CO 80504</p> <table border="1"> <tr><td>Postage</td><td>\$ \$0.44</td></tr> <tr><td>Certified Fee</td><td>\$2.80</td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td>\$2.30</td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td>\$0.00</td></tr> <tr><td>Total Postage & Fees</td><td>\$ \$5.54</td></tr> </table> <p>Sent To William Worrell Street, Apt. No. or PO Box No. 1215 Kinnikinnick CT City, State, ZIP+4 Longmont, CO 80504 PS Form 3800, August 2006 See Reverse for Instructions</p> <p>5475 4625 1000 0000 0292 6002</p> <p>USPS 7009 2820 0001 5934 5649 delivered June 01, 2010 signed for by "Sue Gibson"</p>	Postage	\$ \$0.44	Certified Fee	\$2.80	Return Receipt Fee (Endorsement Required)	\$2.30	Restricted Delivery Fee (Endorsement Required)	\$0.00	Total Postage & Fees	\$ \$5.54
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June 01, 2010

<p>7008 2810 0002 3555 4662</p>	<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 04.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>01</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 45.54</td> <td>06/01/2010</td> </tr> </table> <p>Sent To Randy Schneider Street, Apt. No. or PO Box No. 5731 W 92 AVE # 108 City, State, ZIP+4 Westminster, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7008 2810 0002 3555 4662 delivered June 02, 2010 signed for by Randy Schneider</p>	Postage	\$ 04.44	0136	Certified Fee	\$2.80	01	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 45.54	06/01/2010	<p>7009 2820 0001 5934 6356</p>	<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 04.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>01</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 45.54</td> <td>06/01/2010</td> </tr> </table> <p>Sent To Deaun Burchi Street, Apt. No. or PO Box No. 5711 W 92 AVE # 31 City, State, ZIP+4 Westminister, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7009 2820 0001 5934 6363 delivered June 02, 2010 signed for by "De Aun Burchi"</p>	Postage	\$ 04.44	0136	Certified Fee	\$2.80	01	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 45.54	06/01/2010	<p>7009 2820 0001 5934 6356</p>	<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 04.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>01</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 45.54</td> <td>06/01/2010</td> </tr> </table> <p>Sent To Timothy Nelson Street, Apt. No. or PO Box No. 5731 W 92 AVE # 138 City, State, ZIP+4 Westminister, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7009 2820 0001 5934 6356 UNCLAIMED</p>	Postage	\$ 04.44	0136	Certified Fee	\$2.80	01	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 45.54	06/01/2010
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<p>7009 2820 0001 5934 6349</p>	<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 04.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>01</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 45.54</td> <td>06/07/2010</td> </tr> </table> <p>Sent To Christine Kehres Street, Apt. No. or PO Box No. 5711 W 92 AVE # 7 City, State, ZIP+4 Westminister, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7009 2820 0001 5934 6439 delivered June 07, 2010 signed for by "Chris Kehres"</p>	Postage	\$ 04.44	0136	Certified Fee	\$2.80	01	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 45.54	06/07/2010	<p>7009 2820 0001 5934 5674</p>	<p>U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i></p> <p>For delivery information visit our website at www.usps.com.</p> <p>LONGMONT CO 80504</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 04.44</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.80</td> <td>01</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 45.54</td> <td>06/04/2010</td> </tr> </table> <p>Sent To William "Dan" Worrell Street, Apt. No. or PO Box No. 1215 Kinnikinnick CT City, State, ZIP+4 Longmont, CO 80504</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7009 2820 0001 5934 5694 delivered June 04, 2010 signed for by "J. Gibson" (agent)</p>	Postage	\$ 04.44	0136	Certified Fee	\$2.80	01	Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 45.54	06/04/2010																	
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July 01, 2010

7007 1490 0000 5491 0667

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WESTMINSTER CO 80031

Postage	\$ 0.61	0136
Certified Fee	\$2.80	11
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.71	07/01/2010

Send To
 Street, Apt. No. or PO Box No. Randy Schneider
5731 W 92 AVE # 108
 City, State, ZIP+4® Westminster, CO 80031

USPS 7007 1490 0000 5491 0667
 delivered July 02, 2010
 signed for by Randy Schneider

7007 1490 0000 5491 0674

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LONGMONT CO 80504

Postage	\$ 0.61	0136
Certified Fee	\$2.80	11
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.71	07/01/2010

Send To
 Street, Apt. No. or PO Box No. William "Dan" Worrell
1215 Kinnikinnick Court
 City, State, ZIP+4® Longmont, CO 80504

USPS 7007 1490 0000 5491 0674
 delivered July 10, 2010
 signed for by "John Gibson" (agent)

7007 1490 0000 5491 0636

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WESTMINSTER CO 80031

Postage	\$ 0.61	0136
Certified Fee	\$2.80	11
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.71	07/01/2010

Send To
 Street, Apt. No. or PO Box No. Deann Burchi
5711 W 92 AVE # 31
 City, State, ZIP+4® Westminster, CO 80031

USPS 7007 1490 0000 5491 0636
 Return To Sender

7007 1490 0000 5491 0650

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Certified Fee	\$2.80	11
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.71	07/01/2010

Send To
 Street, Apt. No. or PO Box No. Timothy Nelson
5731 W 92 AVE # 138
 City, State, ZIP+4® Westminster, CO 80031

USPS 7007 1490 0000 5491 0650
 Return To Sender

7007 1490 0000 5491 0643

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Postage	\$ 0.61	0136
Certified Fee	\$2.80	11
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.71	07/01/2010

Send To
 Street, Apt. No. or PO Box No. Christine Kehres
5711 W 92 AVE # 7
 City, State, ZIP+4® Westminster, CO 80031

USPS 7007 1490 0000 5491 0643
 delivered July 09, 2010
 signed for by "Chris Kehres"

March 15, 2011

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Total Postage & Fees	\$	\$6.83																													

May 02, 2011

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WESTMINSTER CO 80031 **PRICIAL USE**

Postage	\$ 1.48
Certified Fee	\$ 2.85
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.63

05/02/2011

Sent To: **RANDY SCNEIDER, MADISON HILL HOA**
 Street, Apt. No. or PO Box No.: **5731 W 92 AVE # 108**
 City, State, ZIP+4: **WESTMINSTER, CO 80031**

PS Form 3800, August 2006 See Reverse for Instructions

7009 3410 0002 2348 3172

USPS 7009 3410 0002 2348 3172
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For delivery information visit our website at www.usps.com.

HEAD CO 80542 **PRICIAL USE**

Postage	\$ 1.68
Certified Fee	\$ 2.85
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.83

05/02/2011

Sent To: **WILLIAM "DAN" WORRELL MADISON HILL HOA**
 Street, Apt. No. or PO Box No.: **3471 FAIRWAYS DRIVE**
 City, State, ZIP+4: **MENGLE, COLORADO 80542**

PS Form 3800, August 2006 See Reverse for Instructions

487E 843E 232E 2000 078E 8002

USPS 7009 3410 0002 2348 3189
 delivered May 03, 2011
 signed for by "Wendi A Worrell"

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WESTMINSTER CO 80031 **PRICIAL USE**

Postage	\$ 1.48
Certified Fee	\$ 2.85
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.63

05/02/2011

Sent To: **DEANN BURCHT MADISON HILL HOA**
 Street, Apt. No. or PO Box No.: **5711 W 92 AVE # 31**
 City, State, ZIP+4: **WESTMINSTER, CO 80031**

PS Form 3800, August 2006 See Reverse for Instructions

7009 3410 0002 2348 3141

USPS 7009 3410 0002 2348 3141
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WESTMINSTER CO 80031 **PRICIAL USE**

Postage	\$ 1.48
Certified Fee	\$ 2.85
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.63

05/02/2011

Sent To: **TIM NELSON, MADISON HILL HOA**
 Street, Apt. No. or PO Box No.: **5731 W 92 AVE # 138**
 City, State, ZIP+4: **WESTMINSTER, CO 80031**

PS Form 3800, August 2006 See Reverse for Instructions

573E 843E 232E 2000 078E 8002

USPS 7009 3410 0002 2348 3165
 delivered May 03, 2011
 signed for by "Nubia Nelson"

U.S. Postal ServiceTM
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For delivery information visit our website at www.usps.com.

WESTMINSTER CO 80031 **PRICIAL USE**

Postage	\$ 1.48
Certified Fee	\$ 2.85
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.63

05/02/2011

Sent To: **CHRISTINE KENAES MADISON HILL HOA**
 Street, Apt. No. or PO Box No.: **5711 W 92 AVE # 7**
 City, State, ZIP+4: **WESTMINSTER, CO 80031**

PS Form 3800, August 2006 See Reverse for Instructions

7009 3410 0002 2348 3158

USPS 7009 3410 0002 2348 3158
 UNCLAIMED

August 08, 2011

<p>7010 3090 0001 8102 3751</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>NEED THESE COPIES FOR OFFICIAL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 11.28</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 16.43</td> <td></td> </tr> </table> <p>Sent to Randy Schneider, Madison Hill HOA 5731 W 92 AVE #108 WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7010 3090 0001 8102 3751 delivered signed for by "Jason P Jones"</p>	Postage	\$ 11.28	0136	Certified Fee	\$2.85		Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 16.43		<p>7010 3090 0001 8102 3768</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>NEED THESE COPIES FOR OFFICIAL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 11.28</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 16.43</td> <td></td> </tr> </table> <p>Sent to William "Dad" Moorell, Madison Hill HOA 3471 Fairwinds Drive MEADE, CO 80542</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7010 3090 0001 8102 3768 REFUSED</p>	Postage	\$ 11.28	0136	Certified Fee	\$2.85		Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 16.43	
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<p>7010 3090 0001 8102 3720</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>NEED THESE COPIES FOR OFFICIAL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 11.28</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 16.43</td> <td></td> </tr> </table> <p>Sent to Devin Burchi, Madison Hill HOA 5711 W 92 AVE # 31 WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7010 3090 0001 8102 3720 REFUSED</p>	Postage	\$ 11.28	0136	Certified Fee	\$2.85		Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 16.43		<p>7010 3090 0001 8102 3744</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>NEED THESE COPIES FOR OFFICIAL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 11.28</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 16.43</td> <td></td> </tr> </table> <p>Sent to Tim Nelson, Madison Hill HOA 5731 W 92 AVE # 138 WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7010 3090 0001 8102 3744 UNCLAIMED</p>	Postage	\$ 11.28	0136	Certified Fee	\$2.85		Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 16.43	
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<p>7010 3090 0001 8102 3737</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>NEED THESE COPIES FOR OFFICIAL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 11.28</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 16.43</td> <td></td> </tr> </table> <p>Sent to Christine Kenares, Madison Hill HOA 5711 W 92 AVE # 7 WESTMINSTER, CO 80031</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7010 3090 0001 8102 3737 UNCLAIMED</p>	Postage	\$ 11.28	0136	Certified Fee	\$2.85		Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 16.43		<p>7010 3090 0001 8102 3782</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>NEED THESE COPIES FOR OFFICIAL USE</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 11.28</td> <td>0136</td> </tr> <tr> <td>Certified Fee</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$2.30</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 16.43</td> <td></td> </tr> </table> <p>Sent to Michael D. Weis, LCM PROPERTY 1776 S. PARKWAY ST 530 DENVER, CO 80210</p> <p>PS Form 3800, August 2006 See Reverse for Instructions</p> <p>USPS 7010 3090 0001 8102 3782 delivered signed for by "Kelley Tatman"</p>	Postage	\$ 11.28	0136	Certified Fee	\$2.85		Return Receipt Fee (Endorsement Required)	\$2.30		Restricted Delivery Fee (Endorsement Required)	\$0.00		Total Postage & Fees	\$ 16.43	
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June 05, 2012

