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Copy

December 12, 2011

Mr. Allan J. Kalman
Kalman Management, Inc.
1585 N. Milwaukee Ave., Suite 16
Libertyville, IL 60048

Re: Anticipated Mailing of False Billing Notices
On Behalf of Non-Existent Homeowners' Association

Dear Mr. Kalman:

An organization which has knowingly mailed false billing notices to me and other easement owners in the Loch Lomond subdivision in Mundelein has informed us that it has arranged for your firm to take over the role of mailing billing notices to us. Under the covenants for the Loch Lomond subdivision, we are not required to belong to any homeowners' association and we expressly are not required to maintain the lake in any "size, depth, or condition." The lake was conveyed to a voluntary-membership corporation which agreed to not allow outside persons to use the lake. Certain persons who have taken physical control over the entrance ways to the lake have fraudulently extended lake usage to property owners in (a) portions of the Seminary View subdivision, (b) the Peramores' subdivision, and (c) the Hickory Hills subdivision. They have knowingly allowed outsiders to pretend to be "officers" and/or "directors." They also conducted mock elections by allowing persons to participate in elections held in the name of the Loch Lomond Property Owners Association without being Loch Lomond property owners. They pretend to be operating a homeowners' association for the Loch Lomond subdivision. The billing notices are false because no covenants in the Loch Lomond subdivision requires property owners to belong to a homeowners' association. The corporation doesn't even have a charter from the State of Illinois authorizing it to operate as a homeowners' association. (Compare with 805 ILCS §105/102.10(a)(7)).

The following information affects you because, unless the State's Attorney and/or the Illinois Attorney General take action sooner, I intend to report the next mailings of false billing notices to the U.S. Postal Service. This letter and the pdf files on the accompanying CD-ROM will inform you that easement owners in the Loch Lomond subdivision such as myself do not owe money to the corporate owner of the easement property. There is no factual basis for those obstructing access to the easement property to claim to believe that they can extend lake usage to outside persons and that we owe money to them or the corporation. If such billing notices originate out of your office, I will report your knowing mailing of false billing notices to both the U.S. Postal Service and to the appropriate licensing authority. If you are an innocent party who has been misled by the factual representations made by members of the organization, you should welcome this information. If you are an innocent party who has sustained a loss, you may wish to also contact and cooperate with the State's Attorney for Lake County.

The organization, in addition to mailing false billing notices, has also solicited money under false pretenses and falsely claimed to be operating on behalf of a tax-exempt corporation which, in fact, does not have a tax-exempt status. (1) As verified by the corporation's 1957 charter registered with the Lake County Recorder of Deeds (Doc # 987515, Ex004.pdf), the corporation is a voluntary-membership property owners' association of a type similar to the one described in *Lakeland Property Owners Ass'n v. Larson*, 121 Ill.App.3d 805 (Ill.App. 2 Dist. 1984) (Ex011). (2) As verified by the corporation's 1961 deed to the lake (Doc # 1118144, Ex005), which incorporates the Loch Lomond's subdivision's covenants by reference (Documents # 822721, 903401, and 874973; Ex001-Ex003), the McIntosh company conveyed the lake to the corporation subject to an agreement that the corporation would not allow persons other than owners and occupants of lots described in the Loch Lomond covenants to use the lake. (3) The deed and incorporated covenants also show that the parties agreed that corporation, like the Loch Lomond lot owners, is expressly not required to maintain the lake in any "size, depth, or

condition.” (4) As verified by documents published on the organization’s web site maintained in the name of the corporation, and distributed to incoming home buyers, the organization has solicited money while falsely representing that they need money to help the corporation satisfy an agreement with the McIntosh company maintain the lake and avoid losing title to the lake under the so-called agreement. (Ex055 and Ex056). The organization’s documents (Ex055 and Ex056) expressly misrepresent the purposes for which the Association was organized (Doc # 987515, Ex004). They also misrepresent by implication that the corporation was formed with the participation of the McIntosh company to be a homeowners’ association with the power to collect dues on a mandatory basis. (5) As verified by a written admission near the bottom of page 6 of the document mailed as the Nov 2008 minutes of the corporation (Ex035b), after I informed the then-members of the organization that I had contacted the IRS, they admitted that their previous representations that the corporation has a tax-exempt status were false.

The corporation’s 1957 charter (Doc # 987515, Ex004) shows that eligibility for participation in corporate elections is limited to Loch Lomond property owners who choose to join and pay dues to the Loch Lomond Property Owners Association. The fact that some persons who are not Loch Lomond property owners have joined in obstructing Loch Lomond easement owners such as myself from accessing the easement property with locked gates does not mean (a) that such persons and others can be eligible to vote and hold office in violation of the corporation’s charter (Ex004), (b) that such persons and others can legitimately use the lake in violation of the LLPOA’s agreement (Ex005), or that (c) such persons and others can legitimately compel Loch Lomond easement owners to pay money after knowingly recording false “bylaws” (Ex053) in conflict with the subdivision’s covenants (Ex001-Ex003) and the 1984 *Lakeland* decision (Ex011). The fact that mock elections have been repeatedly held in the name of the corporation by which certain persons pretended to be operating a homeowners’ association for the Loch Lomond subdivision, and the fact that the organization included a retroactive 1983 effective date in a particular portion of their so-called bylaws (Ex053) did not nullify the 1984 *Lakeland* ruling (Ex011).

For years, the members of the organization have shared possession of corporate documents which have informed them that the Loch Lomond Property Owners’ Association is a voluntary-membership property owners’ association and not a mandatory-membership homeowners’ association. Some documents are identified in the attached chart. For years, the members have also shown by their actions that they know that LLPOA is not a homeowners’ association. As an example, notwithstanding the false representation in the October 1993 newsletter/minutes that nonpaying property owners owed “several hundred thousand dollars” in “back dues” (Ex017), and the representation made in the June 1994 newsletter/minutes that an attorney hired in the name of the corporation had begun the process of filing liens against nonpaying property owners (Ex018), the records on file with the Recorder’s office show that no liens have ever been filed to collect the “several hundred thousand dollars” or any other amount by that attorney or any other attorney. No attorney, not even their latest one which they mention on page 2 of their August 2011 newsletter, has ever filed a single lien against any nonpaying Loch Lomond property owner. Attorneys know, for example, that under appropriate circumstances they can be held personally liable under the Federal Fair Debt Collection Practices Act for damages and attorney fees. They are also undoubtedly aware of the mail fraud statute. As are you. They are smart enough to not leave a paper trail.

This letter and the accompanying chart and pdf files are being sent to you to establish that you have actual knowledge that no debts are due by me or my Loch Lomond neighbors. In their November 2008 minutes in which the organization reported the results of their 2008 mock election with outside property owners, they admitted on page 4 (Ex036) that they were informed by an attorney that they had no factual basis for believing that they could mail collection letters or file liens against nonpaying Loch Lomond property owners. In 2011, the current “president” signed a verified answer to a complaint for declaratory relief in which he admitted knowing the contents of the complaint (11 MR 212) and the incorporated exhibits which show that the corporate owner of the lake is not a homeowners’ association. The LLPOA’s attorney admitted by conduct, by not resisting a nonsuit nor otherwise filing a counterclaim for an alleged debt of more than \$700, that the corporation is not a homeowners association and no debt was due.

Sincerely,

J. G. Wahlert

cc: State's Attorney for Lake County; Illinois Attorney General