

From: Rita Effler, Treasurer

March 1, 2024

Lawsuit-- PPP \$4,000,000 Probable assessment

Friends and supporters ask me why I put up with the attitude from staff, lies about me, lies from Recall filers, dismissal from committees by HGA and overwhelming disregard of facts. I usually reply, "The Devil makes me do it." It is not the Devil who makes me do it. It is God.

When I confronted Al Lindeman on his lie on my Recall petition, his reply was, "It is up to the residents to determine it is a lie." He certified on the petition that what was stated was the truth.

Psalm 12:2-6—"Everyone deceives and flatters and lies. There is no sincerity left. But the Lord will not deal gently with people who act like that, he will destroy those proud liars who say, 'We will lie to our heart's content. Our lips are our own, who can stop us?' " WE can.

I have done nothing wrong. If the Devil was making me do this, I would have opened many cans of worms and laid out some facts you do not know. Why do you think the first time in years that there is a bona fide election of HGMD directors that the "good old boys" reconnoiter to get it overturned?

Are you aware that the CEO and the CFO knew about the suit for recovery of the PPP loan proceeds? The suit was filed in 2022. The CEO and CFO bailed as soon as they had a good excuse—CAC coming in and asking questions and demanding accountability.

HGA will lose the lawsuit for recovery of the PPP loan. I warned HGA over two years ago that they should cut their losses, pay it back and take the penalty. Jerry Counts, Jon Rea and Russell White, with the audit firm Rubin Brown, convinced them that they did nothing wrong, to consider it a windfall, and to spend it over a few years to cover it up. See the minutes of the May 9th, 2022, Special Meeting. The HGA Board decided to take their chances.

There is a statutory penalty in this lawsuit. HGA had \$1,074,000 forgiven. Treble damage is mandatory. Costs and penalties will take it to \$4 million. Insurance does not cover fraud.

Al Lindeman, Recall principal, was secretary when this loan was procured. Jill Bacon was president. Many of the present board members were there when they had a choice to negotiate giving it back. I am anguished about so many board members who can take money that is clearly not theirs, who can lie on the application for the loan, who can lie on the forgiveness application, members who have put us in a very bad situation, a \$4 million situation. I begged them to make it right.

My guess is HGA hoped a Recall of the HGMD board might take your minds off the fraud that was \$1,058,700. Paying \$4,000,000 off, mandatory damages, would qualify for a Special Assessment of \$1,680 for each unit. Rubin Brown, auditor for HGA and HGA's consultant, should take responsibility for misdirection, make up the difference between what is left of the loan proceeds, assume responsibility for all the penalties and costs and quietly settle so the whole issue does not become public fodder. Board members should apologize and ask our forgiveness.

HGMD wants a divorce from HGA. We can manage ourselves better than HGA can.