<p>7009 3410 0002 2345 8477</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 43.30</td> <td>0070</td> </tr> <tr> <td>Certified Fee</td> <td>\$ 2.95</td> <td>20</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$ 2.35</td> <td>Postmark Here</td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$ 0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 48.60</td> <td>06/05/2012</td> </tr> </table> <p>Sent to Randy Schneider 5731 W 92 AVE # 108 Westminster, CO 80031</p> <p>USPS 7009 3410 0002 2345 8477 UNCLAIMED</p>	Postage	\$ 43.30	0070	Certified Fee	\$ 2.95	20	Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here	Restricted Delivery Fee (Endorsement Required)	\$ 0.00		Total Postage & Fees	\$ 48.60	06/05/2012	<p>7009 3410 0002 2345 8484</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>HEAD CO 80542</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 43.30</td> <td>0070</td> </tr> <tr> <td>Certified Fee</td> <td>\$ 2.95</td> <td>20</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$ 2.35</td> <td>Postmark Here</td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$ 0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 48.60</td> <td>06/05/2012</td> </tr> </table> <p>Sent to William "Dan" Worrell 3471 Fairways Drive Head, CO 80542</p> <p>USPS 7009 3410 0002 2345 8484 UNCLAIMED</p>	Postage	\$ 43.30	0070	Certified Fee	\$ 2.95	20	Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here	Restricted Delivery Fee (Endorsement Required)	\$ 0.00		Total Postage & Fees	\$ 48.60	06/05/2012
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<p>7011 1150 0001 8719 5229</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 43.65</td> <td>0070</td> </tr> <tr> <td>Certified Fee</td> <td>\$ 2.95</td> <td>20</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$ 2.35</td> <td>Postmark Here</td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$ 0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 48.95</td> <td>06/05/2012</td> </tr> </table> <p>Sent to Deann Burchi 5711 W 92 AVE # 31 Westminster, CO 80031</p> <p>USPS 7011 1150 0001 8719 5229 REFUSED</p>	Postage	\$ 43.65	0070	Certified Fee	\$ 2.95	20	Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here	Restricted Delivery Fee (Endorsement Required)	\$ 0.00		Total Postage & Fees	\$ 48.95	06/05/2012	<p>7011 1150 0001 8719 5250</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 43.30</td> <td>0070</td> </tr> <tr> <td>Certified Fee</td> <td>\$ 2.95</td> <td>20</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$ 2.35</td> <td>Postmark Here</td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$ 0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 48.60</td> <td>06/05/2012</td> </tr> </table> <p>Sent to Timothy Nelson 5731 W 92 AVE # 138 Westminster, CO 80031</p> <p>USPS 7011 1150 0001 8719 5250 delivered June 06, 2012 signed for by "Timothy Nelson"</p>	Postage	\$ 43.30	0070	Certified Fee	\$ 2.95	20	Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here	Restricted Delivery Fee (Endorsement Required)	\$ 0.00		Total Postage & Fees	\$ 48.60	06/05/2012
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<p>7011 1150 0001 8719 5243</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 43.30</td> <td>0070</td> </tr> <tr> <td>Certified Fee</td> <td>\$ 2.95</td> <td>20</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$ 2.35</td> <td>Postmark Here</td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$ 0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 48.60</td> <td>06/05/2012</td> </tr> </table> <p>Sent to Christine Kehres 5711 W 92 AVE # 7 Westminster, CO 80031</p> <p>USPS 7011 1150 0001 8719 5243 UNCLAIMED</p>	Postage	\$ 43.30	0070	Certified Fee	\$ 2.95	20	Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here	Restricted Delivery Fee (Endorsement Required)	\$ 0.00		Total Postage & Fees	\$ 48.60	06/05/2012	<p>7010 3090 0001 8134 8663</p> <p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com.</p> <p>DENVER CO 80210</p> <table border="1"> <tr> <td>Postage</td> <td>\$ 43.30</td> <td>0070</td> </tr> <tr> <td>Certified Fee</td> <td>\$ 2.95</td> <td>20</td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td>\$ 2.35</td> <td>Postmark Here</td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td>\$ 0.00</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$ 48.60</td> <td>06/05/2012</td> </tr> </table> <p>Sent to Michael Weiss, LGM Property 1776 S Jackson ST # 530 Denver, CO 80210</p> <p>USPS 7010 3090 0001 8134 8663 delivered June 06, 2012 signed for by "Kelley Tatman"</p>	Postage	\$ 43.30	0070	Certified Fee	\$ 2.95	20	Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here	Restricted Delivery Fee (Endorsement Required)	\$ 0.00		Total Postage & Fees	\$ 48.60	06/05/2012
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October 22, 2012

<p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com</p> <p>WESTMINSTER CO 80031</p> <table border="1"> <tr><td>Postage</td><td>\$</td><td>\$3.30</td><td>0136</td></tr> <tr><td>Certified Fee</td><td></td><td>\$2.95</td><td>10</td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td></td><td>\$2.35</td><td>OCT 22 2012</td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td></td><td>\$0.00</td><td>10/22/2012</td></tr> <tr><td>Total Postage & Fees</td><td>\$</td><td>\$8.60</td><td>10/22/2012</td></tr> </table> <p>Sent To Randy Schneider, Madison Hill Street, Apt. No. or PO Box No. 5731 W 92 AVE # 108 City, State, ZIP+4 Westminster, CO 80031</p> <p>USPS 7012 1010 0000 8480 6923 UNCLAIMED</p>	Postage	\$	\$3.30	0136	Certified Fee		\$2.95	10	Return Receipt Fee (Endorsement Required)		\$2.35	OCT 22 2012	Restricted Delivery Fee (Endorsement Required)		\$0.00	10/22/2012	Total Postage & Fees	\$	\$8.60	10/22/2012	<p>U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)</p> <p>For delivery information visit our website at www.usps.com</p> <p>HEAD CO 80542</p> <table border="1"> <tr><td>Postage</td><td>\$</td><td>\$3.30</td><td>0136</td></tr> <tr><td>Certified Fee</td><td></td><td>\$2.95</td><td>10</td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td></td><td>\$2.35</td><td>OCT 22 2012</td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td></td><td>\$0.00</td><td>10/22/2012</td></tr> <tr><td>Total Postage & Fees</td><td>\$</td><td>\$8.60</td><td>10/22/2012</td></tr> </table> <p>Sent To Dan Worrell, Madison Hill HOA Street, Apt. No. or PO Box No. 3471 Fairways Drive City, State, ZIP+4 Mead, Colorado 80542</p> <p>USPS 7012 1010 0000 8480 6930 REFUSED</p>	Postage	\$	\$3.30	0136	Certified Fee		\$2.95	10	Return Receipt Fee (Endorsement Required)		\$2.35	OCT 22 2012	Restricted Delivery Fee (Endorsement Required)		\$0.00	10/22/2012	Total Postage & Fees	\$	\$8.60	10/22/2012
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APPENDIX D

In early 2008, Madison Hill H.O.A. Inc. obtained a loan to pay for new siding and new roofing on the units. As a result, a “special assessment” was imposed on the home owners, in addition to the \$161.00 per month in “regular assessments” (“H.O.A. dues”).

Home owners were given the option to pay a lump sum of \$5,000.00 by March 01, 2008, or pay \$74.00 per month over 90 months (\$6,600.00 total).

In a letter from the board of directors (“filed 1/22/08”, **see page 150**), home owners were told that

4. It is important to note that if you enter the payment plan and decide to pay it off prior to 90 months; the interest will be taken out of the remainder of the amount owed.

In the “Special Assessment Payment Plan Form” (“filed 1/22/08”, **see page 151**), there was an option to select

_____ Monthly payment of \$74 dollars for 90 months to begin on March 1, 2008. This payment includes the interest rate of 7.7%. **If I later choose to pay off the balance early, the remaining interest will be subtracted from the payment balance owed.**

Emphasis added

MADISON HILL HOMEOWNERS ASSOC.

File 1/22/08

c/o LCM Property Management, Inc.
1776 S. Jackson St., Suite 530
Denver, CO 80210

Telephone: (303) 221-1117
Fax: (303) 991-1136

From: Madison Hill HOA Board of Directors
To: All Owners of Madison Hill

Subject: Special Assessment Payment Plan

1. The loan for our siding project has closed and funded. We know that there have been a lot of questions and concerns about the project and how the special assessment will be paid. This letter is intended to answer these questions.
2. The special assessment of \$5,000 per home was approved at a special meeting of the homeowners in September 2007. Each owner is to be offered a choice in how to make the payment.
 - a. If you would like to make a one-time payment of \$5,000 to the HOA, it will be due on March 1, 2008.
 - b. If you would like to make payments to the HOA it would be in the amount of \$74 monthly for seven and one-half years (90 months). This would also start on March 1, 2008 and be mailed in with your normal monthly assessments. If you are on automatic payment, this can be added to that payment if you let us know. This payment amount is set at the same interest rate (7.7%) as our loan.
3. **We need all owners to complete the enclosed form to indicate which way you would like to pay. The form needs to be mailed back to the management company no later than February 20, 2008 to allow the payments to be set up in the system. This should allow you time to check with your bank to see if you would like to borrow the money for payment under other terms. If you do not complete the form, you will automatically be placed into the payment plan.**
4. It is important to note that if you enter into the payment plan and decide to pay it off prior to 90 months; the interest will be taken out of the remainder of the amount owed.
5. **If you sell your home, you must disclose the special assessment to any potential buyers.**
6. Call LCM Property Management with any questions that you may have.

Sincerely,

Board of Directors
Madison Hill HOA

“4. It is important to note that if you enter into the payment plan and decide to pay it off prior to 90 months; the interest will be taken out of the remainder of the amount owed.”

MADISON HILL HOMEOWNERS ASSOC.

