

Dreamland Villa Retirement Community
July 16, 2022 9:30 am
Special Membership Meeting
For Recall/Removal of Directors
Anthony Pagano, Johna Sharpe & Allees Cohrt

Call To order: Dick Cheney

Pledge of Allegiance

Opening statement read by Dick Cheney

On June 13, 2022 over 130 Dreamland Villa members petitioned The Dreamland Villa Board of Directors for a special general membership meeting for the recall of Directors Anthony Pagano, Johna Sharp and Allees Cohrt. The members met the threshold of over 100 certified members to request a meeting of the membership. The members have set the date for the Recall/Removal meeting as July 16, 2022 9:30 am at Farnsworth Hall for these Directors.

Election of Presiding Officer Dick Cheney asked for nominations from the floor for the position of presiding officer. Christie Robbins nominated Steve Malone the nomination was seconded. Hearing no other nominations a voice vote was held. Steve Malone was elected Presiding Officer.

Call for Quorum Steve Malone Presiding officer

Quorum: must have 100 current members to obtain quorum to open the meeting. The quorum must be maintained throughout the meeting for the results to be official. As 260 members were checked in and present a quorum was present and maintained. Presented by Amy Forster interim secretary

Announcement by Steve Malone: The voting for this meeting will be controlled for the purpose to ensure that no challenges can be made to the results obtained here today.

Should the members of DVRC remove one or all of the Board of Directors up for recall/removal, there will be immediately following this Special General Membership meeting a Special DVRC Board of Directors meeting. The purpose is the appointment of interim directors, motion to rescind the membership removal of Ward Jennings, and the conducting of essential DVRC business.

Authority:

DVRC Bylaws Article I, The President section 2. The President shall call meetings of the DVRC upon receiving a written request by Dreamland Villa Community members, signed by at least 100 members.

The President being under notice of recall, the duty to call the Special General Membership meeting and to elect a member to preside over the recall proceedings is that of the DVRC members.

Since DVRC bylaws do not provide procedures for removal of Directors we will follow ARS 10-3808.

To fully document this Recall/Removal process the progression of events was presented by Steve Malone. See attached document.

Christy Robbins and Dick Cheney read the Bill of Particulars

The three Director were allowed time to present their collective defense. No Directors presented a defense.

No rebuttal was given.

Members cast their ballots and placed them in the collection containers.

Volunteers counted and recorded the results.

Absentee ballots were counted and kept separate from in person voting.

Steve Malone took questions and comments from the floor while the ballots were counted.

Amy Forster interim secretary presented the results of the in person voting.

Anthony Pagano 247 yes 5 no

Johna Sharp 247 yes 5 no

Allees Chort 217 yes 21 no

Legal Fees 237 yes 15 no

Meeting adjourned

Amy Forster interim secretary

To fully document this Recall/Removal process the following is the progression of events:

1. Member Linda Haapala on June 13, 2022, by Email provided Directors Pagano, Sharp, & Cohrt a PDF file of Recall Petitions with signatures of more than 130 DVCR members calling a Special General Membership meeting for the purpose of their recall. The receipt of these petition signatures constitutes notice to call the Special meeting on July 16, 2022 in accordance with the DVRC Bylaws Article 1 Section 2.
 2. A preliminary Bill of Particulars was presented to those DVRC members present before and after the June 14, 2022, Board of Directors meeting.
 3. Tammy Hallman of T2 Entertainment was contacted on June 15, 2022, to book Farnsworth Hall for July 16, 2022.
 4. Notification by Email was sent to our corporate law firm of Carpenter, Hazlewood, Delgado & Bolen, LLP informing the firm that Directors Pagano, Sharp, & Cohrt are under a notice of recall/removal by the DVRC members. DVRC members will not provide any legal services for the three individual Directors benefit.
 5. Notification of the Special General Membership meeting for the recall/removal of Directors Pagano, Sharp & Cohrt Scheduled for July 16, 2022, was mailed to current paid DVRC members on June 27, 2022.
-
6. Absentee Ballots were provided by request only. The ballots were printed on different colored paper for identification purposes. The absentee ballots were returned by mail to a separate post office box and have remained unopened until this morning. Today they have been removed from the envelopes to be verified and counted. Absentee ballots will remain separate from other ballots and will also be counted separately and recorded as such.

