

APPENDIX

Supporting Documents

1. Letter from Bobi J. Frank to Carlos Holt dated December 18, 2018;
2. Letter from Carlos Holt to PBYS Board of Directors dated January 28, 2019;
3. Letter from Carlos Holt to the Chair and Vice Chair of PBYS, only, dated February 15, 2019;
4. Letter from Bobi J. Frank to Carlos Holt dated February 20, 2019;
5. Email sent from BOBI J. FRANK LAW, P.A. to Carlos Holt, with a responsive email from Carlos Holt both dated February 22, 2019;
6. Letter from PBYS Board Chair Louis Kalivoda to Carlos Holt dated March 4, 2019;
7. Email from Carlos Holt to Bobi J. Frank and Timothy McLendon dated March 12, 2019;
8. Email from Bobi J. Frank to Carlos Holt dated March 15, 2019;
9. Letter from Timothy McLendon and Bobi J. Frank to Carlos Holt dated March 15, 2019; and
10. Reichert House, Inc., Final Judgment dated August 25, 2016.

A-1

Letter from Bobi J. Frank to Carlos Holt dated December 18, 2018

THE LAW OFFICES OF



BOBI J. FRANK
ATTORNEY AT LAW

(O) 352-639-4117 · (F) 352-639-4118 | bobi@bfranklaw.com | bfranklaw.com

Gainesville Office
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606

Daytona Beach Office
1112 Riverside Drive
Holly Hill, Florida 32117

December 18, 2018

Re: Request for documents pertaining to the Reichert House, Inc.

To Whom it May Concern:

It has been brought to my attention that the City of Gainesville is requesting documents from the Reichert House, Inc., a 501(c)(3) entity that is separate and distinct from Reichert House Youth Academy, a City ran organization. I have been advised that the purpose of the City's document request is to perform an audit of the financials for the Reichert House, Inc. I believe that the City's request is an oversight, and not an intentional request for financial documents from a Corporation that the City has not created and does not supervise.

Because the Reichert House, Inc., is not under the supervision or direction of the City of Gainesville it would be inappropriate for the City to perform an audit pertaining to any area of the Reichert House, Inc. Accordingly, no documents will be supplied concerning the Reichert House, Inc. If I am mistaken in any way regarding the information that I have received, please advise me of such as soon as possible.

If you should have any questions or concerns, please feel free to reach out to me at your convenience.

Sincerely,

Bobi J. Frank

Bobi J. Frank
Attorney at Law

A-2

Letter from Carlos Holt to PBYS Board of Directors
dated January 28, 2019



City Auditor's Office

Carlos Lee Holt

Monday, January 28, 2019

Chairman

Louis Kalivoda
724 SW 26th Place
Gainesville, FL 32601-9053

Vice Chair

Ken Van Nortwick
281 NW 46th Street
Gainesville, FL 32607-2263

Treasurer

Roberta Gastmeyer
4118 NW 69th Street
Gainesville, FL 32606

Director

Michael Joyner
2559 SW 87th Way
Gainesville, FL 32608

Director

John Alexander
4413 NW 36th Terrace
Gainesville, FL 32605-5420

Director

Al Cockrell
3411 NW 32nd Dr.
Gainesville, FL 32605-2169

Director

Rhonda Baxter
5010 NW 80th Rd
Gainesville, FL 32653

Director

Curtis Jefferson
2201 NW 77th Street
Gainesville, FL 32605

Director

Bruce Stechmiller
3124 NW 18th Place
Gainesville, FL 32605

Director

Philip Calvert
231 NW 33rd Avenue
Gainesville, FL 32609-2227

Director

Ryan Woods
3465 NW 51st Avenue
Gainesville, FL 32605

Director

Bob Frank
2631 NW 41st Street, Suite a-2
Gainesville, FL 32606

Officers and Directors:

I am writing to each of you named above in your capacity as an Officer and/or Director of Palm Breeze Youth Services, Inc., a Florida not for profit corporation ("Palm Breeze"). On September 20, 2018, the Gainesville City Commission tasked this Office with performing an audit of the Reichert House Youth Program to include its Governance, Finance, and Performance Metrics for Fiscal Years 2016 - 2018. The interest of the City in conducting this audit is to verify and ensure that transparency and controls exist, in particular with respect to the finances of this City program, to eliminate or minimize the opportunity for theft, fraud, and waste in connection with a City program. This is always a risk with any program.

