

Loch Lomond Property Owners Against Fraud

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1. Contaminating the lake with copper sulfate is **not** “maintaining the lake.”

From the 8/2014
newsletter, p 1:

dredging and starting all over. There are almost no plants in the lake anymore because of the treatments. The EPA has also limited the amount of copper sulfate treatments permitted and cut our opportunity in half

Did you know that copper sulfate builds up in sediments, does not bio-degrade, and can create a sterile lake bottom?

<http://www.aquaticbiologists.com/aquatic-chemicals/herbicides/copper-sulfate>

Are those in the organization which held mock elections with outsiders to act contrary to a deed restriction still estimating the lake-dredging fix at \$10 million? See www.llpoaF.info.

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3. Mock elections with outsiders cannot overcome a deed restriction.

Under a deed restriction, the McIntosh company reserved the right on behalf of itself and its successor to reclaim the lake under certain conditions including:

or any part or parts thereof, to their claim; or (v) if the Grantee shall authorize or permit the use of said premises, or any part or parts thereof, by any person or persons other than the owners and occupants of the lots and parcels of real estate described in the declarations of restrictions and easements recorded as Documents numbered 822724, 903401 and 874873, as aforesaid.

See www.llpoaF.info for a full-text copy of the deed and related documents.

2. The association which owns the lake is **not** a “homeowners’ association.”

An incorporated “homeowners’ association” is a special type of corporation which is created with the consent of all affected property owners. In contrast to a voluntary membership association whose eligibility for membership is limited to property owners in a geographical area, a “homeowners’ association” has the legitimate power to file liens against nonpaying members in the subdivision for which it was created.

Attorney Shifrin of Kovitz, Shifrin, and Nesbit is a recognized expert. He explained in an IICLE book relied upon by Illinois attorneys:

“In order to create a ... homeowners’ association, there must be a unanimous subscription to an underlying document by the owners of the property ...Anything less creates a “voluntary” association in which membership is not mandatory and rules are not enforceable against nonmembers.” (emphasis added)

— Attorney Jordan I. Shifrin of Kovitz, Shifrin, and Nesbit
(*Illinois Condominium Law*, 10.6)

See www.llpoaF.info for the misrepresentations of those involved in the scam.

4. False assertions cannot re-subdivide 5 subdivisions into 1 Loch Lomond subdivision

Title 19 of the Mundelein Municipal Code provides certain conditions that must be satisfied before subdivisions can be legitimately re-subdivided. https://www.municode.com/library/il/mundelein/codes/code_of_ordinances?nodeId=TIT19SU The Code also provides for fines to be imposed upon those who do not comply with Title 19 but purport to create subdivisions (19.04.040). Section 19.04.050 defines the term subdivisions as including a re-subdivisions.

In 1960, the Village annexed the three McIntosh subdivisions as three separate subdivisions (Ordinance 60-5-11). No one has ever re-subdivided the three McIntosh subdivisions (or two outside subdivisions with the three McIntosh subdivisions) into being a single subdivision.

It is part of a fraudulent scheme for an organization which includes real estate agents and outsiders to distribute false documents to misrepresent that (a) 5 subdivisions constitute a single subdivision, (b) the single subdivision has a homeowners’ association, (c) outsiders are empowered to use the lake and participate in controlling actions taken in the name of the LLPOA, and (d) easement owners are required to belong to the pretend homeowners’ association and pay money to those who collect it in the name of the LLPOA.

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5. The 2013 document is materially false in that it misrepresents the LLPOA's charter.

In 2013, to give the false impression that the LLPOA was incorporated as a homeowners' association and that those involved in a fraudulent scheme are merely seeking to amend existing documents, they began circulating a document for an alleged vote. The terms of the 1957 charter are misrepresented in para 4:

WHEREAS, the Association is a Not-for-Profit Corporation, incorporated under the laws of the State of Illinois to administer and enforce the covenants, conditions, restrictions, easements, charges, and liens as delineated in this Declaration; and

For a full-text copy of the actual charter and related documents, see www.llpoaF.info.