File: 1/22/08

c/o LCM Property Management, Inc.
1776 S. Jackson St., Suite 530
Denver, CO 80210

Telephone: (303) 221-1117
Fax: (303) 991-1136

From: Madison Hill HOA Board of Directors
To: All Owners of Madison Hill

Subject: Special Assessment Payment Plan Selection Form

1. Fill in the name of the owner of the property and the unit number that you own at Madison Hill. Check the payment plan that you wish to use. Sign the form and mail back to Management Company. **This form must be mailed back by February 20, 2008. If you do not complete the form, you will automatically be placed into the payment plan.**

Madison Hill HOA
c/o LCM Property Management, Inc.
1776 S. Jackson St. Suite 530
Denver, CO 80210

NAME OF OWNER: _____

ADDRESS OF UNIT: _____

I would like to pay the Madison Hill Special Assessment in the following manner:

_____ **One-time payment of \$5,000 dollars to be paid by March 1, 2008.**

_____ **Monthly payment of \$74 dollars for 90 months to begin on March 1, 2008. This payment includes the interest rate of 7.7%. If I later choose to pay off the balance early, the remaining interest will be subtracted from the payment balance owed.**

_____ **Monthly payment as described above to be added to my current automatic payment from my account on file with LCM Property Management.**

Signature

Date

“If I later choose to pay off the balance early,
the remaining interest will be subtracted from the payment balance owed.”

Since 2010, I have repeatedly requested to know the remaining balance of the Special Assessment, so that I could pay it off. For over 3 years, the board of directors of Madison Hill H.O.A. Inc. have refused to provide me that information. As a result, I have been forced to pay extra interest charges for several years.

No legitimate creditor refuses to provide a debtor with the balance of the debt. *Every* mortgage company, *every* credit card company, *every* finance company, *etc.*, I have ever dealt with provides a monthly statement, which includes the remaining balance due. But not the board of directors of the Madison Hill H.O.A. corporation, who have decided that home owners are not entitled to this information.

I have no idea what motive the board of directors of Madison Hill H.O.A. Inc. has in making home owners pay extra interest charges – unless somebody is skimming those interest payments for their personal benefit.

APPENDIX E

Lawsuits filed by Madison Hill H.O.A. Inc.
in Jefferson County Colorado, 2000 – 2012

CASE #	DATE FILED	DEFENDANT	# PER YEAR	% OF 183
2000 C 011397	8/30/2000	Martinez, Dewayne	2	1.1 %
2000 C 016294	12/11/2000	Bellio, Terri		
2001 C 012858	8/29/2001	Rodriguez, Margarita	3	1.6 %
2001 C 012859	8/29/2001	Nordenger, Denise		
2001 C 017284	11/19/2001	Escobedo, Laura		
2002 C 000598	1/11/2002	Parkins, Angela	10	5.5 %
2002 C 002292	2/12/2002	King, Rachela		
2002 C 002691	2/15/2002	Bollig, Dennis		
2002 C 002692	2/15/2002	Gilmore, Joshua A		
2002 C 005586	4/11/2002	Jones, Kelly		
2002 C 012820	8/14/2002	Martinez, Dewayne		
2002 C 015147	9/20/2002	Nordenger, Denise		
2002 C 015286	9/23/2002	Gilmore, Joshua A		
2002 C 015906	10/04/2002	Bollig, Dennis		
2002 C 018418	11/15/2002	Jones, Cheryl		
2003 C 005759	4/07/2003	Rearson, Peter	6	3.3 %
2003 C 008549	5/21/2003	Valadez, Raul		
2003 C 010989	6/25/2003	Martinez, Richard		
2003 C 013287	7/30/2003	Kunter, Ian		
2003 CV 003215	9/29/2003	Martinez, Richard		
2003 C 017651	10/16/2003	Rendon, Rachelle		
2004 C 016002	9/20/2004	Cortez, Charles	2	1.1 %
2004 C 020978	12/13/2004	Valadez, Raul		
2005 C 007404	4/07/2005	Gawart, David	8	4.4 %
2005 C 007638	4/29/2005	Dominguez, Santiago		
2005 C 008614	5/16/2005	Valdez, Erica		
2005 C 012006	7/07/2005	Smith, Vee		
2005 C 017344	9/28/2005	George, Sheryl		
2005 C 017352	9/28/2005	Scott, Rozella		
2005 CV 003380	10/22/2005	Cortez, Charles		
2005 C 019872	11/10/2005	Yerke, Steve		
2006 C 003763	3/02/2006	Ross, Debra	4	2.2%
2006 CV 003819	10/02/2006	Ross, Debra		
2006 C 018222	10/10/2006	Yerke, Steve		
2006 CV 005036	12/26/2006	George, Sheryl		

CASE #	DATE FILED	DEFENDANT	# PER YEAR	% OF 183
2007 C 044794	6/25/2007	Velincia, Jacob	8	4.4%
2007 C 046245	7/27/2007	McGuire, Leanna		
2007 C 046295	7/30/2007	Walter, Frances		
2007 C 046412	7/31/2007	Martinez, Matthew		
2007 C 047017	8/14/2007	Ballew, Jeremy		
2007 C 047812	8/30/2007	Miller, James		
2007 C 053091	12/05/2007	Caswell, Jared		
2007 CV 008801	12/26/2007	Walter, Francis		
2008 C 040679	1/11/2008	Mendez, Judy	16	8.7 %
2008 C 043151	2/18/2008	Callahan, Anthony		
2008 C 043689	2/25/2008	Schevling, Richard		
2008 C 047641	4/23/2008	Alexander, Brandy		
2008 C 048432	5/06/2008	Steinbach, Paul		
2008 C 050289	6/02/2008	Brown, Thomas		
2008 C 058417	9/23/2008	Rice, Lawrence		
2008 C 058420	9/23/2008	Cordova, Aaron		
2008 C 059393	10/10/2008	Stadler, Linda		
2008 C 061971	11/18/2008	Moreno, Laurie		
2008 C 062498	11/24/2008	West, Joshua		
2008 C 062579	11/25/2008	Racansky, Robert		
2008 C 062954	12/03/2008	Lake, Jeremiah		
2008 C 062961	12/03/2008	Leonhardt, Gregory		
2008 C 062962	12/03/2008	Saunders, Audrey		
2008 C 062963	12/03/2008	Roybal, Tina		
2009 C 041865	1/29/2009	Ballew, Jeremy	12	6.6 %
2009 C 045285	3/25/2009	Dahlberg, James		
2009 C 049419	5/27/2009	Molina, Alfredo		
2009 C 049421	5/27/2009	George, Sheryl		
2009 C 049493	5/28/2009	Patrick, Michael		
2009 C 049494	5/28/2009	Porras, Blanca		
2009 C 049734	6/02/2009	Martinez, Charlotte		
2009 C 051647	6/30/2009	Marquez, Pedro		
2009 C 055613	8/28/2009	Predota, Edward		
2009 CV 004510	9/04/2009	Rice, Lawrence		
2009 C 058502	10/09/2009	Olson, Dustin		
2009 C 060505	11/09/2009	Dejacamo, Angelina		

CASE #	DATE FILED	DEFENDANT	# PER YEAR	% OF 183
2010 C 042117	2/02/2010	Miller, James	7	3.8 %
2010 C 044167	3/04/2010	Oleksy, Marian		
2010 C 050475	6/08/2010	Steinbach, Paul		
2010 C 052155	7/01/2010	Molina, Alfredo		
2010 C 053787	7/27/2010	Schevling, Richard		
2010 C 057401	9/21/2010	Connelly, Sean		
2010 C 059634	10/29/2010	Lake, Jeremiah		
2011 C 043682	3/04/2011	Gray, Jason	10	5.5 %
2011 C 045391	4/05/2011	Dirks, Alan		
2011 C 045393	4/6/2011	Esser, David		
2011 C 048734	5/31/2011	Officer, Charlotte		
2011 C 054001	8/25/2011	Monson, Steven		
2011 C 055370	9/15/2011	West, Joshua		
2011 CV 003698	9/19/2011	Rice, Lawrence		
2011 CV 004014	9/22/2011	Gray, Johnaon		
2011 CV 004253	10/06/2011	George, Sheryl		
2011 C 058263	11/01/2011	New, Susan		
2012 CV 000384	2/01/2012	Predota, Edward	8	4.4 %
2012 C 044672	3/14/2012	Willman, Daniel		
2012 C 045393	3/26/2012	Cordova, Aaron		
2012 C 049945	6/07/2012	George, Sheryl		
2012 C 055093	8/28/2012	Scherr, Kyla		
2012 CV 003616	9/21/2012	Holland, Betty		
2012 C 059608	11/14/2012	Nieman, Patrick		
2012 C 061888	12/28/2012	Rice, Lawrence		

From 2000 to 2006, Madison Hill H.O.A. Inc. filed an average of 5 lawsuits per year against home owners.

Between 2007 to 2012 – during the Great Recession – that number doubled, to an average of 10 lawsuits per year against home owners.

It is unknown how many more people were threatened with lawsuits, and intimidated into paying whatever the board of directors demanded from them.

APPENDIX F

The following table represents all of the attorney fees and legal costs billed to my account by Madison Hill H.O.A. Inc. The numbers in the second column corresponds to the line item numbers of the ledgers in **Appendix A**.

Attorney Fees

	Appx. A	DATE	REF	AMOUNT	TOTAL
01	128	09/09/08	COLL	\$ 95.00	\$ 95.00
02	138	11/21/08	092308	\$ 95.00	\$ 190.00
03	144	12/21/08	112008	\$ 471.00	\$ 661.00
04	150	01/21/09	122108	\$ 163.35	\$ 824.35
05	156	02/21/09	012209	\$ 123.00	\$ 947.35
06	167	05/01/09	042309	\$ 40.00	\$ 987.35
07	173	06/01/09	052509	\$ 600.00	\$1,587.35
08	179	07/01/09	062209	\$ 280.00	\$1,867.35
09	190	09/01/09	082409	\$ 80.00	\$1,947.35
10	197	10/01/09	092309	\$5,278.50	\$7,225.85
11	206	11/01/09	102209	\$ 421.56	\$7,647.41
12	212	12/01/09	112209	\$ 103.43	\$7,750.84
13	228	02/24/10	COLL	\$ 95.00	\$7,845.84
14	233 ½	04/01/10	032310	\$ 100.00	\$7,945.84
15	261	09/01/10	082310	\$ 30.00	\$7,975.84

Between September 2008 and September 2010, a total of \$7,975.84 was billed to my account for attorney fees and costs. Judge Greene awarded “only” \$6,600.00 in “reasonable attorney fees” and costs on October 07, 2009.

The board of directors of Madison Hill H.O.A. Inc. spent \$1,375.84 in excessive attorney fees – *i.e.*, attorney fees not awarded by the court. \$749.99 of that was spent *after* Judge Greene’s decision.

Since they weren't spending their own money, the H.O.A.'s corporate directors had, and still have, no incentive to control their attorney fees. They just pass the burden onto the other home owners in Madison Hill H.O.A. Inc.

To date, the board of directors of Madison Hill H.O.A. Inc. have been unable, or unwilling, to account for these attorney fees. For the past three years, they have failed to produce

- the invoices from their attorneys that correspond to these fees
- the fee agreement(s) with their attorneys authorizing these fees
- the checks, or any other type of receipt, to prove that the attorney fees were paid, in accordance with their own collections policy. ⁷⁴

* * *

Of the attorney fees listed on the previous page, **items 01 through 10** are attorney fees for the litigation against me that took place from September 2008 to September 2009. **Items 13 through 15** are fees for the board's attempt to extort unlawful fees from me in 2010.