In working to complete the audit, this Office became aware of questionable transactions that involve Palm Breeze. Some examples are provided below:

- The "Gainesville Police Athletic League" (which does not exist as a legal entity, nor as a City program or function) was awarded (as a sub-grantee of National PAL, Inc.) a \$20,000 Federal Department of Justice Grant using the City's Data Universal Numbering System (DUNS) and the City's Employer Identification Number (EIN). The City Finance Department has no record of this Federal Grant. In discussion with staff from National PAL, Inc., my staff was informed that PAL was requested to disburse Federal Grant payments to Palm Breeze - not the City of Gainesville. In January 2018, John Alexander charged travel expenses to the City for attending the National PAL "Mandatory Sub-grant Training" in Charlotte, North Carolina. In speaking with the Director of the National PAL, Inc., he stated that a check was initially made payable to the Gainesville Police Department for these travel expenses; however, John Alexander (or someone under his direction) later called to request the check be re-

200 E. University Ave., Suite 211-17
PO Box 490, Gainesville, FL 32602-0490

issued payable to Palm Breeze. The City Finance Department has no record of receipt of a check from National PAL or of reimbursement from Palm Breeze for the travel expenses paid by the City.

- The Community Foundation of North Central Florida created a designated fund "Friends of Reichert House" to accept charitable donations to support the City's Reichert House Youth Program. The City Finance Department has no record of receiving any money from this designated fund. The Community Foundation records reflect that it disbursed \$41,000 from this designated fund to Palm Breeze.

I contacted Tony Jones (Registered Agent for Palm Breeze and Chief of the Gainesville Police Department), Robert Woody (a professional temp employee of the City assigned as the Director of Community Relations for Reichert House Youth Program) and John Alexander (Board Member of Palm Breeze and Executive Director of the Reichert House Youth Program) to obtain records that would resolve our concerns regarding these transactions. Specifically, we requested:


"As part of the audit, to show that we (City of Gainesville) are good stewards of all funds provided to the Reichert House program, and to show that we can document all resources (funds, services, food, etc.) received, we are requesting access to the bank statements and cancelled checks of Palm Breeze Youth Services, Inc. We request that the Consent and Authorization form attached be completed and notarized to grant such access; or, the bank statement and cancelled checks simply be provided to us for our review."

Tony Jones acknowledged to me that he did make the request to Palm Breeze; however, the request has yet to be acknowledged.

Unfortunately, this refusal necessitated this letter to you. As an Officer and/or Director of Palm Breeze Youth Services, Inc., with fiduciary responsibility for all transactions made by your entity, I hope for your cooperation and willingness to share the requested Palm Breeze financial records so that I will be able to find explanations and documentation for the above transactions and other transactions. Additionally, I will be able to document how and in what manner Palm Breeze supports the Reichert House Youth Program. Without your cooperation, we will be left to request that an outside party make such an investigation.

In order to assist me in timely completion of this audit, please have an authorized corporate representative for Palm Breeze complete one or more of the attached "Consent and Authorization" form (one for each and every financial institution and account used by Palm Breeze since September 30, 2015) and deliver it to the City Auditor's Office no later than 5pm on Wednesday, February 6, 2019.

Sincerely,



Carlos Lee Holt, CPA, CFF, CIA, CFE, CGAP
City Auditor

200 E. University Ave., Suite 211-17
PO Box 490, Gainesville, FL 32602

A-3

Letter from Carlos Holt to the Chair and Vice Chair of PBYS only,
dated February 15, 2019



City Auditor's Office

Carlos Lee Holt

Friday, February 15, 2019

Chairman
Louis Kalivoda
774 SW 26th Place
Gainesville, FL 32601-9053

Vice Chair
Ken Van Nortwick
281 NW 46th Street
Gainesville, FL 32607-2263

Chairman and Vice Chair:

I am writing to follow-up on the previous letter, dated January 18, 2019, that I sent to you and each director of Palm Breeze Youth Services. Although I was in contact with Director Bobi Frank, by telephone last week, I have not received any communication from you designating her as the official point of contact for this matter. I have also not received neither the bank records requested nor authorization for direct access with the financial institutions involved.