BILL OF PARTICULARS
REASONS TO REMOVE DIRECTORS:
ANTHONY PAGANO, JOHNA SHARP AND ALLEES COHRT

The Corporate entity known as Dreamland Villa Retirement Community (DVRC) is convening a meeting Saturday, July 16, 2022 to allow its Members to vote to remove the three Directors.

It would not be fair, reasonable or ethical for Anthony Pagano, as President, to preside over his removal as a Director. Therefore, the DVRC membership has provided its procedures to be used for the removal of the three Directors. The DVRC membership has notified Directors Pagano, Sharp and/or Cohrt that they are forbidden from using DVRC funds to pay for any costs related to the Directors recall/removal process.

Directors Pagano, Sharp and Cohrt have engaged in procedurally unlawful conduct. They failed to discharge their directorial duties (1) In good faith, (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances and (3) In the best interests of the *Corporation and its members*.

1. Rogue Directors: Bad language & profanity. Sharp said more than once “*you’re a fucking asshole*” and called a Committee Chair a “*bitch*”). Pagano used in multiple emails similar rude and harassing language. The Directors’ use of such language violates DVRC By Laws, Article XI, Section 8.

2. Transparency. In emails since January, Directors Sharp and Pagano refused to release to DVRC’s members *copies* of Corporate records (2021 DVRC Audit Report, the Farnsworth Hall T2 Presents, LLC lease and other accounting records) as required by DVRC’s By Laws, Policies and the Arizona Revised Statutes ¹. This lack of transparency raises questions about what they are attempting to hide from DVRC’s members.

3. Control of DVRC Assets. Directors Sharp and Pagano have failed to take care of, control and/or manage DVRC’s assets as required by its By Laws, Article V, Section 9.

a. Sharp sold a piano and organ without following DVRC’s Disposal of Surplus Equipment Policy and her own January 2022 motion. A piano in Read Hall has disappeared. No explanation. Directors Pagano and Cohrt have taken no action to explain why they allowed this to happen.

b. Pagano and Sharp have provided no *explanation* as to what happened to Farnsworth Hall’s expensive sound systems.

c. Without the Board’s consent, Sharp allowed the T2 Presents, LLC, Farnsworth Hall lessee, to use the DVRC’s dumpster, electricity, gas, chairs and tables without collecting money for the usage from the lessee.

d. Without the Board’s consent, Sharp appointed herself as the Farnsworth Hall lease administrator. The lessee gave her free tickets to its Farnsworth Hall concerts. This cozy relationship allowed the lessee to breach their lease by delaying their ticket sales payments to DVRC.

e. Once the Directors are removed, the DVRC membership should start a forensic analysis to determine the extent of the damage that has been inflicted on the Corporation and its members.

4. Reports of DVRC’s Financial Standing. For more than 11 years, financial reports published in the *Citizen* (available on DVRC’s website) included a detailed Balance Sheet and a Statement of Revenue and Expenses (Profit and Loss) showing both the month and year to date accounting activity. For calendar year 2022 accurate or timely financial reports have not been published. ²

BILL OF PARTICULARS
REASONS TO REMOVE DIRECTORS:
ANTHONY PAGANO, JOHNA SHARP AND ALLEES COHRT

a. Without the Board's approval, Pagano installed his wife as the Office Manager and bookkeeper. Pagano, as President, was authorized to sign checks his wife printed.

b. President Pagano stated (1) his wife was his surrogate, (2) had the authority to approve accounting transactions, and (3) he would explain the financial matters to the members. The By Laws assign to the Treasurer the responsibility to account for DVRC's funds and report financial standing to its members. Are these the reasons Pagano refuses to allow directors and members access to accounting records?

5. Legal Representation and Fees. Since September 2016 Dreamland Villa has had a Representation Agreement with the Law firm of Carpenter Hazelwood. The firm's agreement states they represent the Corporation, its members and *all* of the Directors. Sharp as President and now Pagano as President received legal services for their individual use, but paid for with DVRC funds. At the July 16, 2022 meeting to remove Directors, Pagano and Sharp, should be required to reimburse DVRC for the legal fees paid for legal communications receive but not shared with the other directors and any costs related to their removal as directors by the DVRC members.