But there is no explanation for **items 11 and 12**, the attorney fees billed to my account on November 01 and December 01, 2009.

	Appx. A	DATE	REF	AMOUNT
11	206	11/01/09	102209	\$ 421.56
12	212	12/01/09	112209	\$ 103.43

Collections attorneys for HindmanSanchez P.C. have denied knowledge of these fees. To this day, the board of directors of Madison Hill H.O.A. Inc. refuse to explain them.

Therefore, I can only conclude that these two ledger entries are evidence that Michael D. Weiss, the owner of L.C.M. Property Management Inc., is embezzling funds from his client, by billing Madison Hill H.O.A. Inc. for work not done.

If there's another explanation, I'd like to hear it. I've been waiting 3 ½ years for one.

* * *

Embezzlement by H.O.A. property managers is not an unprecedented, unreasonable, nor outrageous allegation.

At a general meeting on June 17, 2009, the board of directors of Madison Hill H.O.A. Inc. told the home owners present that

Our [Madison Hill H.O.A. Inc.'s] attorney was their [Homestead Management's] attorney. We would have had to hire outside legal representation to fight the guy who knew the most about our problem...

They [Homestead] were good in their operation. And the Board prior to this Board weren't watching the money. If they were watching the money, they were watching it go somewhere. They were letting it go. If we go to find the records, they're not there. The company we're talking about [Homestead] were charged with keeping the records. They're not going to keep records that burn their fences....

The old Board, they had given them the privilege of keeping our records, throwing our records away, and doing what they wanted with them. My personal opinion is they [Homestead] robbed us blind, but I can't prove it.

L.C.M. Property Management Company was hired by the board of directors of Madison Hill H.O.A. Inc. in January 2007 to replace Homestead Management. No controls have been put in place to prevent the embezzlement that occurred during the tenure of the previous management company.

The only difference is that the homeowners are no longer being robbed “*blind*”. Randy Schneider, Dan Worrell, De Aun Burchi, Tim Nelson, and Christine Kehres are very complicit in covering up the embezzlement of funds from home owners by their business manager.

* * *

In *Neighbors At War* (2013), retired investigative reporter Ward Lucas published a “Short List of HOAs Recently Hit By Embezzling”.⁷⁵

He continues to blog about embezzlement from H.O.A. corporations on his web site, NeighborsAtWar.com .

May 02, 2012

**Another Day, Another Embezzlement Arrest
by Ward Lucas**

neighborsatwar.com

The cops probably arrest one out of every 10,000 HOA embezzlers. It’s a crime that’s very hard to catch in the typical HOA structure. But here’s the latest suspect to be arrested.

41 year old David Russell Nero was treasurer of the Ashley Farms Property Owners Association in Dover Township, Pennsylvania. He’s now charged with stealing more than \$60,000 from his neighbors in 2010 and 2011.

WPMT television reports that Nero is accused of forging 76 checks. He’s also charged with cashing out a CD that was bought by the Association.

May 31, 2012

**What Happened To The AZ Lawsuit Against HOA Attorney
For Aiding & Abetting Missing \$650,000?**

by Ward Lucas

neighborsatwar.com

That's a headline swiped directly from the blogsite of George Staropoli, who is perhaps the nation's best HOA blogger and pursuer of cheats, frauds and miscreants. He notes that well-known HOA attorneys were appointed by the Court as Receivers to discover what happened to about \$650,000 in money missing from an Arizona Homeowners Association. Seems the court-appointed lawyers sued other lawyers for various corruption and ethical violations....

June 20, 2012

Holy Cow! A Reason To Move To Texas!

by Ward Lucas

neighborsatwar.com

35 years in the slammer! That's what a judge handed out to Taggett Mayfield, a property manager who stole about two million dollars from a number of HOAs he managed. Rarely, kind readers, rarely will you ever see this kind of a sentence given to someone who steals from his neighbors. More often, it's a wrist slap and a restitution order that never gets paid.

But 35 years! Homeowners in Houston ought to be out in the streets celebrating!

The term "Homeowner Association" is almost synonymous with embezzlement. If you spent a month of Sundays on Google you could never track down all the stories of HOA embezzlement. The American HOA system rewards them, its lawyers cavort in the shower of dollars, the property managers take vacations to places most of us will never see. While homeowners pay higher and higher dues, while front entrances decay, and neighborhood swimming pools turn a bilious green, the word "embezzlement" is sort of like an employee benefit. "Help wanted. Property Management Company needs another manager. Free soda, medical marijuana, and all you can skim from the homeowners. People with ethics need not apply."

Ward Lucas isn't the only one to notice the epidemic of embezzlement from H.O.A. corporations. The Community Associations Network, an industry group, currently lists 136 incidents (as of July 2013) of "fraud and embezzlement" on the web, at communityassociations.net/xmlarticles/fraud_embezzlement.html

- **FL: Former condo manager convicted of stealing**
A former manager of a Longboat Key condominium community was found guilty of a scheme to defraud more than \$50,000 and stealing more than \$100,000....
- **GA: Criminal theft charges mount up against former FCHS AD Darren Handley**
Handley now faces five charges of theft by taking in connection to approximately \$10,000 stolen from several of the school's athletic accounts and a separate charge brought by Senoia Police for felony theft by conversion of nearly \$8,000 from a homeo...
- **OH: Boardman woman pleads guilty to grand theft**
A Boardman woman has pleaded guilty as charged to grand theft after the prosecutor said she stole about \$100,000 between October 2009 and December 2012 from the Sunset Knoll Condo Association, while serving as its bookkeeper....
- **Protect the HOA / Condominium Operating and Reserve Accounts**
I know anyone that has any affiliation with an HOA or Homeowners Association has heard of someone stealing or trying to steal money from the Community. The scams are often as simple as writing a check to themselves, either as an administrator, treasu...

- **MI: Woman accused of embezzlement, Police say she stole around \$180k**

Sterling Heights police say she worked at Cranbrook Property Management as the accounts payable manager. Former co-workers say she had that position for about five years, but was let go after suspicions of embezzlement surfaced....

- **AZ: Mesa HOA out of control? Homeowners accuse board of misspending funds**

Daurio and a few other homeowners thought they were being hit with meaningless violations by their HOA board. So, they decided to look into how their money was being spent, and requested financial records from the board. What they found shocked them....

- **FL: Condo president gambles away community's money, police say**

Nancy Marquez is accused of embezzling close to \$150,000 from her condo association in Pembroke Pines, police say. She made withdrawals she wasn't authorized to make, and used the community's funds to pay for her personal expenses and gambling, accor...

And the list of “isolated incidents” goes on and on and on...

* * *

In 2012, the *Denver Post* reported that

Embezzlement has been a recurring problem at HOAs, which collect and spend monthly assessments from homeowners. State law doesn't prevent felons from working as HOA managers.

In 2010, Stacey Lynn Chevarria received a 10-year prison sentence after embezzling more than \$720,000 over a three-year period from 17 HOAs run by Vista Management Associates in Westminster.

Then there's Tamara Jane Chmelka, who pleaded guilty to felony theft charges in 2010 related to the embezzlement of \$308,000 from the Portico HOA in Cherry Creek over a five-year period. ⁷⁶

* * *

According to Bill Raphan, who “spent 5 years working with the Economic Crimes unit of the Florida Department of Law Enforcement in their Condominium Anti Fraud program”, are some of the most common fraudulent activities found in H.O.A. corporations are

- Kickbacks – Vendors paying off board members “under the table”, including over inflating contracts and “kicking back” the difference
- Schemes concerning credit cards
- Altering or falsifying financial records
- Forged signatures
- Paying for work not done
- Paying nonexistent employees
- Submitting false expense vouchers ⁷⁷

As the owner of L.C.M. Property Management Inc., Michael Weiss is in a position to create false expense reports for work not done. He knew that his client, Madison Hill H.O.A. Inc., would charge the fraudulent attorney fees to my account and then divert my assessment payments (“H.O.A. dues”) to pay those fees, in accordance with their collections policies. Which is exactly what they did.

All it would take to refute my allegation that Michael Weiss embezzled \$524.99 would be to produce

- the invoices from the attorneys for the fees billed to my account on November 01, 2009 and December 01, 2009
- the fee agreement(s) with the attorneys. authorizing the fees in billed to my account on November 01, 2009 and December 01, 2009

	Appx. A	DATE	REF	AMOUNT
011	206	11/01/09	102209	\$ 421.56
012	212	12/01/09	112209	\$ 103.43

- the checks (or other form of payment) from Madison Hill H.O.A. Inc. to the law firm HindmanSanchez P.C., for the attorney fees in question

For over three years, the board of directors of Madison Hill H.O.A. Inc. have been unable or unwilling to produce those records – records which could refute my allegation that Michael Weiss embezzled \$421.56 on October 22, 2009 (REF 102209) and \$103.43 on November 22, 2009 (REF 112209) by fraudulently billing the Madison Hill H.O.A. corporation for work not done.

Either Michael Weiss embezzled funds from Madison Hill H.O.A. Inc., with the consent and knowledge of the corporation's board of directors. Or the board of directors of Madison Hill H.O.A. Inc. are so desperate to cover up some *other* crime, that they have been willing to let their business manager be accused of embezzlement.

* * *

On October 22, 2012, I wrote a 72-page letter, detailing my allegations of various crimes committed by the corporate directors, property managers, and attorneys of Madison Hill H.O.A. Inc., not all of which are included in this book. Copies of this letter were sent to

- John Suthers
Colorado Attorney General
- Mark Young
an Arvada police officer ⁷⁸
- Economic Crimes Unit
Denver D.A.'s Office
- Matthew Kirsch
Economic Crimes Unit
U.S. Attorney's Office
- the H.O.A. Information Officer
Colorado Department of Regulatory Agencies (D.O.R.A.)
- each and every individual member of the board of directors,
Madison Hill H.O.A. Inc.
- Michael D. Weiss
L.C.M. Property Management Inc.

