

From: Bowie, Deborah V
Sent: Monday, April 08, 2019 4:16 PM
To: Holt, Carlos L <HoltCL@cityofgainesville.org>
Cc: Bowie, Emily V <BowieEV@cityofgainesville.org>; Lynch, Zanolfa B. <lynchzb@cityofgainesville.org>
Subject: FW: CONFIDENTIAL-BOBI J. FRANK's Response to Carlos Holt's Draft Report
Importance: High

Carlos

Please also include Ms. Frank's email and attachments to the backup.

Many thanks,

Deborah

From: Bobi Frank [<mailto:bobi@bfranklaw.com>]
Sent: Friday, March 22, 2019 1:53 PM
To: Bowie, Deborah V <BowieDV@cityofgainesville.org>
Subject: CONFIDENTIAL-BOBI J. FRANK's Response to Carlos Holt's Draft Report
Importance: High

Hello Ms. Bowie:

Please find attached my Response to the City Auditor's Draft Report, with supporting documents. Should you have any questions, please feel free to reach out to me, at your convenience.

Thank you, and enjoy your day.

Bobi J. Frank

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

March 22, 2019

City Manager Deborah Bowie
200 E. University Ave.
Gainesville, Florida 32601

Delivered via email to: bowiedv@cityofgainesville.org

Re: Response to Carlos Holt's Draft Audit Report dated March 11, 2019

Dear City Manager Bowie:

I am in receipt of Carlos Holt's Draft Audit Report dated March 11, 2019, as a result of the City of Gainesville's Audit of the Reichert House Youth Academy's—Governance, Financial Processes, and Performance Metrics ("Draft Report").

I am writing this response to the Draft Report on behalf of BOBI J. FRANK LAW, P.A., and myself, individually. The purpose of this response is to expose the false assertions contained within the Draft Report and to advise you of the information and facts that were omitted from the Draft Report. My goal is to make you aware of the pertinent details surrounding the production of the Draft Report, by Mr. Holt.

Mr. Holt's approach to, and actions during, his audit of the Reichert House Youth Academy have been nothing less than reckless, biased, and unprofessional, at best. His demeaning and authoritarian tenor throughout the process were shocking considering the fact that he has always represented the City of Gainesville while performing his official duties. He has made recklessly false assertions towards Palm Breeze Youth Services, Inc.; BOBI J. FRANK, P.A.; and Bobi J. Frank, Esq., individually. Some of those false assertions directed towards Bobi J. Frank, Esq., individually and professionally, are nothing short of libel, the written form of defamation.

Significantly, my name was the ONLY specific individual name included and opined about in the Draft Report. To be clear, my involvement in this audit was merely to facilitate the production of relevant documents to Carlos Holt, along with a fellow attorney, Timothy McLendon. Mr. Holt is well aware of this. I do not have access to any documents, I did not author any of the relevant documents. I did not maintain any of the relevant documents. And I certainly do not have any authority over Reichert House Youth Academy, the Director of Reichert House

Youth Academy, or the way the funds are handled. I volunteered my time, as a PBYS Board Member, to try and keep the process moving as efficiently as possible. Period.

I have included an Appendix with the following documents to support the assertions made below, and for your overall consideration:

- A-1 Letter from Bobi J. Frank to Carlos Holt dated December 18, 2018;
- A-2 Letter from Carlos Holt to PBYS Board of Directors dated January 28, 2019;
- A-3 Letter from Carlos Holt to the Chair and Vice Chair of PBYS, only, dated February 15, 2019;
- A-4 Letter from Bobi J. Frank to Carlos Holt dated February 20, 2019;
- 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;
- A-6 Letter from PBYS Board Chair Louis Kalivoda & Vice Chair Ken Van Nortwick to Carlos Holt dated March 4, 2019;
- A-7 Email from Carlos Holt to Bobi J. Frank and Timothy McLendon dated March 12, 2019;
- A-8 Email from Bobi J. Frank to Carlos Holt dated March 15, 2019;
- A-9 Letter co-authored by Timothy McLendon and Bobi J. Frank to Carlos Holt dated March 15, 2019; and
- A-10 Reichert House, Inc., Final Judgment dated August 25, 2016.

First, neither Mr. McLendon nor I have any relationship with the City of Gainesville. We are not employees of the City of Gainesville, nor of the Reichert House Youth Academy. We do not represent Reichert House Youth Academy, in any capacity.