Contrastingly, I did receive notice (enclosed) from Reichert House, Inc.

Sincerely,


Carlos Lee Holt, CPA, CTT, CIA, CFE, CGAP
City Auditor

200 E. University Ave., Suite 211-17
PO Box 490, Gainesville, FL 32602-0490

A-4

Letter from Bobi J. Frank to Carlos Holt dated February 20, 2019

THE LAW OFFICES OF



BOBI J. FRANK
ATTORNEY AT LAW

(O) 352-639-4117 · (F) 352-639-4118 | bobi@bfranklaw.com | bfranklaw.com

Gainesville Office
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606

Daytona Beach Office
1112 Riverside Drive
Holly Hill, Florida 32117

February 20, 2019

Carlos Holt
City Auditor's office
200 E. University Avenue
Suite 211
Gainesville, Florida 32601

Dear Mr. Holt:

Please find enclosed most of the documents that you have requested in order to properly and thoroughly conduct an audit on the Reichert House Youth Program, a City of Gainesville sponsored, and directed program.

I anticipate being able to deliver the remainder of the requested documents within one week. If you should discover items missing, please advise me immediately and I will try and secure them as soon as possible.

If you have any questions, please do not hesitate to reach out to me at your convenience.

Sincerely,

Bobi J. Frank
Attorney at Law

A-5

Email sent from BOBI J. FRANK LAW, P.A. to Carlos Holt, with a responsive email from Carlos Holt, both dated February 22, 2019

Bobi Frank

From: Holt, Carlos L <HoltCL@cityofgainesville.org>
Sent: Friday, February 22, 2019 10:57 AM
To: Legal Department
Cc: Bobi Frank; Bowie, Emily V
Subject: RE: Requested Reichert House documents delivered

To all parties of whom it may concern,

A box of documents was delivered to the City Auditor's Office this morning. The City Auditor's Office has by no means ascertained that these particular documents represent the complete amount of documents requested from Reichert House Inc., Palm Breeze Youth Services, and Reichert House Youth Services of the City of Gainesville (requested documents included all bank statements, cancelled checks, and back-up supporting transaction documentation for any open or closed bank account activity since Oct 1, 2015).

Sincerely,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP
City Auditor, City of Gainesville, FL
(352) 334-5020
Effective Auditing: A Key to Quality Government

From: Legal Department [mailto:legal@bfranklaw.com]
Sent: Friday, February 22, 2019 9:00 AM
To: Bowie, Emily V <BowieEV@cityofgainesville.org>; Holt, Carlos L <HoltCL@cityofgainesville.org>
Cc: Bobi Frank <bobi@bfranklaw.com>
Subject: Requested Reichert House documents delivered

Good morning Emily and Carlos:

Please let this email serve as confirmation that the requested Reichert House documents were delivered in person to your office this morning February 2, 2019.

Have a wonderful day.

Sincerely,

Matt

BOBI J. FRANK LAW, P.A.
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606

Office: 352-639-4117
Fax: 352-639-4118
E-mail: legal@bfranklaw.com



Confidentiality Notice: This email and all attachments are CONFIDENTIAL and intended SOLELY for the recipients as identified in the "To", "Cc" and "Bcc" lines of this email. If you are not an intended recipient, your receipt of this email and its attachments is the result of an inadvertent disclosure or unauthorized transmittal. Sender reserves and asserts all rights to confidentiality, including all privileges which may apply. Pursuant to those rights and privileges, immediately DELETE and DESTROY all copies of the email and its attachments, in whatever form, and immediately NOTIFY the sender of your receipt of this email. DO NOT review, copy, forward or rely on the email and its attachments in any way. NO DUTIES ARE INTENDED OR CREATED BY THIS COMMUNICATION. If you have not executed a fee contract or an engagement letter, this firm does NOT represent you as your attorney. You are encouraged to retain counsel of your choice if you desire to do so. All rights of the sender for violations of the confidentiality and privileges applicable to this email and any attachments are expressly reserved.