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 Street, Apt. No. or PO Box No. John Suthers, Attorney General
 City, State, ZIP+4 1525 Sherman Street
 Denver Colorado 80203

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Total Postage & Fees	\$ 48.60	10/22/2012

Sent To
 Street, Apt. No. or PO Box No. Mike Young, Arvada Police Dept
 City, State, ZIP+4 8101 Ralston Road
 Arvada, Colorado 80001

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Sent To
 Street, Apt. No. or PO Box No. Economic Crimes, DA's Office
 City, State, ZIP+4 201 W Colfax AVE
 Denver Colorado 80202

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Sent To
 Street, Apt. No. or PO Box No. Matt Kirsch, US Dept of Justice
 City, State, ZIP+4 1225 17th St. Suite 700
 Denver, Colorado 80202

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Sent To
 Street, Apt. No. or PO Box No. HOA Information Officer
 City, State, ZIP+4 1560 Broadway Suite 925
 Denver, Colorado 80202

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Sent To
 Randy Schneider, Madison Hill
 Street, Apt. No. or PO Box No. 5731 W 92 AVE # 108
 City, State, ZIP+4 Westminister, CO 80031

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 Dan Worrell, Madison Hill HOA
 Street, Apt. No. or PO Box No. 3471 Fairways Drive
 City, State, ZIP+4 Mead, Colorado 80542

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 De Ann Burchi, Madison Hill HOA
 Street, Apt. No. or PO Box No. 5711 W 92 AVE # 31
 City, State, ZIP+4 Westminister, CO 80031

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Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 48.60	10/22/2012

Sent To
 Tim Nelson, Madison Hill HOA
 Street, Apt. No. or PO Box No. 5731 W 92 AVE # 138
 City, State, ZIP+4 Westminister, CO 80031

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Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 48.60	10/22/2012

Sent To
 Christine Kahres, Madison Hill
 Street, Apt. No. or PO Box No. 5711 W 92 AVE # 7
 City, State, ZIP+4 Westminister, CO 80031

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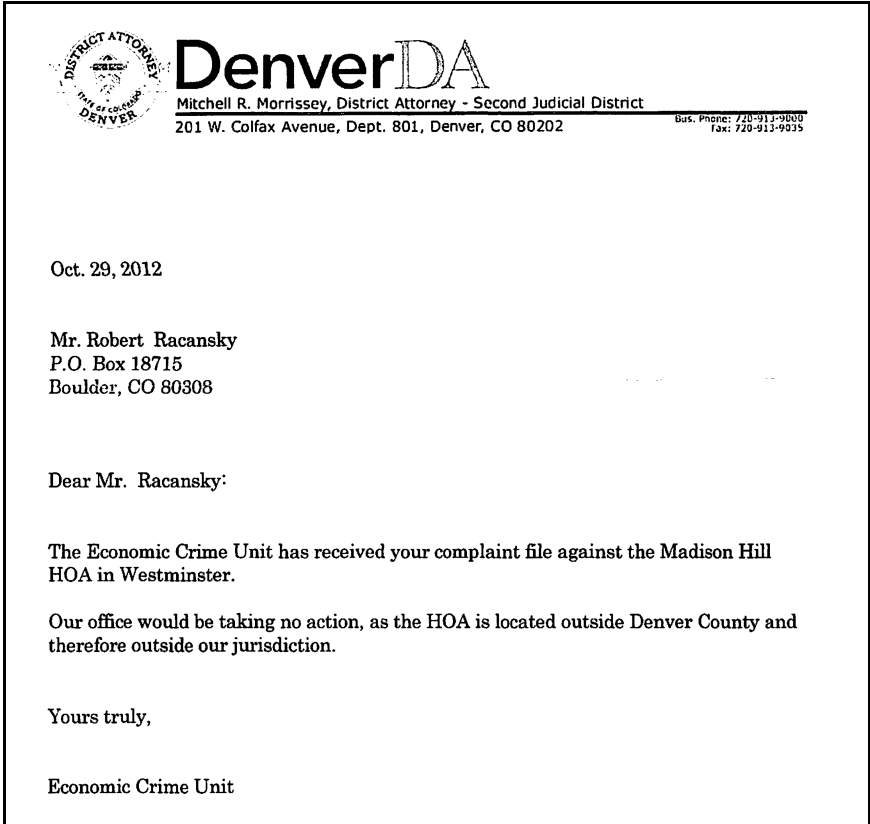
Postage	\$ 43.30	0136
Certified Fee	\$ 2.95	10
Return Receipt Fee (Endorsement Required)	\$ 2.35	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 48.60	10/22/2012

Sent To
 Michael Weiss, LCM Property
 Street, Apt. No. or PO Box No. 1776 S Jackson St. Ste 530
 City, State, ZIP+4 Denver, Colorado 80210

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 delivered October 26, 2012

The only response I received was from the Denver District Attorney's office.



You can tell how proud the Denver D.A.'s office was their decision, because nobody from the Economic Crimes Unit attached their name to or signed that letter.

The Denver District Attorney's office is staffed with corrupt cowards. The fact that the townhomes governed by Madison Hill H.O.A. Inc. are *physically* located in Westminster is irrelevant.

The registered address of the Madison Hill H.O.A. *corporation* – the legal entity – was 1776 S. Jackson Street # 530, Denver, Colorado, 80210. ⁷⁹ The business office in Denver, and not the residences in Westminster, is where the accounting and financial crimes of the H.O.A. corporation took place.

Additionally, the allegations of embezzlement by Michael D. Weiss, the owner of L.C.M. Property Management Inc., are separate from the allegations of theft and extortion by the corporate directors of Madison Hill H.O.A. Inc.

Law enforcement officials are so desperate to avoid investigating crimes by H.O.A. corporations, or act on behalf of consumers, that the District Attorney's Office of Denver, Colorado, claimed that they do not have jurisdiction to investigate and prosecute crimes committed at 1776 S. Jackson Street in Denver, Colorado.

* * *

In 2008, the F.B.I. raided the offices of dozens of H.O.A. corporate offices in the state of Nevada, as part of a fraud investigation involving tens of millions of dollars. Dozens of conspirators have been convicted. Four of them have died in mysterious circumstances that have officially been ruled suicides.

Nevada is one of the few states that actively regulates H.O.A. corporations. ⁸⁰ Yet it took action by the U.S. Department of Justice in 2008 to finally put an end to the rampant fraud. Nevada's state regulators and law enforcement officials had been ignoring complaints from home owners for five years. ⁸¹

Evan McKenzie, a former H.O.A. lawyer, and author of *Privatopia* (1994) and *Beyond Privatopia* (2011), has pointed out to the readers of his blog that this type of indifference by regulatory and law enforcement officials is

not even remotely "unusual." That is absolutely par for the course. Those in authority almost invariably treat the owner who challenges their board as a nutjob. And the fact is that there are many other situations in HOAs and condo associations all over the country where things are going on that should be investigated by police and local prosecutors, but where instead some lonely unit owner who is waving the red flag is being treated like the neighborhood crank. ⁸²

* * *

The stories of H.O.A. corporate directors and property managers who are arrested and prosecuted for financial crimes has led me to make this observation:

Law enforcement and regulatory officials will not get involved if the victim is an *individual* home owner. They will only act if the victim is an H.O.A. *corporation*, which is a distinct legal entity, separate from the home owners. H.O.A. corporations and corporate directors stealing from individuals is permissible, but individuals stealing from the collectivist entities known as H.O.A. corporations will (sometimes) be investigated and punished.

If this theory is correct, then our elected representatives, judges, law enforcement officers, policy pundits, and other government officials, need to do some serious soul searching – preferably while being whipped through the streets covered in tar and feathers.

Notes And References

1 (page 015). To the best of my knowledge. The Madison Hill H.O.A. corporation does not actually inform the home owners who its directors are. Ms. Kehres did not join the corporate board until January 2010, filling the seat vacated by Larry Pixler of Arvada, Colorado, who had sold his rental property in Madison Hill in September 2009. Pixler's unit # 43 had been vacant and on the market for two years.

2 (page 015). This is not an unreasonable assumption. Ward Lucas published a "Short List of HOAs Recently Hit By Embezzling" in his book *Neighbors At War* (2013, pp. 279 – 284). The "short list" was 131 incidents long. He continues to list more "isolated incidents" on his web site, NeighborsAtWar.com on a regular basis. Readers in Colorado may remember him from his days as an investigative reporter for 9 News (KUSA). **See also Appendix F.**

3 (page 016). In 2010, Judge Lily Oeffler (Colorado attorney # 22,789), who is a former lawyer, ruled that the law firm and its collections attorneys were *not* complicit in any wrong-doing. HindmanSanchez's defense was that they were relying on information provided to them by their client, Madison Hill H.O.A. Inc.

Robert Racansky v HindmanSanchez P.C.

Jefferson County Colorado District Court case # 2010 CV 4032

4 (page 016). On February 28, 2013, Madison Hill H.O.A. Inc. filed a "Statement of Change" with the Colorado Secretary of State, changing its registered agent to the law firm HindmanSanchez P.C. (Arvada, Colorado). Like many actions by the corporate directors, this was done without notifying the homeowners.

5 (page 016). H.O.A. corporations have been described as "private governments". For example, in "What Are Private Governments Worth?" *Regulation* (The Cato Institute). Fall 2005 [continued next page]

www.cato.org/sites/cato.org/files/serials/files/regulation/2005/9/v28n3-2.pdf

The description of an H.O.A. corporation as a “private government” is a common metaphor, but does not legally bind H.O.A. corporations to respect the constitutional rights of its “members”. The legal relationship between an H.O.A. corporation and a home owner is contractual. See

Tyler Berding. “Do Owners Believe CCRs Are Contracts? And Why That Doesn’t Matter!” January 03, 2012.
condissues.blogspot.com

Tyler Berding. “The Contractual Community. Why Community Associations Are Not ‘Governments’.”
January 04, 2012. condissues.blogspot.com

That the “consent” to the some-document-called-a-contract is often the result of a legal fiction called “constructive notice”, and fails to meet basic requirements of rational choice theory necessary for a free-market to work, is irrelevant.

6 (page 016). Foundation for Community Association Research (Community Associations Institute). *Statistical Review 2012*.

www.cairf.org/foundationstatsbrochure.pdf (250 KB)
See also “Industry Data” at
www.caionline.org/info/research/Pages/default.aspx

7 (page 017). For example, the 501(c)(6) trade and lobbying organization for the industry’s attorneys, property managers, and other vendors is called the Community Associations Institute (C.A.I.).

Since H.O.A. corporations are about the collective ownership and control of an individual’s private property, I often refer to them as “community associations”.

8 (page 017). Kathy Price-Robinson “Two-Thirds ‘Annoyed’ With HOA, Survey Says” *Los Angeles Times* (blog). September 05, 2007

latimesblogs.latimes.com/pardonourdust/2007/09/two-thirds-anno.html

The original link is dead, but her article was also published at

kathysremodelingblog.com/two-thirds-annoyed-with-hoa-survey-says

9 (page 017). I am not qualified to judge the methodology of this survey, nor of the surveys released by the Community Associations Institute (C.A.I.) showing that 110% of homeowners love their ~~H.O.A. corporation~~ “community association”.

What does surprise me is that, given the number of people and amounts of money involved, how little research has been done on this topic. It is as though our policy makers and pundits don’t even want to know what the home owners themselves think. My personal non-scientific opinion is that the H.O.A. industry is facing a “preference cascade”, as disaffected, disenfranchised, and marginalized home owners discover they are not alone.

This illustrates, in a mild way, the reason why totalitarian regimes collapse so suddenly...Such regimes have little legitimacy, but they spend a lot of effort making sure that citizens don't realize the extent to which their fellow-citizens dislike the regime. If the secret police and the censors are doing their job, 99% of the populace can hate the regime and be ready to revolt against it - but no revolt will occur because no one realizes that everyone else feels the same way.