Significantly, I wish to address Mr. Holt's opinions and false assertions made against NON-CITY GOVERNED ENTITIES including: 1) BOBI J. FRANK LAW, P.A.; 2) Bobi J. Frank individually; 3) Palm Breeze Youth Services, Inc.; 4) Black on Black Crime Task Force Gainesville, Alachua County Inc.; 5) Community Foundation of North Central Florida, Inc.; and 6) The Reichert House, Inc.

I feel compelled to point out the obvious, a point which was made numerous times to Mr. Holt from December 2018 to present: NON-CITY GOVERNED ENTITIES are not required under Florida State or Local laws, to respond to or, satisfy any requests from the City of Gainesville that do not directly relate to City-issued funds.

Notwithstanding this fact, Palm Breeze Youth Services, Inc., pursuant to a resolution of its Board of Directors, requested that Attorney Timothy McLendon and I, a PBYS Board Member, work to facilitate the production of relevant documents to Mr. Holt in an attempt to demonstrate

complete transparency and cooperation with the City's efforts pertaining to the Reichert House Youth Academy.

Specifically, on February 7, 2019, Mr. Holt, Ms. Emily Bowie, and I had a telephone conversation during which Mr. Holt felt the need to spend a considerable amount of time trying to reprimand me and discussing his feelings regarding my letter dated December 18, 2018 (Appendix A-1). The emotional immaturity of his approach astounded me.

For clarity, I was asked to write the December 18, 2018 letter (A-1) in response to the overly broad, vague, and inappropriate demand made by the City Auditor to Palm Breeze Youth Services, Inc. I should have stated that I was responding on behalf of PBYS, rather than the Reichert House, Inc. This was a simple oversight because of my past representation of the Reichert House, Inc., in an eviction matter. The response that I sent to Mr. Holt included not one, but two invitations to communicate with me to clarify his request and to open the lines of communication. Mr. Holt acknowledged this point during our subsequent February telephone conversation and Mr. Holt confirmed that he did not take the opportunity to clarify or discuss his improper demands, at any time.

Also, during the February 7, 2019, telephone discussion, I explained to Mr. Holt that the PBYS Board had requested that Mr. McLendon and I assist in collecting and submitting relevant documents to Mr. Holt. This was thoroughly explained to Mr. Holt, as was the purpose of our involvement. Mr. McLendon and I were requested to expedite the process as much as we could while ensuring preservation of anonymity and confidentiality of certain private donors, and their information. Mr. Holt was made well aware that neither Mr. McLendon nor I maintained any of the relevant documents, but that we would be relying on specific individuals to produce the documents in a timely fashion. We were merely the conduit of the information, not the maintainers or creators of these documents and records or the overall decision makers.

Although Mr. Holt was well aware of Mr. McLendon and my involvement at the request of PBYS Board, he sent another letter on February 15, 2019 (Appendix A-3), addressed only to the Chair and Vice Chair of PBYS, questioning my involvement in the matter, and again improperly requesting all PBYS bank records and "authorization for direct access with the financial institutions involved." The fact that he blatantly did not send Mr. McLendon or me a copy of this

letter after our lengthy conversations, immediately gave the impression of indecorum on the part of Mr. Holt.

It is significant that only my name, and not that of Mr. McLendon, is mentioned within the Draft Report. Mr. Holt was advised that all correspondence was co-drafted and co-authored together with Mr. McLendon, a male, and myself. Yet, he chose to never reveal this important point. His lack of disclosure of Mr. McLendon's involvement within the Draft Report suggests that Mr. Holt acted with bias and animus towards me individually, towards my Law Firm, and possibly towards PBYS.

On the first page of the Draft Report, Mr. Holt falsely asserts that "[w]e spent four months (November 2018 - February 2019) trying to collect as much information as possible and ***ultimately exhausting (sic) our resources (within city wide and non-city entities) to compose this report.*** Page 1, Note (emphasis added).

What Mr. Holt failed to reveal or include in his Draft Report are any of the conversations, or written correspondence between him, Mr. McLendon and myself, regarding his overbroad and inappropriate requests. Mr. Holt's first demand to PBYS (Appendix A-2), the email confirming receipt of a plethora of documents by Mr. Holt (Appendix A-5), Mr. Holt's second improper demand for documents from PBYS dated March 12, 2019 (Appendix A-7) – sent out one day **after** the release of his draft report – and the letter dated March 15, 2019 (Appendix A-9) that Mr. McLendon and I co-authored, expose Mr. Holt's unwillingness to be specific in any fashion with his requests to PBYS for information. Mr. Holt has been advised both in writing and verbally on numerous occasions throughout this process to be as specific as possible with his follow-up requests so that PBYS could timely respond, to no avail.