A-6

Letter from PBYS Board Chair Louis Kalivoda & Vice Chair Ken Van
Nortwick to Carlos Holt, dated March 4, 2019

COPY

Palm Breeze Youth Services, Inc.

P.O. Box 357582
Gainesville, FL 32635

March 4, 2019

Mr. Carlos Holt
City Auditor's Office
City of Gainesville
200 East University Avenue, Suite 211-17
P.O. Box 490
Gainesville, FL 32602-0490

Dear Mr. Holt,

This letter is in reference to your letter of February 15, 2019 seeking additional information about City funds or funds designated to entities created by and controlled by the City of Gainesville that may have passed through accounts held by Palm Breeze Youth Services, Inc. Palm Breeze Youth Services, Inc., recognizes the obligation to account to the City for any such funds, though not for other donations received by or funds held by the Corporation. The Corporation has authorized Bobi Frank, a local attorney and a director of the Corporation, and Timothy McLendon, a local attorney, to act on behalf of the Corporation to identify any such funds and to cooperate with your office in ensuring that you have the information you require to conduct your audit.

We understand that you have been in communication with Ms. Frank, and that much of the information you request has been provided to your office on February 22, 2019. We will look forward to hearing from your office about any additional specific information you may require.

Sincerely,



Louis Kalivoda
Chair, Palm Breeze Youth Services, Inc.



Ken Van Nortwick
Vice Chair, Palm Breeze Youth Service, Inc.

A-7

Email from Carlos Holt to Bobi J. Frank and Timothy McLendon,
dated March 12, 2019

Bobi Frank

From: Holt, Carlos L <HoltCL@cityofgainesville.org>
Sent: Tuesday, March 12, 2019 6:06 PM
To: Bobi Frank
Cc: Bowie, Emily V; mclendon@law.ufl.edu
Subject: Palm Breeze Youth Services - Financial Information Request

Ms. Bobi J. Frank,

We are in receipt of a letter from Palm Breeze Youth Services Chair Louis Kalivoda and Vice Chair Ken Van Nortwick (dated March 4, 2019) in which they pledged full cooperation and that yourself and attorney Timothy Mc Lendon would assist with our needs.

We have performed a cursory review of the information that your assistant delivered in person on February 22, 2019. Although our request is for the below listed items, we have received only statements related to transactions of December 2017 through February 2019. Many lack supporting documentation and I have not yet verified the completeness of the bank records (but have noted that many do not have copies of the back of the checks).

Please advise as to when we will receive the remainder of the items for all accounts that are connected to Reichert House Youth Academy or Reichert House Inc.

Requested items

- 1) All bank statements of October 1, 2015, to present for accounts that Palm Breeze Youth Services, Inc. was a party to.
- 2) A copy of all checks (front and back) from the accounts requested in item 1 for the same period.
- 3) A copy of all withdrawal slips for the same accounts for the same period.
- 4) Any and all supporting documentation for checks and deposits for the same accounts and the same period.
- 5) A copy of any other financial transactions that are related to City of Gainesville employees, Reichert House Youth Academy, Reichert House Inc., or Community Foundation – Friends of Reichert House.

Sincerely,

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP
City Auditor, City of Gainesville, FL
(352) 334-5020
Effective Auditing: A Key to Quality Government

A-8

Email from Bobi J. Frank to Carlos Holt dated March 15, 2019

Bobi Frank

From: Bobi Frank
Sent: Friday, March 15, 2019 2:35 PM
To: 'Holt, Carlos L'
Cc: 'Timothy McLendon'
Subject: Response to your request
Attachments: PBYS letter in response to Holt's follow-up request dated March 12 2019.pdf

Importance: High

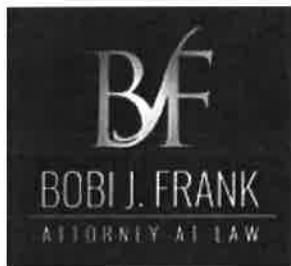
Hello Carlos:

Please find attached the response to your email request dated March 12, 2019.

Enjoy your day.