This works until something breaks the spell, and the discontented realize that their feelings are widely shared, at which point the collapse of the regime may seem very sudden to outside observers - or even to the citizens themselves...Even if one loathes the regime, few people have the force of will to stage one-man revolutions, and when preferences are sufficiently falsified, each dissident may feel that he or she is the only one, or at least part of a minority too small to make any difference.

Glenn Reynolds. “Patriotism and Preferences”. March 13, 2002

10 (page 027). “Financial Crimes Report to the Public. Fiscal Years 2010-2011” at

www.fbi.gov/stats-services/publications/financial-crimes-report-2010-2011

11 (page 027). “FBI Forensic Accountants” at

www.fbi.gov/news/stories/2012/march/forensic-accountants_030912/forensic-accountants_030912

12 (page 027). “FBI Agent Critical Skills” at

www.fbijobs.gov/1112.asp

13 (page 028). The diversion of payments is a common practice in the H.O.A. industry to create artificial delinquencies, which I discuss in **Chapter 04**.

14 (page 028). Judge Tammy Greene (Colorado attorney # 17,817).

Madison Hill H.O.A. Inc. v Robert Racansky.

Jefferson County, Colorado, court case # 2008 C 62579.

15 (page 031). Unless the late fees in question were actually paid to a 3rd party (say, the property management company), then those fees were nothing more than arbitrary and artificial accounting artifacts, and not a true cost incurred by the corporation. But my assessment payments (“H.O.A. dues”) were illegally diverted to pay those late fees, in violation of Judge Greene’s Court Order (Oct. 07, 2009).

And unless HindmanSanchez P.C. refunded the \$1,375.84 in illegal attorney fees, the cost of my stolen payments used to pay those fees were simply passed on to the other home owners. \$1,375.84 divided by 183 units is \$7.52 per unit. Over 19 months, that’s 40¢ per unit per month – too small of an amount for any one individual home owner to even notice, and definitely not worth the time and effort to complain about. It’s an example of what economists call “concentrated benefits vs. distributed costs”, or “concentrated vs. diffuse interests”.

In fact, a fraudster can make a good living stealing small amounts of money from large numbers of people because it's not worth anyone's effort to pursue him.

Bruce Schneier. *Liars and Outliers*. (2012). p. 146

16 (page 031). Judge Lily Oeffler (Colorado attorney # 22,789). *Robert Racansky v HindmanSanchez P.C.* Jefferson County Colorado District Court case # 2010 CV 4032. December 28, 2010. Emphasis added.

In 2007, a law professor at the University of Tennessee predicted the outcome of my 2010-2011 lawsuit against the law firm.

Many legal outcomes can be explained, and future cases predicted, by asking a very simple question: is there a plausible legal result in this case that will significantly affect the interests of the legal profession (positively or negatively)? If so, the case will be decided in the way that offers the best result for the legal profession.

...

If there is a clear advantage or disadvantage to the legal profession in any given question of law the cases are easy to predict: judges will choose the route (within the bounds of precedent and seamliness) that benefits the profession as a whole.

...

The lawyer-judge hypothesis established herein proves that lawyers have enjoyed preferential treatment.

Benjamin Barton

“Do Judges Systematically Favor The Interests Of The Legal Profession?”

University of Tennessee Legal Studies Research Paper No. 1, October 2007

pp. 02, 03, 45. ssrn.com # 976478

There is a 12 minute video interview with Professor Barton on YouTube, about this that is well worth watching. [continued on next page]

“PJTV: Bias! The Case Against Lawyers and Judges”
posted by Pajamasmedia on January 27, 2011, at
www.youtube.com/watch?v=Hbs_31ePAjE

Or just search YouTube.com for the title.

I believe that Judge Oeffler’s conduct in that case rose to the level of malfeasance, which is an impeachable offense under Article XIII of the Colorado Constitution. But arguing and proving that is beyond the scope of this book.

17 (page 035). Chris Coffey. Fox-7 News (Austin, Texas).
“HOA News Austin, Texas”, at 5 min. 35 seconds into the video at
www.youtube.com/watch?v=d1jz4OuJZcQ

Or just search YouTube.com for “HOA News Austin, Texas”.
Posted to YouTube.com by Kenny Dee on November 28, 2006.

18 (page 036). Aldo Svaldi. “HOA Horror Stories Prompt Industry Group To Ask Colorado To Regulate HOA Managers”. *Denver Post*. Feb. 13, 2012.
www.denverpost.com/business/ci_19951732

19 (page 037). “Do Homeowner Associations Go Too Far?” *20/20*.
April 20, 2002. abcnews.go.com/2020/story?id=123915

20 (page 037). “The Myth Of Privatopia. Do Private Residential Governments Mean The End Of The American Dream?” Dec. 17, 2002.
www.sfgate.com/entertainment/article/The-Myth-of-Privatopia-Do-private-residential-2710581.php

21 (page 038). Wade Goodwyn. “Not So Neighborly Associations Foreclosing On Homes”. N.P.R. June 29, 2010.
www.npr.org/templates/story/story.php?storyId=128078864

22 (page 038). “Resolution Of The Madison Hill Homeowners Association Inc. I Regarding Policy And Procedures For Collection of Unpaid Assessments”. January 01, 2006. Amended May 19, 2008.

23 (page 043). As of November 21, 2008, Madison Hill H.O.A. Inc. had charged \$190.00 in attorney fees and costs to my account. But when the initial Complaint was written three weeks earlier, on October 31, 2008, Madison Hill H.O.A. Inc. was claiming \$510.00 in “Reasonable Attorney Fees” and \$200.00 in “Estimated Court Costs”. **See page 41.**

24 (page 047). \$7,992.10 is \$766.25 less than the \$7,225.85 in attorney fees and legal costs that had been billed to my account as of October 01, 2009. **See Appendix F, line 10.**

I cannot explain this \$766.25 difference. And for the past three years, neither has the board of directors of Madison Hill H.O.A. Inc.

I believe Jonah Hunt (Colorado attorney #34,379) committed perjury when he submitted his “Affidavit For Attorney Fees and Bill Of Costs” on September 09, 2009. The “Affidavit” is a sworn statement, and in it he inflated his claim for costs by \$766.25. If this allegation is correct, then the directors of Madison Hill H.O.A. Inc. have been complicit in covering up this crime.

25 (page 049). This is assuming that the collections attorneys of HindmanSanchez P.C. were not working on a contingency fee basis, which would have been illegal. A contingency-fee agreement *would* explain why the corporate directors of Madison Hill H.O.A. Inc. refuse to release records related to their attorney fees. For the purposes of this book, I will assume that HindmanSanchez P.C. submitted regular invoices for actual fees and costs, and that Madison Hill H.O.A. Inc. paid them promptly, per their collections policy.

26 (page 050). \$1,005.61 divided by 183 units means that \$5.50 of everyone’s assessments (a.k.a. “H.O.A. dues”) – including mine – went to pay for frivolous legal fees that month. \$5.50 is too small of an amount for any individual homeowner to dispute, even if they are aware of it. It’s much easier, and perfectly rational, to pay it rather than take the time and make the effort to complain. This is an example of “concentrated benefits versus distributed costs”. It is part of the moral hazards and perverse incentives that are inherent in the structure of H.O.A. corporations.

27 (page 057). www.hindmansanchez.com/resources/article/finding-gold

28 (page 069). Colorado Revised Statutes (C.R.S.) § 38-33.3-317, the so-called “Colorado Common Interest Ownership Act”, states that

(2)(a) ... all financial and other records shall be made reasonably available for examination and copying by any unit owner, ...

and

(4) ... “reasonably available” means available during normal business hours, upon notice of five business days, or at the next regularly scheduled meeting if such a meeting occurs within thirty days after the request...

29 (page 069). Article XV of the “Bylaws” of Madison Hill H.O.A. Inc. states that

The books, records and papers of the association shall at all times, during reasonable business hours, be subject to inspection by a member.

30 (page 073). *Robert Racansky v HindmanSanchez P.C.*
Jefferson County Colorado District Court case # 2010 CV 4032

Madison Hill H.O.A. Inc., its board of directors, and its property management company were *not* named parties in the suit. This is *not* a trivial point. Even though I was *not* suing the board of directors of Madison Hill H.O.A. Inc., they acted to protect their lawyers from me. H.O.A. corporate boards do *not* act in the interests of the home owners they claim to work for. Nor are they required to do so, since their *legal* obligation is to the H.O.A. *corporation*, an entity that is separate and distinct from the home owners.

31 (page 075). “On The Commons” June 26, 2010.
at 22 min. 50 sec. into the audio. OnTheCommons.net

32 (page 075). For legal purposes, homeowners can be considered *consumers* in their business relationship with H.O.A. corporations; *e.g.*, consumer protection laws, such as the “Fair Debt Collections Practices Act” (F.D.C.P.A.). This is why the extortionist letters from the H.O.A. corporation’s collections attorneys says “a consumer has the right” and “this is an attempt to collect a debt”; it’s a requirement of the F.D.C.P.A.

However, it is more accurate to think of the homeowners as an H.O.A. corporation’s *product*, to be farmed out by the corporation’s directors to the industry vendors (*i.e.*, management companies and specialized law firms).

33 (page 075). Although H.O.A. corporations do not loan money to the home owners or contribute to the equity of the property, the legal relationship is that of a creditor (H.O.A. corporation) and debtor (home owner), since the home owner owes a perpetual “debt” to the H.O.A. corporation, secured by the personal assets of the home owner. **See endnote # 69.**

The H.O.A. lobby does not want their industry’s collections attorneys to be bound by the Fair Debt Collections Practices Act (F.D.C.P.A.).

Community Associations Institute (CAI) supports taking legislative, regulatory or judicial action to establish that community

association assessments are not “consumer debt” as defined by the Fair Debt Collection Practices Act or similar state statutes in circuits that have not already defined them as such but also acknowledge that they are considered “consumer debt” and should act accordingly.

2010 Public Policies of Community Associations Institute (p. 31)

Community Associations Institute

www.caionline.org/govt/policies/Documents/public_policies.pdf

Unlike what most people think of as a “debt”, the debt owed to an H.O.A. corporation is perpetual. In this way, H.O.A. assessments (“H.O.A. dues”) are more like a tax; the debt exists forever, and can never be paid off. Like the tax-man, the H.O.A.-man is never going to say, “That’s it. You’re done. You’ve paid us everything you will ever owe. You never have to pay us again.”

The current purpose of H.O.A. corporations is to allow developers to increase profits and local governments to collect property taxes from home owners without having to provide traditional municipal services, such as road maintenance, trash removal, recreational facilities, parks, *etc.* **American homeowners governed by H.O.A. corporations are, in essence, being double-taxed.** This is why local governments require the creation of H.O.A. corporations, as a condition of issuing building-permits to housing developers.

Steven Siegel wrote about this in “The Public Role in Establishing Private Residential Communities: Towards a New Formulation of Local Government Land Use Policies That Eliminates the Legal Requirements to Privatize New Communities in the United States” (*Urban Lawyer*, Fall 2006). At 90 pages, his article is even longer than the title. A 50 minute interview with him about his article is available at “On The Commons” (April 27, 2007, at OnTheCommons.net).

