

WRITTEN TESTIMONY – CLIFFORD GAY

COMMITTEE: Business & Commerce

TIME & DATE: 10:00 AM, Tuesday, April 10, 2012

PLACE: E1.016 (Hearing Room)

CHAIR: Senator John Carona

My name is Clifford Gay and I am here representing myself.

I am a homeowner in Fort Bend County Texas and here to recommend changes to the CHAPTER 209 TEXAS RESIDENTIAL PROPERTY OWNERS PROTECTION ACT Sec 209.004 MANAGEMENT CERTIFICATES in order, "for improving the protection of Residential Home Owners"

The community association, in which I am a homeowner was started by a developer in 2006 and is still in control of the developer. I view this unethical and a conflict of interest.

The association, recently sold property for approximately, \$4.7 million, and has not paid any Texas franchise or Federal income taxes.

The issue is, that I was led to believe I purchased a home in a community of homes owned and occupied by their owners, not a community with new homes being purchased by investor 'absentee landlords'.

When I called the owners association, I was told that they could not do anything about it.

This has resulted in my living next to a person who throws lighted cigarette butts over the fence in my backyard, at my little dogs (indicator of a person who is a danger to others).

After several calls to local law enforcement about events designed to threaten and intimidate me, they stopped their inappropriate behavior. For how long I do not know, but I live in constant fear that they will retaliate and harm me and my little dogs.

Also about the time of the above \$4.7 million sell, a registered sex offender moved in two homes down the street.

Also, during a recent examination of the books and records of the association, it was discovered two bank accounts, one with no bank statements.

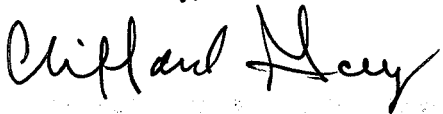
The one bank account that I was given access to, the bank balance was \$73,350.35 and the balance sheet cash account showed \$181,953.59. The balance sheet also showed delinquencies totaling \$82,116.46.

Also, discovered that 1099's are not being sent to vendors, and no evidence of a competitive bidding process.

I recommend that CHAPTER 209 TEXAS RESIDENTIAL PROPERTY OWNERS PROTECTION ACT Sec 209.004 MANAGEMENT CERTIFICATES be amended to make it mandatory Management Certificate contain a yearly independent audit letter stating that (1) Generally Accepted Accounting Principles are being used and (2) the Board of Directors consist of, at least Fifty-one percent community occupied home owners.

Thank you for your time and attention.

Yours sincerely,



Clifford Gay MBA (Accounting)

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