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7. If Mundelein officials enforce Ordinance 19.04.040, the fraud affecting you and owners of more than 600 properties in six separate subdivisions cannot continue.

If there is a legitimate reason for Village officials to not enforce the ordinance and protect your property rights, what is it? Can they justify this by saying, e.g.

- ▶ "We don't know about the fraud." (But it's documented at www.llpoaF.info.)
- ▶ "We need to protect certain local real estate agents (plus the gate keepers of Loch Lomond lake) even when they distribute maps which misrepresent the boundaries of multiple separate subdivisions as being one subdivision."
- ▶ "Attorneys were involved in this and attorneys are not subject to the law."

The LLPOA is a voluntary-membership association and it is not a homeowners' association for "a" subdivision. Google Treas Reg § 1.528-1(c). Falsely claiming that 6 subdivisions are one subdivision does not make them so.

6. The LLPOA was never incorporated to administer or enforce any covenants.

The actual terms of the LLPOA's 1957 charter shows that the LLPOA was never incorporated "to administer and enforce" any "covenants, conditions, restrictions, easements, charges, and liens" of any sort. None whatsoever. The express language in the charter shows that the LLPOA was incorporated

"To promote the civic, educational, patriotic, economic, social and charitable purposes of the community known as Loch Lomond; to bring together the members of said community to the end that the strength of their common efforts and unity will result in the greater benefit to all."

purpose or purposes for which the corporation is organized, are: To promote the civic, educational, patriotic, economic, social and charitable purposes of the community known as Loch Lomond; to bring together the members of said community to the end that the strength of their common efforts and unity will result in the greater benefit to all.

The LLPOA was incorporated in 1957 by 10 lot owners for the sole purpose of promoting certain nonprofit activities. No one should be confused. Membership eligibility was limited to property owners in the community consisting of the three subdivisions created by the McIntosh company.

Title 19 of the Mundelein ordinances provides the procedures that must be followed when re-subdividing subdivisions. It can be found on the web.

Sec. B of Mundelein Ord 19.04.040 provides that any person, firm or corporation who violates the provisions of the chapter "shall be fined not less than one hundred dollars nor more than seven hundred fifty dollars for each offense. Every day that a violation is permitted to exist shall constitute a separate offense."

In 1954, 1955, and 1956, the McIntosh company created 3 separate subdivisions with separate covenants establishing perpetual easement rights of lot owners to use the Loch Lomond lake. Each expressly excuse any obligation to maintain the lake in any size, depth, or condition. Mundelein Ord 60-5-11 identifies the three McIntosh subdivisions that were annexed as three separate subdivisions in 1960.

Under Mundelein Ord 19.04.050, the term subdivision includes any re-subdivision. Under 19.04.030, no land is to be subdivided or re-subdivided and filed for record without a Village approval. Under 19.04.060, unanimous consent of all property owners is required prior to any Village approval of re-subdivisions. As shown by the absence of Village records, no one ever obtained Village approval for a re-subdivision of the 3 McIntosh subdivisions plus 3 outside subdivisions into becoming 1 subdivision. No one obtained the required unanimous consent.

On 10/22/15, the KSN law firm recorded a false document which purportedly memorializes a re-subdivision (but without Village approval) of the 3 McIntosh subdivisions with 3 other subdivisions into supposedly becoming 1 subdivision.

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8. If Mundelein officials enforce 720 ILCS § 5/12-6.5, the fraud affecting local attorneys and owners of more than 600 properties in 6 separate subdivisions cannot continue.

Google 720 ILCS § 5/12-6.5 and you will see that it is a crime for any person to use any criminally unlawful means to compel membership in any organization. No exception is made for those who engage in the identity theft of a voluntary-membership, lake-owning corporation either (1) while using mock elections with outsiders contrary to the corporation's charter or (2) when an annual election meeting is cancelled because of a lack of a quorum, merely act as officers and directors for another full year contrary to (a) the corporate charter and (b) its bylaws which incorporate Robert's Rules (revised 2000) § 40 which "cannot be waived even by unanimous consent".