34 (page 076). Collections attorneys Kristen Dillie (Colorado attorney # 40,095) and Heather Hartung (Colorado attorney # 39,142) testified that they really intended to file a lawsuit against me, eventually, but never got

around to doing so. If Judge Lily Oeffler (Colorado attorney # 22,789) had chosen to find their testimony not credible, she would have had to rule that fellow-members of the legal profession willfully violated the F.D.C.P.A. And there was no way Judge Oeffler was going to allow that to happen.

35 (page 079). “Resolution Of The Madison Hill Homeowners Association Inc. I Regarding Policy And Procedures For Collection of Unpaid Assessments”. January 01, 2006. Amended May 19, 2008.

While the policies of Madison Hill H.O.A. Inc. place burdens, liabilities, obligations, and responsibilities on, and provide for penalties against, individual home owners, it gives the corporation and its directors authority, power, and rights.

If the H.O.A. corporation breaches the some-document-called-a-contract, the home owner is still required to pay the H.O.A. corporation. But if the corporation declares that the home owner has violated the some-document-called-a-contract, the home owner will be assessed limitless fees, fines, and penalties.

18. Defenses. Failure of the Association to comply with any provision of this policy shall not be deemed a defense to payment of assessment fees or other charges late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

L.C.M. Property Management Inc. never notified me that my account was accruing late charges from September 2009 to March 2010, as *required* by section 7(a) of the collections policy.

The corporate directors are not required to notify the home owners of any unilaterally-adopted amendments.

22. Amendment. This Policy may be amended from time to time by the Board of Directors.

We were not even notified when this policy was adopted. But due to various legal fictions, policy makers, pundits, and judges presume that the home owners agreed to it. And it is enforced as a contract that the home owners consented to.

H.O.A. apologists often reply with the tired old canard, “If you don’t like it, vote the board out.” What these useful idiots don’t realize is that home owners in H.O.A. corporations do not have the right to vote.

7(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

A right that can be taken away is not a right, but a privilege. Or, as George K. Staropoli has put it, “You can vote in China, and in your HOA”. Since disputed fines and fees can be declared “unpaid assessments” (**See Chapter 04**), H.O.A. corporations can simply assess an arbitrary fine to prevent a home owner from voting.

36 (page 082). “Collections/Foreclosures. Collecting Money. It's a Dirty Job, but Somebody's Got to Do It.”

www.hindmansanchez.com/lawyer-attorney-1082754.html

37 (page 089). “Collections/Foreclosures. Collecting Money. It's A Dirty Job, But Somebody's Got to Do It.”

www.hindmansanchez.com/lawyer-attorney-1082754.html

38 (page 095). “Collections/Foreclosures. Collecting Money. It's A Dirty Job, But Somebody's Got to Do It.”

www.hindmansanchez.com/lawyer-attorney-1082754.html

39 (page 098). The board of directors of Madison Hill H.O.A. Inc. has been very happy with the work being done by L.C.M. Property Management, Inc.

There is a “Management Agreement Between The Madison Hill Condominiums (sic) Association, Inc. And LCM Property Management, Inc.”;

to manage the Property for a period of (12) months beginning January 1, 2007 and ending December 31, 2007. Upon completion of this initial term this Agreement will renew for successive terms until re-negotiation or termination in writing by either party.

The contract was dated November 17, 2006. To this date, the contract with L.C.M. Property Management Inc. is still in effect. The copy I received was submitted as an exhibit in a post-trial Motion on October 02, 2009.

40 (page 098). The board of directors of Madison Hill H.O.A. Inc. has been very happy with the work being done by HindmanSanchez P.C. While the board of directors of Madison Hill H.O.A. Inc. has refused to produce any contract(s) and/or fee agreement(s), court records (**see Appendix E**) show that they are still using HindmanSanchez P.C. as of December 2012. To my knowledge, they have not used any other law firm since 2007.

41 (page 099). David Schechter. “Back From Iraq, Frisco Soldier Finds Home Sold By HOA”. WFAA. May 14, 2010.
www.wfaa.com/news/local/Frisco-soldier-comes-home-to-find-home-sold-by-HOA-93829194.html

42 (page 099). Valerie Wigglesworth. “HOA Foreclose On Home Of Frisco Soldier While He Was Serving In Iraq”.
Dallas Morning News. June 28, 2010.
dallasnews.com/news/community-news/frisco/headlines/20100625-HOA-foreclosed-on-home-of-Frisco-5503.ece

43 (page 100). Nick Baumann. “Soldier In Iraq loses Home Over \$800 Debt”. *Mother Jones*. Friday, May 28, 2010.
www.motherjones.com/politics/2010/05/soldier-iraq-loses-home-homeowners-association-foreclose

44 (page 100). Wade Goodwyn. “Not So Neighborly Associations Foreclosing On Homes”. N.P.R. June 29, 2010.
www.npr.org/templates/story/story.php?storyId=128078864

45 (page 101). Based on web searches for those names + “Michael Clauer”, which turned up nothing. If I’m wrong, please let me know. The list of conservative and libertarian pundits is not all inclusive; they were just the first names that came to my mind.

46 (page 101). I posted an earlier version of this section as a comment at privatopia.blogspot.com/2011/06/homeowners-associations-becoming.html on June 24, 2011 at 8:59:00 AM CDT, as “Anonymous”.

47 (page 101). comment by “fuzzyfuzzyfungus”, in reply to “Glenn Beck Is Planning A \$2 Billion Libertarian Commune In Texas”. January 13, 2013 at 12:49 PM. boingboing.net

48 (page 102). Lee Rodd “Condo Group’s Moves Have Homeowners Crying Foul”. *Des Moines Register*. August 18, 2012.

49 (page 102). Wade Goodwyn. “Not So Neighborly Associations Foreclosing On Homes”. N.P.R. June 29, 2010.
www.npr.org/templates/story/story.php?storyId=128078864

Keep in mind that “foreclosure for delinquent HOA assessments” can also mean foreclosure for disputed fines and fees, due to the “priority of payments” accounting described in **Chapter 04**.

50 (page 103). HindmanSanchez P.C. “Is An HOA Obligated To Pay The Mortgage On A Property It Foreclosed On?”
www.hindmansanchez.com/resources/newsletter/hoa-obligated-pay-mortgage-property-it-foreclosed

51 (page 103). Susan Taylor Martin and Kris Hundley
“Experts: Pinellas Lawyer Takes Foreclosure Fight To Ethical Edge”.
Tampa Bay Times. July 01, 2011.

52 (page 103). Kris Hundley and Susan Taylor Martin.
“Real Estate Investors Beat the Banks To Profit On Foreclosures”.
Tampa Bay Times. June 25, 2011.

53 (page 103). In 2007, Florida state Representative Julio Robaina (Republican – Miami) told radio host Shu Bartholomew that home owners have been foreclosed upon by H.O.A. corporations to collect amounts under \$10. H.O.A. corporations have the statutory authority to foreclose upon home owners to collect for special assessments that are being embezzled.

“On The Commons”. September 01, 2007. onthecommons.net
at 9 minutes to 10 minutes in the program.

54 (page 104). Michael Lind. “The Question Libertarians Just Can’t Answer”. *Salon*. June 04, 2013.
www.salon.com/2013/06/04/the_question_libertarians_just_cant_answer
Lind was referring to nation-states.

55 (page 104). Tyler Berding. “Reform Community Associations?”
April 06, 2012. condissues.blogspot.com

Oh yes, there are statutes galore, but no one in authority to enforce them – and no state agency likely to arrive any time soon.

56 (page 104). Evan McKenzie has coined the phrase “repressive libertarianism”

where certain people who call themselves libertarians invariably side with property owners who want to limit other people’s liberties through the use of contract law. Property rights (usually held by somebody with a whole lot of

economic clout) trump every other liberty. The libertarian defense of HOAs is the perfect example. The developer writes covenants and leaves. Everybody who lives there has to obey them forever, even if they lose due process of law and expressive liberties.

As private corporations take over more functions of government, this position could lead to gradual elimination of constitutional liberties.

“Gun Rights vs. Freedom?: How ‘Take Your Guns To Work’ Laws Violate Property Rights”. Aug. 25, 2008. privatopia.blogspot.com

57 (page 104). And has. For example; Barbara J. Hogan. *A Handbook For Texas Legislators Relating To Homeowners’ Associations Issues*. September, 2008. texashoaissues.com

Her web site has been unavailable for years, but if you can find a copy of her *Handbook*, I highly recommend reading the whole thing.

58 (page 104). Florida state Representative Julio Robaina (Republican – Miami). “On The Commons”. September 01, 2007. onthecommons.net at 21 minutes 40 seconds.

59 (page 105). Robert Metcalf . Treasurer, Concord Crossing H.O.A. corporation.

Make no mistake; this is as much a battle for civil rights as what occurred in the 1950s and 1960s.

“Position Statement On Common Interest Developments”. 2007
Emphasis in original

60 (page 105). *We Believe In America*. 2012 Republican Platform. p. 8.

61 (page 105). Indiana and Michigan enacted “Right To Work” laws in 2012, becoming the 23rd and 24th states to do so.

The National Right To Work Committee

nrtwc.org/facts-issues/state-right-to-work-timeline-2/

The map is from www.nrtw.org/rtws.htm

62 (page 106). J. Christian Adams. “Senate GOP Embarrasses Dems Over Boeing.” May 15, 2011. PJMedia.com

63 (page 107). “GOP Senators Introduce National ‘Right-To-Work’ Bill To Restrict Unions”. March 09, 2011. FoxNews.com

64 (page 107). The H.O.A. law firm HindmanSanchez P.C. has advertised to board members that they use the “pro-active, aggressive” use of foreclosure

to move assessments to the top of the priority list and to impress upon owners that paying assessments is critical to keeping their home.

“Collections/Foreclosures. Collecting Money.
It’s A Dirty Job, But Somebody’s Got To Do It.”
www.hindmansanchez.com/lawyer-attorney-1082754.html

To these lawyers (and our elected representatives, like Colorado state Senator Morgan Carroll, Democrat-Aurora) paying assessments (“H.O.A. dues”) should take priority over paying for things like food, heat, medicine, clothes, etc. It’s no wonder that the thieves on the board of directors of Madison Hill H.O.A. Inc. hired HindmanSanchez P.C.

Keep in mind that “assessments” (“H.O.A. dues”) can also mean disputed fines and fees, including attorney fees. **See Chapter 04.**

65 (page 107). Ron Paul. *Liberty Defined.*

66 (page 107). Jon Caldara. “Jon’s State Of the State Address”
The Independence Institute (Golden, Colorado). November 10, 2002.

67 (page 107). Sean Higgins. “Jobs, Income Data Show Right-To-Work States Working”. *Investor’s Business Daily*. June 29, 2011.

68 (page 108). Walter Russel Mead. “Blue State Schools: The Shame Of A Nation”. *The American Interest* (blog). June 20, 2011.