Specifically, in our letter of March 15, 2019 (A-9), we advised Mr. Holt:

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.

Equally, PBYS does not have any affiliation with, or control over, either the Reichert House, Inc., or the Community Foundation-Friends of Reichert House. We respectfully request that you direct and 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 that Ms. Emily Bowie, you, and myself had 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 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.

See letter from Bobi J. Frank & Timothy McLendon to Carlos Holt, dated March 15, 2019

Mr. Holt's refusal to perform *his* job by thoroughly reviewing the documents provided to him by PBYS on February 22, 2019, and then following up with any *specific* requests for relevant documents is a transparent attempt to set PBYS up for failure. It is not Mr. McLendon or my

responsibility to try and guess what Mr. Holt is further seeking. As was explained to Mr. Holt on numerous occasions the following broad and improper requests would not and could not be honored:

- 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.

See email from Carlos Holt to Timothy McLendon and Bobi J. Frank, dated March 12, 2019 (Appendix A-7).

Equally, he has been advised on more than one occasion that he is certainly not entitled to unfettered access to “any and all” bank accounts for which PBYS is a signatory. He has responded to that advice with disdain and a refusal to accept the boundaries of his proper authority. I have repeatedly requested Mr. Holt to provide contrary authority to our understanding of his parameters, again to no avail.

Importantly, in between the telephone conversation on February 7, 2019, and the production of documents on February 22, 2019, Mr. Holt and I had a telephone conversation during which I explained to him that I was doing everything that I could to produce all relevant documents to him as quickly as possible. I also explained to him that PBYS was very eager to see the results of the financial audit and to be assured that all transactions were appropriate. I also advised him that PBYS has absolutely zero authority over the Director of Reichert House Youth Academy and that, as such, PBYS could not make anyone do anything. I also reminded Mr. Holt of James Albright’s passing and my understanding of the devastating effect that had on Reichert House Youth Academy, specifically as it related to bookkeeping. I reminded Mr. Holt that Mr. Albright had been the keeper of all financial documents and that he had his own way of filing and maintaining records. None of the aforementioned is included in his Draft Report.

On page 3 of his Draft Report under the section titled GOVERNANCE, Mr. Holt improperly asserts that BOBI J. FRANK LAW, P.A. has played “a key role [] with Reichert House Youth Academy.” My Firm had one brief occasion, and when I say brief, I mean a matter of days, where it represented Reichert House Youth Academy. This was due to my lack of understanding at the time of the distinction between Reichert House, Inc., and Reichert House Youth Academy. Furthermore, his convoluted assertion regarding financial entanglements could leave the reader with the impression that my Firm has received or dispersed funds on behalf of Reichert House Youth Academy; this is absolutely false. My Firm has never had any financial dealings with Reichert House Youth Academy. Additionally, any section in the Draft Report devoted solely to capture his opinion regarding PRIVATE ENTITIES reading the above assertions is inappropriate and misplaced.

On page 5 of the Draft Report under the section titled PBYS, Inc., Mr. Holt again falsely states that the Director of Reichert House Youth Academy is a current Board Member of PBYS. Mr. Alexander *was* a Board Member of PBYS, until it was realized by the Board that it would be inappropriate for Mr. Alexander to fill the dual roles. Had Mr. Holt ever had a discussion with anyone from PBYS regarding this detail, he would have learned the circumstances surrounding this detail. However, like other important issues that he made conclusions of fact about, he chose not to inquire about that issue which resulted in one more untruth contained in his Draft Report.

He continues on page 5 of the Draft Report under the section titled PBYS, Inc., to recite PBYS’S Mission Statement. This means that he CLEARLY knows that neither PBYS’S purpose, nor its funds, are always and inevitably earmarked to serve the Reichert House Youth Academy. This is also proven by the multiple mentions by Mr. Holt throughout the Draft Report that none of the PRIVATE ENTITIES have MOU’s or contracts with the City. Now, he uses the lack of contracts to try and persuade the reader of further improprieties on behalf of ALL of the PRIVATE ENTITIES.

Page 5 also contains the patently false assertion that “a majority of the outside grants that have been awarded to Reichert House, Inc., are being managed and maintained currently in the PBYS, Inc. bank accounts. One has to ask, if he has not received the bank statements from all PBYS bank accounts, how could he make such an assertion? But in addition one may also ask whether, even if one private non-profit (PBYS) were indeed managing grant funds awarded to

another private non-profit (Reichert House, Inc.), why would this be any of the City of Gainesville's business?

