

Laurelwood Home-Owner Association, Inc.

Laurelwood Home-Owner
Association, Inc.
c/o Bellinder Law Firm
200 E. Government St.
Brandon, MS 39042

John Q. Taxpayer
Or Current Homeowner
000 Laurelwood Drive
Flowood, MS 39232

TO: Membership, Laurelwood Home-Owner Association, Inc.
FROM: Management, Laurelwood Home-Owner Association, Inc.
RE: Litigation Update, General Information
DATE: February 17, 2023

Dear Membership;

We sincerely pray this finds you well! We, as Laurelwood Home-Owner Association's managing agent, desire to provide you with a status update regarding recent litigation and matters which have come to our attention. It is important that all information shared in any forum or correspondence have context.

Our firm was engaged to manage Laurelwood in April of 2022. Subsequent thereto, we requested all documents and information regarding Association bookkeeping. Our firm then engaged the accounting firm of Tann, Brown & Russ Co., PLLC in Flowood to bring the Association's tax filings into compliance. Our accountant has sent the Association's 2022 state and federal tax returns to the appropriate departments for filing on its behalf. Once filed copies are received, we will make those available for homeowner review. We have insufficient information to reconcile Association financial records for years 2015, 2016, 2020 and 2021. Litigation involving production of the association's financial and other records was initiated by a homeowner on May 6, 2022, and is pending in Rankin Chancery Cause No. 61CH1:22-cv-00719. The Association is subject to the court orders entered therein. Our firm received access to the Association's Community Bank account on or about November 17, 2022.

Further review of the available documentation has evidenced discrepancies in several areas, including expenditures which have no accompanying receipt. In addition, there appear to be payments made to former board members for services - this is not in and of itself problematic. However, Article VI, Section 7 of the bylaws states:

"No member of the Board shall receive any compensation from the Corporation for acting as such, except reimbursement of necessary and duly incurred expenses."

Arguments could be made that some of the compensated services would have been necessary and duly incurred - others are called into question by the lack of prior sufficient bookkeeping and other issues. We have also identified at least one check that was signed by a then-current board member on behalf of a then-former board member, without their authorization. Subsequent to these findings, numerous association records were discovered in a board member's home and were then produced to us on February 9, 2023. These records are voluminous, are now being produced in the context of the prior litigation and will be made available for association review as soon as possible.

We are continually in the process of scanning and reviewing over 3,000 pages of new records that have come into our possession. We are planning to upload relevant documents to the Association website once available, however that process has been delayed. We intend to share the documents with Association members by making them available for review by any member who chooses to view them, via electronic means or a scheduled appointment at our office. Certain records are sensitive in nature, and as such duplication and publication is generally restricted.

We have also turned our findings over to law enforcement for their review - a process that may or may not result in any additional action, and one which we nor any private individual have control over. The Board, management and outside counsel will be discussing all of its legal options in the coming days, not limited to additional civil litigation.

Board members Emary Walker and Henry Morgan have resigned from their positions. At the upcoming annual meeting, the positions of secretary and two additional board members will need to be filled. Please remember, individuals in this country are innocent of crimes until proven guilty and are entitled to due process of law. We are not judge nor jury; we are your managing agents with fiduciary duties to you, not limited to candor and disclosure. It is not our intent to accuse anyone of wrongdoing; only to report objectively upon what we have evidence of.

If any homeowner has questions or concerns, please do not hesitate to reach out to us. The Association remains committed to integrity, transparent communication with all members and good stewardship with its resources.

Warmest Regards,

A handwritten signature in black ink, appearing to read 'TH BELLINDER'.

Thomas J. Bellinder, Esq.
Managing Agent

TJB/ldf