69 (page 109). Unlike a regular corporation, which protects an investor’s personal assets, an H.O.A. corporation subjects a home owner to unlimited liability for the H.O.A. corporation’s debts. A home owner’s personal assets are forever collateral to whatever debts and liabilities the H.O.A. corporation creates.

Tyler Berding, in an article that should be required reading for our policy makers, explained “Why There’s No Protection For Members When Community Associations ‘Go Broke’”:

With a typical corporation the investors’ (shareholders’) liability is limited to the amount of their individual investment. Community associations usually have something more — lien rights to an individual owner’s separate interest, either a lot or a unit, and the personal obligation of an individual owner for his or her share of assessments. So if an association assesses the members and someone doesn’t pay, the association has the authority to place a lien upon the individual’s property and enforce that lien for payment through the process of foreclosure and/or to sue the owner personally to collect the funds owed.

...
A corporate bankruptcy filing essentially tells the world that the assets of the company are insufficient to meet its obligations to creditors. But, where the value of all of the real estate interests within the community can be accessed through the lien process to pay assessments, where **assessments are backed by the personal assets of all owners**, and where the association has a statutory obligation to assess, **the property and personal assets of the owners essentially become the “assets of the company.”**

bankruptcywontwork.blogspot.com

January 27, 2010. Emphasis added

A shorter version of this was published as “Bankruptcy Won’t Work”, at condoissues.blogspot.com on July 17, 2011. See also

- Tyler Berding.
“Exposed?! What Protects An Individual Homeowner From A Catastrophic Judgment Against Her Community Association?”
condoissues.blogspot.com April 20, 2012.
- Even McKenzie.
“HOA Could Be Sued In Trayvon Martin Civil Suit”
privatopia.blogspot.com March 31, 2012.

Professor McKenzie wrote (emphasis in original):

That would leave the association potentially facing an uninsured judgment that could involve a great deal of money. Who would pay that judgment? Some readers of this blog know that I have been writing about this for some time. *The answer is, "the unit owners."* This situation has come up several times in California in the Le Parc case, and in the Oak Park Calaveras saga. I talk about these cases in my latest book, Beyond Privatopia.

By the way – try and find that responsibility in your CC&Rs. We constantly hear from the industry and the courts that you are stuck with the terms of the governing documents because you should have read and understood them. Fine. But here is an obligation that nobody knows about: responsibility for uninsured debts and judgments of the association.

70 (page 109). Teke Wiggin. “‘This Is Crazy’: Company Snatches Condos From Owners”. AOL Real Estate. June 27, 2012.
realestate.aol.com/blog/2012/06/27/this-is-crazy-company-snatches-condos-from-owners/

71 (page 110). It's not as though Republicans are opposed to the idea of major disruptions in the housing market. That the government should "let the market run its course" and not try to prevent the housing market from "bottoming out", is a common policy prescription among conservatives, libertarians, and Republicans.

For example, if he had been elected president in 2012, Mitt Romney would have implemented changes designed to "shock" the economy.

Romney aides wince at the comparison, but their 200-day plans sound like a Bain turn-around for America's economy: a coordinated series of shocks aimed at impressing investors, but likely to startle and anger many ordinary folk... But Mr Romney believed his reforms would work, and work fast. Benefits would follow swiftly,

"What If Mitt Romney Had Won?"

The Economist. July 27, 2013.

On October 17, 2011, Romney told the *Las Vegas Review-Journal's* editorial board that

There are things you can do to encourage housing. One is, don't try and stop the foreclosure process. Let it run its course and hit the bottom. Allow investors to buy homes, put renters in them,

The *Wall Street Journal* praised those remarks as "Romney's Finest Hour" (October 28, 2011). I suspect that many of the same people who aren't opposed to "shocking" the economy, or letting home owners lose their homes so investors can buy them, will produce a long list of reasons why H.O.A. corporations – a fundamentally flawed and unworkable business model – should be treated with deference, as though they are Too Big Too Fail™. They will then couch those reasons in disingenuous concern for protecting home owners.

72 (page 110). In *The Hitchhiker's Guide To The Galaxy*, Arthur Dent wakes up to find a highway construction crew outside of his house. The official in charge of the project explains to him that the plans to demolish his house were made available to the public.

"But Mr. Dent, the plans have been available in the local planning office for the last nine months."

"Oh yes, well as soon as I heard I went straight round to see them, yesterday afternoon. You hadn't exactly gone out of your way to call attention to them, had you? I mean, like actually telling anybody or anything."

"But the plans were on display ..."

"On display? I eventually had to go down to the cellar to find them."

"That's the display department."

"With a flashlight."

"Ah, well the lights had probably gone."

"So had the stairs."

"But look, you found the notice didn't you?"

"Yes," said Arthur, "yes I did. It was on display in the bottom of a locked filing cabinet stuck in a disused lavatory with a sign on the door saying 'Beware of the Leopard'."

This is an example of the legal fiction of "constructive notice". Likewise, deed restrictions and an H.O.A. corporation's governing documents may not necessarily be made available to the home owner at the time of purchase. But courts consider the recording of the documents with the county sufficient notice, and as a result enforce them as a contract.

73 (page 111). Radio host Shu Bartholomew begins her radio program “On The Commons” by referring to the Cold War era division of Berlin.

Living in a home owners association means leaving the American zone.

WEBR. Fairfax, VA. onthecommons.net

A wise man by the name of Fred Reed once observed that

Actually we are witnessing the formation of a hybrid system: The wretched political aims of communist regimes pursued by efficient capitalist means.

“Small Poxes. A Penetrating Study of Left and Right”
FredOnEverything.net (# 170, late 2002)

Although Fred was writing about the American surveillance state, his words are an incredibly apt description of H.O.A. corporations.

74 (page 158). Without these documents, it is not unreasonable to believe that the law firm HindmanSanchez P.C. was working on a contingency fee basis. If they were, then a lot of other crimes (conspiracy, fraud, perjury) were committed by the parties involved. That is an allegation beyond the scope of this book.

75 (page 160). Ward Lucas. *Neighbors At War*. (2013). pp. 279 – 284.

76 (page 164). Aldo Svaldi. “Horror Stories Prompt Industry Group To Ask Colorado To Regulate HOA Managers”. *Denver Post*. Feb. 13, 2012. www.denverpost.com/business/ci_19951732

The “industry group” in that was asking Colorado “to regulate HOA managers” is the Community Associations Institute. C.A.I. is a 501c(6) trade association that represents

a huge percentage of the nation's homeowner association specialist attorneys, property managers, and insurance specialists.

Evan McKenzie. OnTheCommons.net
April 27, 2007 at 14:40 – 16:50

Some writers take a more benevolent view of the C.A.I., describing it as

an organization in Falls Church, Va., that educates homeowners and association board members and managers,

“Watch Out: What's The HOA's Liability In The Death of Trayvon Martin?”
by Marcie Geffner. May 02, 2012. hsh.com

Whenever C.A.I. lobbyists claim to represent home owners, they are lying.

It is an impossible conflict of interests for a trade association to also seek to represent consumers of their services.

Evan McKenzie
“Community Associations Institute (CAI): New Membership Structure”
June 22, 2005. privatopia.blogspot.com

I am skeptical of any legislation promoted or supported by the H.O.A. lobby, especially the licensing of H.O.A. managers. The process of “regulatory capture” ensures that any such licensing will be overseen by groups like the C.A.I. and John Carona’s Associa, either directly or indirectly. In essence, the industry will not only end up regulating itself, but use licensing requirements to drive competitors out of business.

This is why “Most of the time, requests for regulation come from industries rather than consumers” (quote from the *Denver Post* story).

77 (page 164). Bill Raphan. “Fraud In Community Associations”. South Florida *Sun Sentinel* (blog). September 13, 2012.
blogs.sun-sentinel.com/condoblog/

Mr. Raphan is currently an employee of Katzman Garfinkel & Berger, an H.O.A. law firm in Florida that urges its clients to increase “the amounts you can charge for late fees to the ‘highest amount permitted by law’”, to wield a “larger hammer” and to “be aggressive with your foreclosure actions” against homeowners struggling to make ends meet during the Great Recession. He is a textbook example of the “revolving door”: somebody who went from regulating an industry to working for it.

78 (page 166). I originally published some of the allegations in this book, along with others, on the internet in July 2011.

At the time, libel was a Class 6 Felony, which was actively prosecuted by the State of Colorado, and punishable by 18 months in prison *per count* (C.R.S. §18-13-105). Jonah Hunt (Colorado attorney # 34,379), filed a criminal complaint against me with the Arvada Police Department.

Jonah was adamant that I investigate this further and prosecute Robert for criminal libel.

Officer Mark Young. Arvada Colorado Police Department.
OCA 2011-010713 July 29, 2011.

I repeatedly offered to surrender myself to various law enforcement agencies for prosecution, admitting to publishing the statements in question. If what I had published was not true, it would have been an easy win for any prosecutor seeking to increase his conviction count. I was never charged with any crime.

79 (page 170). Shortly afterwards, Madison Hill H.O.A. Inc. changed their registered agent from L.C.M Property Management Inc. in Denver (Denver County), to the law offices of HindmanSanchez P.C. in Arvada (Jefferson County). Coincidence?

80 (page 170). Evan McKenzie. “Las Vegas HOA Corruption Probe Continues”. February 26, 2013. privatopia.blogspot.com

81 (page 170). Steve Green. “HOA Scandal Involving Millions Of Dollars And Thousands Of Homes Cuts Wide Swath Across Las Vegas Valley”. *Vegas Inc.* June 03, 2012.

82 (page 171). Evan McKenzie. “HOA Scandal Involving Millions Of Dollars And Thousands Of Homes Cuts Wide Swath Across Las Vegas Valley” (in response to Steve Green’s *Vegas Inc.* story). June 03, 2013. privatopia.blogspot.com

see also: Evan McKenzie. “Points To Be Aware Of In HOA Scandal”. June 04, 2013. privatopia.blogspot.com

The Nevada H.O.A. scandal involved taking control of H.O.A. corporations by rigging H.O.A. elections. Most of the convictions have been for wire and mail fraud. The conspirators were *not* charged with rigging H.O.A elections, because it wasn’t actually a crime to rig an H.O.A. election.

Madison Hill H.O.A. Inc. is an organized crime extortion racket that has been legalized by the State of Colorado. There isn't a pair-of-balls among the corporation's board of directors to sue the author for libel, because everything in this book is true.

"Upon further review and consultation with our attorneys, we have been advised to not print your book...we would be placing the bookstore in jeopardy and do not feel that we can undertake that risk."

- Matthew Miller
General Manager, The Tattered Cover see page iv

"There is many standing laws against slander, libel and deformation. You, Mr. Racansky, are free to publish as you please. I do support the US Constitution in total."

- Randy Schneider
President, Madison Hill H.O.A. Inc. see page xii

"Robert R. solves a lot of problems...He's easily one of the coolest guys I've ever met."

- Rob Kiser
PeenieWallie.com (July 19, 2013), and author of *Killing Strangers*



about the author:
Robert lives in Boulder, Colorado.