## HISTORY OF PAGANO AND SHARP'S ORDER TO SHOW CAUSE LAWSUIT

- 1. On July 16, 2022 263 Dreamland Villa Retirement Community (DVRC) members gathered at Farnsworth Hall for a Special General Membership meeting. 245 members voted to remove Anthony Pagano and Johna Sharp as directors, five voted to retain them as directors.
- 2. Immediately following the July 16<sup>th</sup> Special General Membership meeting, a Special Board of Directors meeting had been convened in which Steve Malone was elected President, John Pawloski, Sr., Vice-President, Ward Jennings, Secretary and Treasurer and Joyce Canino and Patti Hanks, directors
- 3. Erin McManis, an attorney with Carpenter, Hazlewood, Delgado & Bolen LLP (CHDB) naming DVRC as plaintiff, filed a July 21, 2022 Order to Show Cause lawsuit (CV2022-09362). The lawsuit named five named individuals as defendants: Steve Malone, John Pawloski, Sr., Ward Jennings, Joyce Canino and Patti Hanks.
- 4. The Order to Show Cause lawsuit asked the Court to issue an injunction stating the July 16, 2022 recall meeting was an UNAUTHORIZED meeting; John Pawloski, Sr., Ward Jennings, Joyce Canion and Patti Hanks are not members of the Board and that Anthony Pagano and Johna Sharp are members of the Board.
- 5. At the August 22<sup>nd</sup> hearing the Court denied the plaintiff's request for a preliminary injunction, stated that DVRC was the wrong party to have brought the lawsuit on its own behalf, stated that Anthony Pagano and Johna Sharp be added as plaintiffs not later than September 2, 2022. The Court further stated that the five individuals (named as defendants in the lawsuit) are to continue to operate DVRC's day-to-day business.
- 6. On August 31, 2022 Attorney McManis filed with the Court a NOTICE OF INABILITY TO COMPLY WITH THE COURT'S MINUTE ENTRY DATED AUGUST 29, 2022. McManis' notice to the Court stated DVRC had no "duly authorized constituent to take direction from". Additionally, McManis informed the Court that Ms. Sharp and Mr. Pagano did not want to be named Plaintiffs in this lawsuit.
  - 7. On September 9, 2022, the Court dismissed with prejudice the Order to Show Cause lawsuit.
- 8. Attorney McManis as well as CHDB's co-managing partners Josh Bolen and Scott Carpenter were advised on June 13, July 12 and July 18 and August 12 NOT to incur any legal expenses on behalf of Anthony Pagano and Johna Sharp to defend themselves for the DVRC members removal as directors. All five of the newly seated directors signed a July 18, 2022 letter sent to the co-managing partners of CHDB. The letter stated that the directors did not authorized CHDB to incur legal fees on behalf of Anthony Pagano and Johna Sharp since they were no longer directors.
- 9. The attorneys representing the five directors sent a September 16, 2022 letter to Attorney McManis requesting that the legal fees she caused to be billed to DVRC be voided. The law firm of CHDB has not responded.

## HISTORY OF PAGANO AND SHARP'S ORDER TO SHOW CAUSE LAWSUIT

10. CHDB invoice dated May 1<sup>st</sup> billed DVRC \$1,860.00 for April's legal services and \$6,707.56 for May's legal services billed June 1<sup>st</sup>, total of \$8,567.56 which Pagano and Sharp paid before July 16, 2022.

From June 1<sup>st</sup> to August 31<sup>st</sup> CHDB billed DVRC July 1st invoice for June's legal work, \$6,382.50, first August 1st invoice - \$7,889.54, second August 1st invoice - \$10,076.54 and the September 1st invoice - \$30,547.68 totaling \$54,896.26 which has not been paid..

CHDB has not recognize the current individuals as the rightful directors to operate DVRC. And it was CHDB that sued the current directors as individuals. It is these same directors whom CHDB sued, who would have to write and sign the checks to pay the CHDB legal bills. For these reasons the directors have unanimously agreed NOT to pay the outstanding CHDB legal bills.