Bobi

BOBI J. FRANK LAW, P.A.
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606
Office: 352-639-4117
Fax: 352-639-4118
E-mail: Bob@BFrankLaw.com



Confidentiality Notice: This email and all attachments are CONFIDENTIAL and intended SOLELY for the recipients as identified in the "To", "Cc" and "Bcc" lines of this email. If you are not an intended recipient, your receipt of this email and its attachments is the result of an inadvertent disclosure or unauthorized transmittal. Sender reserves and asserts all rights to confidentiality, including all privileges which may apply. Pursuant to those rights and privileges, immediately DELETE and DESTROY all copies of the email and its attachments, in whatever form, and immediately NOTIFY the sender of your receipt of this email. DO NOT review, copy, forward or rely on the email and its attachments in any way. NO DUTIES ARE INTENDED OR CREATED BY THIS COMMUNICATION. If you have not executed a fee contract or an engagement letter, this firm does NOT represent you as your attorney. You are encouraged to retain counsel of your choice if you desire to do so. All rights of the sender for violations of the confidentiality and privileges applicable to this email and any attachments are expressly reserved.

A-9

Letter from Timothy McLendon and Bobi J. Frank to Carlos Holt,
dated March 15, 2019

THE LAW OFFICES OF



(O) 352-639-4117 · (F) 352-639-4118 | bobi@bfranklaw.com | bfranklaw.com

Gainesville Office
2631 NW 41st Street, Suite A-2
Gainesville, Florida 32606

Daytona Beach Office
1112 Riverside Drive
Holly Hill, Florida 32117

March 15, 2019

Mr. Carlos Holt
City of Gainesville Auditor
200 East University Avenue
Gainesville, Florida 32601

Re: City of Gainesville's follow-up request to Palm Breeze Youth Services, Inc., for documents to complete audit of Reichert House Youth Program

Delivery via electronic mail: holtcl@cityofgainesville.org

Dear Mr. Holt:

We have received your recent request for additional documents from Palm Breeze Youth Services, Inc. ("PBYS") to help facilitate the City's audit of Reichert House Youth Academy. We welcome the opportunity to assist the City in this important endeavor.

Timothy McLendon and I, on behalf of PBYS, want to clarify a few relevant issues surrounding the City's audit.

I received the below e-mail from you on March 12, 2019, at 6:06 p.m.:

We are in receipt of a letter from Palm Breeze Youth Services Chair Louis Kalivoda and Vice Chair Ken Van Nortwick (dated March 4, 2019) in which they pledged full cooperation and that yourself and attorney Timothy Mc Lendon would assist with our needs.

We have performed a cursory review of the information that your assistant delivered in person on February 22, 2019. Although our request is for the below listed items, we have received only statements related to transactions of December 2017 through February 2019. Many lack supporting documentation and I have not yet verified the completeness of the bank records (but have noted that many do not have copies of the back of the checks).

Please advise as to when we will receive the remainder of the items for all accounts that are connected to Reichert House Youth Academy or Reichert House Inc.

Requested items

- 1) All bank statements of October 1, 2015, to present for accounts that Palm Breeze Youth Services, Inc. was a party to.

- 2) A copy of all checks (front and back) from the accounts requested in item 1 for the same period.
- 3) A copy of all withdrawal slips for the same accounts for the same period.
- 4) Any and all supporting documentation for checks and deposits for the same accounts and the same period.
- 5) A copy of any other financial transactions that are related to City of Gainesville employees, Reichert House Youth Academy, Reichert House Inc., or Community Foundation – Friends of Reichert House.

First, Mr. McLendon and I, as a PBYS Board Member, were asked by the PBYS Board to help facilitate the production of relevant documents to the City, to identify which documents are germane and appropriate for release, as well as to determine which documents are outside the purview of the City's audit. We want to emphasize that the prudent approach that PBYS is taking in this matter is solely for the purposes of preserving the integrity of unrelated support matters between PBYS and community recipients and to preserve the anonymity of donors.

PBYS'S Mission Statement makes clear its purpose and mission:

Mission of Palm Breeze Youth Services, Inc.: The mission of the Corporation is to support and serve the youth of Alachua County through the provision of academic and vocational education, and through the provision of training in life skills and civic responsibility.