None of the 3 McIntosh covenants from 1954, 1955, or 1956 (nor the false 1980 agreement) require easement owners to be members of any association.

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9. If Mundelein officials enforce 720 ILCS § 5/17-24(a), the mail fraud affecting you and owners of more than 600 properties in 6 separate subdivisions cannot continue.

By 1986 (29 years after the LLPOA was formed), a person purportedly elected in elections held with outside lot owners collected sufficient funds to obstruct lake access with fences and locked gates. Then, he recorded a false document (Doc # 2413895) by which he purportedly obligated easement owners to be members of the LLPOA and pay money to him as the LLPOA "president."

In 1993, an 11/93 newsletter shows that those working with him agreed with a proposed bylaw so that liens could be filed to collect an alleged "several hundred thousand dollars owed in back dues". In 1994, an attorney was hired to file liens.

Since 1994, threats have been mailed to file liens against easement owners who do not pay mailed bills. None have been. This shows knowledge of the long-term fraudsters involved in the mail fraud.

At a minimum, in violation of 720 ILCS 5/16-1(a) (theft by false pretenses) and contrary to the LLPOA's deed and 3 covenants, those involved in the long-term scheme sought to fraudulently mislead incoming home buyers into becoming members of the LLPOA. Their documents fraudulently misrepresent that lot owners are required to be LLPOA members and pay money to purportedly help satisfy a non-existent LLPOA lake-maintenance agreement with the McIntosh company (www.llpoaF.info).

In violation of 720 ILCS 5/47-5(5) and the express terms of the LLPOA's deed by which the LLPOA accepted the lake subject to easement rights and the covenants which do not require the easement owners to belong to any association, those involved in the scheme physically obstructed easement access and distributed documents which represented that all lot owners are required to be LLPOA members.

In violation of 720 ILCS 5/47-5(14) and the LLPOA's deed, they distributed documents which both indicated that lot owners are required to be members of the LLPOA and that such owners would be required to pay so-called dues sooner or later. They threaten to interfere with buyers' lake access unless all so-called back dues are paid and they have let it be known that they have successfully interfered with sales.

In violation of 720 ILCS 5/32-13, they recorded a fraudulent document on 10/22/15 (different from the one circulated in 2013-2015) to compel membership in the LLPOA. It misrepresents (a) the terms of the LLPOA's charter (par 4), (b) that 6 separate subdivisions are 1 subdivision, (c) that there are "owners" of the LLPOA, a nonprofit corporation (par 2), (d) that the LLPOA and those who purportedly own the LLPOA own all of the lots in the 6 subdivisions (par 2), and (e) that a false 1980 document plus the 1954, 1955, and 1956 covenants constitute the "Original Declaration" (Art I, (I)).

In the June 1994 newsletter, it was reported that the attorney "has begun proceedings on several liens of delinquent dues payers." There is evidence, however, that he told the "president" that the LLPOA is a voluntary-membership association and cannot legitimately file liens against nonpaying easement owners: (1) The attorney did not file any of the threatened liens. (2) The person involved in the scheme discontinued his long-term practice of personally signing the Annual Reports from 1987 onward while misrepresenting that the LLPOA was created as a homeowners' association. Also, he did not run for re-election. From 1994 onward, others took up the practice of signing false Annual Reports, holding themselves out as LLPOA presidents or officers, and collecting money by fraud and intimidation.

In 2008, 51 years after the LLPOA was formed and I began informing others of the scheme involving persons who had been threatening to file liens against easement owners, the schemers admitted knowing "The Association can not put a lien on a property for not paying dues." (11/08 newsletter, p 4). But then, they expressly threatened to continue to interfere with lake access and home sales: "If you are selling and you owe back dues, that could be a factor in selling your home."