6. Director Removal. Directors Pagano and Sharp, with the cooperation and complicity of Director Allees Cohrt incurred significant legal costs while illegally attempting to remove a director elected by the membership, a violation of ARS 10-3808 and judicial action cited by the Arizona Court of Appeals in *McNally v. Sun Lakes*.

7. Suspension of Members. Directors Pagano, Sharp and Cohrt engaged in procedurally unlawful conduct when they suspend members privileges in violation of the requirements set forth in ARS 10-3621(B) requiring "fair and reasonable" hearing arbitrated by a person or persons other than the directors who brought the charges.

8. 5502 E Butte St. (former library). Sharp with the complicity of Director Cohrt sold the building at 5502 E Butte St. An overwhelming number of Members believe this sale should have been approved by the general membership. These members also believe Sharp and Cohrt failed to follow the procedures set forth Disposal of Surplus Property policy posted in the Official Documents section of the dreamlandvilla.org website. DVRC members should have been allowed to bid on the property's sale.

9. Kacey's Korner. Sharp retained an attorney to evict Kacey's Korner from the Members' Nature Walk. An overwhelming number of Members believe this alone is sufficient reason to remove Sharp as a director.

It is now up to the Members to determine if this and other directorial misconduct is sufficient to remove Directors Pagano, Sharp and/or Cohrt.

Footnotes:

1. The Arizona Revised Statutes include ARS 10-11601, ARS 10-11602 and ARS 10-11620.

2. The prior year retained earnings shown on 1/31/2022 balance sheet posted to DVRC's website = \$611,244.84 whereas the total equity shown on the 12/31/2021 balance = \$558,744.84. To be correct, the two numbers should be the same. No February or March financials have been posted to the DVRC website. April 2022's financials include a monthly only P & L, no YTD data and no balance sheet. May 2022's financials have a YTD P & L, but not monthly data. Financials, if posted in the Citizen, have similar inconsistencies.

AUDITED RECAP SHEET

July 16, 2022 DIRECTOR REMOVAL VOTING

AUDITED

	White card stock	White card stock	White card stock	White card stock	White card stock	White card stock	White card stock	#169 VOID		Sub Total		
Anthony YES	157		1		11	9	12			190		
Pagano NO		3								3	193	
Johna YES	157		1		11	9	12			190		
Sharp NO		3								3	193	
Allees YES	157					9				166	182	
Cohrt NO		3	1				12			16	11	
					11 Skipped						11	193
Legal YES	157				11		12			180		
Fees NO		3	1			9				13	193	

	#201	Thru	#225	Gold card stock			Sub Total Left	Sub Total Above	GRAND TOTAL	
Anthony YES	11	2	2	39	1	2	57	190	247	
Pagano NO			2				2	3	5	252
Johna YES	11	2	2	39	1	2	57	190	247	
Sharp NO			2				2	3	5	252
Allees YES	11			39		1	51	166	217	238
Cohrt NO			2	2		1	5	18	21	14
	2 Skipped			1 Skipped			9	11		252
Legal YES	11	2	2	1	39	1	1	57	180	237
Fees NO			1			1	2	13	15	252

AUDITED RECAP SHEET

July 16, 2022 DIRECTOR REMOVAL VOTING

AUDITED

	White card stock	White card stock	White card stock	White card stock	White card stock	White card stock	White card stock	#188 VOID		Sub Total		
Anthony YES	157		1		11	9	12			190		
Pagano NO		3								3	193	
Johna YES	157		1		11	9	12			190		
Sharp NO		3								3	193	
Allees YES	157					9				166	182	
Cohrt NO		3	1				12			16	11	
					11 Skipped					11		193

Legal YES	157				11		12			180	
Fees NO		3	1			9				13	193

	#201	Thru	#225	Gold card stock			Sub Total Left	Sub Total Above	GRAND TOTAL		
Anthony YES	11	2	2	39	1	2	57	190	247		
Pagano NO			2				2	3	5	252	
Johna YES	11	2	2	39	1	2	57	190	247		
Sharp NO			2				2	3	5	252	
Allees YES	11			39		1	51	166	217	238	
Cohrt NO			2	2		1	5	16	21	14	
	2 Skipped			1 Skipped			3	11		252	
Legal YES	11	2	2	1	39	1	1	57	180	237	
Fees NO			1			1	2	13	15	252	