If the City Auditor were approaching this audit in an unbiased and fair fashion one has to ask why he would couch those issues in such a negative manner. If he thinks that by stepping out of his lane, and ridiculing and scolding PRIVATE ENTITIES, as the City Auditor, that it will promote further involvement and support from the community and community organizations, he is gravely mistaken. Though, based on his actions, his deception, and his recklessness throughout this entire process, I suspect that he knows exactly what the consequences of these statements will be.

He continues throughout page 5 and onto page 6 to opine entirely on PRIVATE ENTITIES. Specifically, he asserts that during the interview with the Chair of Reichert House Inc., who is glaringly not mentioned by name, that she "was unaware of the existence of Palm Breeze Youth Services, Inc., and the joint accounts it had with Reichert House Youth Academy." First, I would like Mr. Holt to explain why he would be talking to the Chairman of Reichert House, Inc., about supposed bank accounts between Palm Breeze Youth Services, Inc., and Reichert House Youth Academy. Second, again, this statement is a blatant falsehood: there are no joint bank accounts between Palm Breeze Youth Services, Inc., and Reichert House Youth Academy that either Mr. McLendon or I are aware of. Common sense would suggest that it would be impossible to have a joint bank account with a City-governed program, when that program DOES NOT HAVE A BANK ACCOUNT. If Mr. Holt can prove otherwise, I invite him to do so.

Mr. Holt then dedicates an entire section, on page 6, to opine and make false statements about Bobi J. Frank, Attorney at Law. These allegations must be addressed. First, I have never "attempted to represent Reichert House Youth Academy on several occasions." I was briefly involved in the DCF matter that Mr. Holt refers to when I was asked to step into that matter by Chief Tony Jones because there was a deadline to file a request for an administrative hearing with the court. I was requested to step in on behalf of Black on Black Crime Task Force, Inc. However, once Assistant City Attorney Lee Libby and I had a detailed conversation regarding the matter, we both concluded that he should assume direction of the case. Mr. Libby and I had a good conversation regarding my involvement, which concluded with him thanking me for my

efforts. I immediately signed a Substitution of Counsel form, and I had no further involvement in the matter after that point.

Shockingly, Mr. Holt also asserts that I represented Reichert House Youth Academy in an eviction matter in late 2016. This is shocking for numerous reasons including the fact that I did not represent Reichert House Youth Academy, I represented Reichert House, Inc., after being duly appointed by the then Board Members to do so. The enclosed Judgment that resulted from the eviction case evidences this. (Appendix A-10). Mr. Holt was well aware of this fact both at that time, and of course when he wrote his Draft Report. Even if Mr. Holt and I had not corresponded on numerous occasions during and after the successful eviction, which yielded a nearly \$25,000.00 judgment for Reichert House, Inc., I would still expect that someone that is supposed to be doing a thorough, fair, and unbiased audit to take the time to at least verify who exactly I represented before making the assertion that I improperly represented a City program.

On page 8 of Mr. Holt's Draft Report he includes a triangle with the words "PBYS bank account (no access to records)." Again, this is a false statement. Carlos Holt received relevant documents from PBYS on February 22, 2019, a full 18 days prior to the date of his Draft Report. (Appendix A-4).

On page 9 of his Draft Report the City Auditor asserts that "[d]ue to the almost complete lack of transparency from internal and non-city entities, and poorly documented transactions . . . we have no reasonable assurance that financial operations are carried out in an effective manner." Again, as repeatedly stated, PBYS produced relevant documents to Mr. Holt in an effort to assist his efforts on this issue. He recklessly asserts that "there is no assurance that all funds intended for the Reichert House Youth Academy program's mission have been expended for the program." Mr. Holt cannot use his assertions as both a shield and a sword. If on the one hand he claims he doesn't have all documents, then how can he make such a damning statement within this report? How can he opine that there is a lack of transparency when he is requesting documents from PRIVATE ENTITIES that he is not entitled too?

On page 10 of his Draft Report Mr. Holt inappropriately opines on the lack of the NON-CITY ENTITIES' "business acumen." My name is specifically listed in the identified NON-CITY ENTITIES about which these comments are directed. With Mr. Holt's demonstrated gross

recklessness, incompetency, and flagrant bias, and his intentional untruths, that opinion is again, completely out of bounds in ANY professional setting, under ANY set of circumstances.