Thereafter, they continued to meet and operate out of a real estate sales office building while also continuing to threaten to interfere with the sales of nonpaying easement owners. But, immediately after I informed Allan Kalman (12/12/2011) that I would report the mail fraud if additional false billing notices were mailed (www.llpoaF.info), they stopped holding meetings at the real estate sales building. They also stopped causing billing notices to be mailed to me.

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Do you need a solution?

Here's one ➡

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10. If Mundelein officials enforce 720 ILCS § 5/32-13, the fraud affecting you and owners of more than 600 properties in 6 separate subdivisions cannot continue.

Before the KSN law firm was hired in 2010 to collect so-called dues and back dues (\$188,000), a senior member of that firm wrote in an IICLE book,

“In order to create a ... homeowners' association, there must be a unanimous subscription to an underlying document by the owners of the property ...Anything less creates a “voluntary” association in which membership is not mandatory and rules are not enforceable against nonmembers.” (emphasis added)

— Attorney Jordan I. Shifrin of Kovitz, Shifrin, and Nesbit
(*Illinois Condominium Law*, 10.6)

The attorney hired to collect the money was also informed of the *Lakeland* decision by me. Like all other attorneys hired in the name of the LLPOA since 1957, he did not file any liens.

Have people threatened you because you own easement rights to use a lake?

Have you received unwanted billing notices mailed in the name of the LLPOA?

The Mayor is aware of certain things. He is a property owner in one of the three Loch Lomond subdivisions. He has received all of the postcards and other communications that you have. He has access to www.llpoaF.info.

He knows that some people have obstructed easement owners who do not own lake-front properties from accessing the lake. He knows that annual billing notices are mailed out to us like annual ransom demands. He is aware of the ongoing fraud and extortion activities. He is aware of 720 ILCS § 5/12-6.5.

Here's one solution. Mail your most recent unwanted billing notice to him with a one-sentence question: **What are you going to do about this?**



Mayor Steve Lentz

300 Plaza Circle

Mundelein, IL 60060

After the EPA demanded a stop to the pollution of the lake with excessive copper sulfate (also contrary to the original McIntosh covenants), persons who had been purportedly elected in mock LLPOA elections with outsiders in two outside subdivisions, estimated a lake-dredging fix at \$10,000,000. (www.llpoaF.info).

For 2013, no one held an elected LLPOA position because the annual election meeting in 2012 was cancelled for a lack of a quorum, no election meeting was re-scheduled, and the parties did not follow Robert's Rules § 40 (“which cannot be waived even by unanimous consent”). Unelected persons collected and transferred LLPOA money to KSN and others. The KSN law firm prepared a document for circulation which only referred to a “subdivision” without referring to the 3 Loch Lomond subdivisions created in 1954, 1955, and 1956 with easement rights to use the lake. To supposedly describe the properties being affected by the document (which was purportedly approved by a 2/3rds vote), the circulated document falsely referred to an “*Exhibit 'A' attached*” (paragraph 2) which was not attached.

At a 2013 meeting, I informed a lower level KSN attorney of the *Lakeland* holding and even offered a full-text copy to her. I also objected to the actions of those who did not hold an election in accordance with the charter and Robert's Rules § 40.

For some people, \$10,000,000 is a lot of money. The KSN law firm relocated from Buffalo Grove to Mundelein. The lower level employee has become a senior member. On 10/22/2015, without acting in good faith, she and the law firm recorded a false document accompanied by a one-page Exhibit A (# 7241293) to place clouds on the titles of the lots in 6 subdivisions and even allow foreclosures.

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11. If Mundelein officials enforce 720 ILCS 5/32-2(a), the fraud affecting you and owners of more than 600 properties in six separate subdivisions cannot continue.

Google 720 ILCS 5/32-2(a) and you will see that “A person commits perjury when, under oath or affirmation, in a proceeding or in any other matter where by law the oath or affirmation is required, he or she makes a false statement, material to the issue or point in question, knowing the statement is false.”