As you can discern from the Mission statement, PBYS has adopted a broad set of goals that do not exclusively encompass Reichert House Youth Program, or any other City governed program. Relevantly, Mr. McLendon and I have been advised that PBYS has not entered into any Memorandums of Understanding with Reichert House Youth Program, or any other entity, City-governed or otherwise.

Importantly, PBYS does not have any affiliation with, or control over, either Reichert House, Inc., or the Community Foundation-Friends of Reichert House. We respectfully request that you direct any further inquiries pertaining to those entities to those entities specifically, or to the Director of Reichert House Youth Program, Mr. John Alexander.

Second, Mr. McLendon and I have been advised that the PBYS bank account that you received statements for beginning in December, 2017 was opened in November, 2017; therefore, you have the first statement available from that account. We were also advised that the aforementioned bank account is the only PBYS bank account that contained money specifically received or appropriated for Reichert House Youth Program.

Importantly, during the conversation between Ms. Emily Bowie, you, and myself on February 7, 2019, I advised you that PBYS fully intended to produce any, and all, relevant materials upon request, and that we looked forward to the completion of the audit, and the City's findings. I also asked you to be specific with any follow-up requests for documents to ensure that we could respond with the appropriate materials in a timely manner.

In order to comply with your follow-up request in a timely manner, Mr. McLendon and I again request that you explicitly identify the documents that you believe are still needed to complete the City's audit, rather than the broad requests contained in your email correspondence included above. We want to help bring this matter to a close, but we are unable to do so without your assistance.

Should you have any questions or concerns regarding the contents of this correspondence, please reach out to my office and my assistant will set-up a conference call between your office, Mr. McLendon, and myself.

Sincerely,

Bobi J. Frank

Bobi J. Frank
Attorney at Law

cc: Timothy McLendon
PBYS Board of Directors

A-10

Reichert House, Inc., Final Judgment dated August 25, 2016

IN THE CIRCUIT COURT OF THE EIGHTH JUDICIAL CIRCUIT
IN AND FOR ALACHUA COUNTY, FLORIDA

THE REICHERT HOUSE, INC.,

Plaintiff,

CASE NO.: 2016-CA-2516

vs.

DIVISION: "K"

QUENELLER CLARK,

Defendant.

RECORDED IN OFFICIAL RECORDS

INSTRUMENT # 3013296 2 PG(S)

8/26/2016 4:22 PM

BOOK 4456 PAGE 2412

J. K. IRBY

Clerk of the Court, Alachua County, Florida

ERECORDED Receipt# 730505

Doc Stamp-Mort: \$0.00

Doc Stamp-Deed: \$0.00

Intang. Tax: \$0.00

FINAL JUDGMENT - DAMAGES

THIS ACTION came before the Court upon Plaintiff's Verified Complaint for Unlawful Detainer and Damages. On the evidence presented, it is therefore,

ORDERED and ADJUDGED that:

Plaintiff, THE REICHERT HOUSE, INC., whose principal address is 1704 SE 2nd Avenue, Gainesville, Florida 32641, recover from Defendant, QUENELLER CLARK, whose principal address is 1040 East University Avenue, Gainesville, Florida 32641, the sum of \$23,310.00 (23)

with costs in the sum of \$ 1,369.38 making a total of \$24,679.38 that shall bear interest at the legal rate established pursuant to Section 55.03, Florida Statutes, **FOR WHICH LET EXECUTION NOW ISSUE.**

DONE and ORDERED in Alachua County, Florida on this 25 day of August, 2016.

Monica J. Brasington
Honorable Monica J. Brasington, Circuit Judge

ALACHUA COUNTY FL
CLERK OF COURTS
J.K. IRBY
2016 AUG 25 PM 5:13

Case: 2016 CA 002516
0003690964
8/26/2016 4:22 PM

4126 NW 34 Terr, Gainesville
CERTIFICATE OF SERVICE F-32605

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via U.S. Mail to Queneller Clark, ~~1040 East University Avenue, Gainesville, Florida 32641~~ and via Email to Bobi J. Frank, Esq. at bobi@bfranklaw.com on this 25th day of August, 2016.

Ruby Dunaway
Ruby Dunaway, Judicial Assistant