On page 12 of his Draft Report Mr. Holt again, misleads the reader by stating, “[o]nly after letters to all 12 Board members did [PBYS] provide [information].” This gives the impression that Mr. Holt had properly requested relevant documents from PBYS and that he was denied. However, as discussed above, Mr. Holt, to this day, refuses to be specific with his requests for information, and he further refuses to abide by the boundaries of the authority bestowed upon him as an agent of the City of Gainesville.

On page 13 of the Draft Report, Mr. Holt spends a large amount of time chastising City employee involvement in NON-CITY ENTITIES’ business. Again, it is not the City Auditor’s business how City employees may choose to spend their free time. If City employees want to give back to their community by volunteering to perform services for the betterment of our underprivileged youth, those decisions should be celebrated rather than rebuked and ridiculed by someone who has zero authority to do so. Rather than publicly demean and tear down the employees’ good intended efforts, he should have spent his time tastefully devising policies and plans to help the City employees and Reichert House Youth Academy flourish. Reichert House Youth Academy is, after all, a City-governed program. Is it appropriate for a child to be disciplined for behavior that they have never been taught was wrong? Does the City of Gainesville really condone the City Auditor’s approach to a Program that was created to serve and protect our most vulnerable population, our children?

Finally, Mr. Holt consistently advises that contractual agreements need to be mandated between Reichert House Youth Academy and all NON-CITY ENTITIES. If he believes that his efforts and the production of this Draft Report will further that outcome, he is woefully mistaken. Based on the endless false assertions contained within the Draft Report, the reckless manner in which the report was produced, and the malicious intent that seeps off of the page, it is my opinion that Carlos Holt’s primary objective is not to improve the Reichert House Youth Academy; rather his goal is to extinguish it.

The far-reaching potential repercussions of Mr. Holt’s reckless, biased behavior are monumental. Any professional who may think about volunteering their time for the betterment

of our youth will likely ponder long and hard before putting themselves in this cross-fire. Donors may likewise decide to allocate their funds to other organizations and causes. The devastating effect that Mr. Holt's self-serving actions could produce on at-risk children in Gainesville are profound.

My very own livelihood, reputation, and credibility have been wrongly called into question. I am licensed by the State of Florida to practice law. I respect, and meticulously follow every canon of ethics that my profession expects and demands. I have worked tirelessly to build my law practice, and to give back to my community. I cannot express strongly enough the danger that Mr. Holt's personal attacks have placed me in. With one foul swoop of his pen, he has managed to place everything that I have worked for my entire life in jeopardy. In the legal world, one goes directly to a court of law to rectify these types of wrongs.

I do not know Mr. Holt other than through a series of limited business interactions. However, based on his actions as fully explained above, it is crystal clear that he is not the correct person to be performing this audit, or any other audit. The City of Gainesville's taxpayers deserve a fair, unbiased Auditor, in all arenas. Mr. Holt has demonstrated that he does not meet this standard.

Should you have any follow-up questions regarding this response, please do not hesitate to reach out to me.

Sincerely,



Bobi J. Frank
Attorney at Law

cc: Mr. Timothy McLendon, Esq.
PBYS Board of Directors

Enc's: Letter from Bobi J. Frank to Carlos Holt dated December 18, 2018;
Letter from Carlos Holt to PBYS Board of Directors dated January 28, 2019;
Letter from Carlos Holt to the Chair and Vice Chair of PBYS, only, dated February 15, 2019;
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Email from Bobi J. Frank to Carlos Holt dated March 15, 2019;
Letter co-authored by Timothy McLendon and Bobi J. Frank to Carlos Holt dated March 15, 2019;
Reichert House, Inc., Final Judgment dated August 25, 2016.

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

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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-

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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.

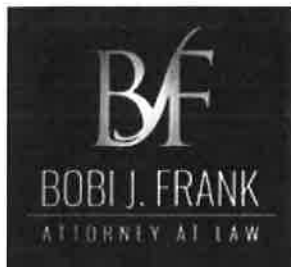
Have a wonderful day.

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



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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

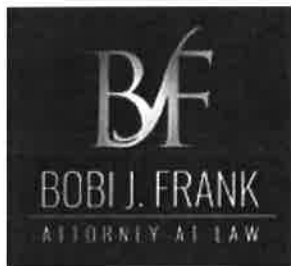
Hello Carlos:

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



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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

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- 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,

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

Defendant.

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