Look at the Annual Reports filed in the name of the LLPOA and you see they are inconsistent (www.llpoaF.info). Until mock elections were held with lot owners in two outside subdivisions to fraudulently extend lake usage to outsiders in violation of the restrictive terms of the LLPOA’s 1961 deed, no one ever claimed under oath that they believed that the LLPOA is a “homeowners’ association.”

Before the fraud began in 1981, no LLPOA officer ever claimed that the LLPOA is anything other than a voluntary-membership association.

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12. If Mundelein officials enforce 720 ILCS § 5/16-1(a), the fraud affecting you and owners of more than 600 properties in six separate subdivisions cannot continue.

For the first 20+ years of the LLPOA’s existence, no one claimed to believe that the lake needed to be “maintained.” If anyone with good sense actually looks at the LLPOA’s 1961 deed and the covenants referenced in it for the 3 Loch Lomond subdivisions, they can see that the McIntosh company expressly created “perpetual” easement rights and expressly negated any obligation of any of its assigns (including the lake owner) from maintaining the lake in any size, depth, or condition. (www.llpoaF.info)

In the story *The Emperor’s New Clothes*, a couple of fraudsters convinced an emperor that he needed new clothes and that they were the ones to provide them. It was all a fraud.

To keep the private nature of the lake for the 3 Loch Lomond subdivisions, keys should be given to all easement owners and not to outsiders.

The 1981 fraudulent act of holding the first mock election with outside lot owners obviously did not create a “homeowners’ association.” No one claimed that the LLPOA is a “homeowners’ association” when the 1982 Annual Report was filed.

It wasn’t until 1983 when someone got the idea to begin making that false claim in the 1983 Annual Report and to also defraud incoming home buyers into paying money to subsidize the fraud of extending prohibited lake usage to outsiders.

Then, after the 1984 *Lakeland* decision was issued in which the court held that a voluntary-membership corporate owner of a lake cannot compel easement owners to pay money without their consent (www.llpoaF.info), the Annual Reports were filed in 1984, 1985, and 1986 without the false “homeowner’s association” claim.

In 1986, a person who was elected in one of the mock elections recorded a “bylaw” in conflict with the 1984 *Lakeland* holding and gave it a retroactive 1983 effective date. His false “bylaw” only referred to the 3 Loch Lomond subdivisions and, contrary to the *Lakeland* holding which indicated that easement owners who get the greatest usage should bear the cost of ordinary maintenance expenses, if any, his “bylaw” did not apply to easement owners with lake-front properties. It only purportedly compelled easement owners in the 3 Loch Lomond subdivisions without lake-front properties to pay money which he collected. In subsequent Annual Reports, he and others included false “homeowner’s association” claims.

In the 2013, 2014, and 2015 Annual Reports, a person who was a 1981 LLPOA director and whose wife was an 1978-79 officer, falsely claimed “Under penalties of perjury” his purported belief that the LLPOA is a “Homeowner’s Association.”



*If we say that we’re maintaining the lake,
we can get away with it.*

(Illustration from Hans Christian Andersen)

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13. If Mundelein officials enforce 720 ILCS § 5/16-1, the fraud affecting you and owners of more than 600 properties in 6 separate subdivisions cannot continue.

When corporate funds are transferred by unauthorized persons for unauthorized purposes, even if a group is involved, how is this not a form of embezzlement?

The Annual Reports show that there hasn't been a valid election meeting limited to Loch Lomond property owners identified by the 1961 deed restriction since 1981. In some years, e.g., a Zion property owner was even given the apparent status of an "officer" while only pretending to be a Loch Lomond property owner.

For other years, e.g. 2016 when an absence of a quorum was openly recognized at an election meeting, some persons merely boldly called themselves "officers" or "directors" without any election. They did not follow the bylaws and Robert's Rule § 40 to reschedule a required election meeting before conducting business.

Unelected persons apparently used most LLPOA's funds for wages, salaries, and contract payments to further their frauds so that they could cultivate an air of exclusivity for themselves and those who paid them.

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14. If Mundelein officials enforce 720 ILCS § 5/17-3, the fraud affecting you and owners of more than 600 properties in 6 separate subdivisions cannot continue.

If you Google "ILCS false document" (without quotes), you will find subsection (c-5) of 720 ILCS § 5/17-3. It defines the term "false document" as including one "that purports to have been made by another or at another time, or with different provisions, or by authority of one who did not give such authority."

Anyone can look at the LLPOA's governing documents including its charter, its deed, and the 3 covenants referenced in its deed. They show that it is not a homeowners' association with controllers who can act as overlords. It is only a voluntary membership association that owns property subject to easement rights

The knowledge of KSN attorneys is shown by (a) their review of the governing documents and failure to collect \$188,000 in "back dues" (see 6/2010 newsletter), and (b) their preparation of a false document.

Since 1981, the insiders have taken advantage of the friendliness and naivety of incoming home buyers. Because they used LLPOA funds to create and distribute false documents contrary to recorded plats, the terms of the LLPOA's charter, and the terms of the corporation's deed and related covenants, it is easy to verify that they used LLPOA funds in unauthorized ways to create and distribute documents as props to fool those who can be fooled.

Since the 1980's when new home buyers moved into the various subdivisions, the schemers have given them false maps which misrepresent the boundaries of the legally recorded five plats for five separate subdivisions. They also distributed false "welcome" letters. Their "welcome" letters misrepresented that they must collect money to satisfy an agreement with the McIntosh company to "maintain" the lake. But, the purported obligation to maintain the lake is the exact opposite of the actual terms in the covenants identified in the LLPOA's 1961 deed.

www.llpoaF.info They can't produce any such agreement because none exists.

In 2013, 2014, and 2015, a document circulated for approval falsely stated that it was accompanied by an "Exhibit 'A'." Then, an Exhibit A describing lots was attached and the modified document was falsely recorded and now misrepresents that 6 subdivisions are 1 subdivision. Its another prop paid for with LLPOA funds to defraud lot owners, and the LLPOA out of its lake and money, for the schemers.

Anyone who says that the multiple subdivisions are the "Loch Lomond Subdivision," and that those who collect the money are required to maintain the lake (and are doing so), are repeating the lies that began with the schemers.

As shown by a document recorded by the KSN law firm (# 7241293), the law firm prepared it (a) to dilute the shared exclusive easement rights identified in the LLPOA's deed and (b) to invert the relationship between lot owners who own the easement rights and the nonprofit corporation which owns the property subject to the easement rights and an agreement to not allow outsiders to use the lake.

In the document, to give the false impression that the LLPOA is a homeowners' association for "a" subdivision, (a) the body of the document falsely refers exclusively to a subdivision only, (b) paragraph 4 misrepresents the terms of the LLPOA's charter and fraudulently misstates that the LLPOA was incorporated to administer and enforce covenants, and (c) Art I(l) misrepresents that the 3 covenants recorded separately in 1954, 1955, and 1956 for the 3 Loch Lomond subdivisions constitutes a single "Original Declaration." See www.llpoaF.info.

As is known by the KSN law firm, the false document recorded on 10/22/2015 is materially different from the one circulated in 2013, 2014, and 2015. The false document is different in that it refers to 6 separate subdivisions and the lots within them which were not disclosed in the circulated document (and not consented to).

A KSN attorney participated in a 10/5/13 meeting in which the issue of the missing "Attachment 'A'" was raised. The recorded document shows that an "A" was later attached in 2015 to describe 6 subdivisions. She also knew that certain persons were adversaries of nonconsenting owners and had no authority to consent on their behalf. The document misrepresents that consent was obtained by falsely stating the "Association and its Owners" own all the lots identified in "Attachment 'A'."