

# I'm So Confused About CAI

## Deceit

### Homeowners Associations Hearing Testimony

I'm just a really confused homeowners association member from California, yet I was asked to explain the CAI (last August). The following account was to the best of my knowledge and belief.

Linc Cummings, CAI Founder, in "WMCCAI Quorum Article of the Century Thoughts", wrote the following:

"CAI was to be unlike any other; we were to be governed by a board composed of the five interest groups most involved - builders/developers, managers, colleagues, public officials and homeowners. No policy decision was to be made without the agreement of all five interest groups.

"This was in effect a major social experiment."

I was asked, "Is this an organization that is supposed to 'educate' homeowners?"

I answered, "I read somewhere that CAI was chartered as a 501(c)(6) business league. I read somewhere else that 'it is a lobbying organization (it is a 501(c)6 non-profit trade organization that advises prospective members that dues will be used for lobbying purposes).' If this is true, and if CAI is continually trying to position itself as if it were an educational 501(c)(3), might this be a possible abuse of its corporate charter?"

I was asked, "But their own people are saying they are a trade group? Don't know what CLAC is."

According to its web site, <http://www.clac.org/>, CLAC:

"· Is a non-profit committee comprised of 28 Delegates from ten CAI California chapters and elsewhere around the state."

I ask, "Does this mean that it is a committee comprised of delegates from CAI? Does this mean that it is a CAI committee?" exposing my ignorance.

(Now don't laugh:)

"· Represents six million homeowners residing in 30,000 associations throughout California." I told you not to laugh! This is serious!!

If CAI is fundamentally a trade group or trade association, then it primarily represents the interests of **vendors** to associations, doesn't it?? For-profit vendors to associations strive to extract as much money out of HOAs as possible, relative to their costs (how much money they spend to provide their goods and/or services). Wouldn't the **members** of HOAs be more interested in transferring as little of their money as possible to HOA vendors relative to the quality and/or quantity of services the members receive? How diametrically opposed can you get?

A 1999 California Supreme Court case, Lamden vs. La Jolla Shores Clubdominium Homeowners Association, states that a board must act "upon reasonable investigation, in good faith and with regard for the best interests of the community association and its members." Are boards acting "upon reasonable investigation, in good faith and with regard for the best interests of the community association and its members" by donating association money to a trade group/ association with diametrically opposed goals —

and that spends 17.8% of its dues to lobby to attain these goals?? Shouldn't this be considered a misappropriation of association funds?

If CAI is a trade group/ association, or “a lobbying organization (... a 501(c)6 non-profit trade organization that advises prospective members that dues will be used for lobbying purposes)”, why would CAI-CLAC claim to represent “six million homeowners residing in 30,000 associations throughout California”? Is this why enlightened homeowners in associations say that CAI stands for Caring Attitude Imposters?

“ Is comprised of association homeowners, directors, and professionals.”

(Note that they don't list the percentages of each group.)

“ Is not a PAC (Political Action Committee), and makes no financial contributions.”

This looks like a disclaimer to me. Hermandad was a non-profit educational institute and was accused of getting political, got investigated, and got a lot of bad press in California when immigrant-bashing was in vogue. Is this how CAI-CLAC avoids being accused of being political? If lobbyists aren't political, what are they?

Just what do lobbyists do? (What *is* the definition of a “sexual relationship”, Mr. Clinton?)

“ Depends solely on the donations of the community associations it represents.”

Does a trade group — or a trade association — represent the community associations, or does it represent the *vendors* to associations?? Do the *members* of the associations even KNOW that their community associations donate to CAI-CLAC? What do CAI vendors do for boards to inspire them to give the members' money to CAI?

“ CLAC reviews proposed legislation monthly and takes positions on all bills affecting homeowners associations (HOAs).” Why? Do they take positions to represent the homeowners in associations, or do they take positions to benefit the *vendors* to associations??

“ CLAC lobbies lawmakers, key staff, other trade groups, and testifies in committee.”

“CLAC lobbies”. CLAC “is a non-profit committee comprised of 28 Delegates from ten CAI California chapters and elsewhere around the state.” Is CLAC a committee of CAI? Is so, does this mean that CAI lobbies? A prominent CAI member postulates, “It is a lobbying organization (it is a 501(c)6 non-profit trade organization that advises prospective members that dues will be used for lobbying purposes).” If CAI lobbies, does it lobby on behalf of “six million homeowners residing in 30,000 associations throughout California”, or does it lobby on behalf of the *vendors* to associations??

“ CLAC launched and co-hosts the "CA Day in the Capitol" event in March of each year, an event that brings HOA folks together with their legislators and the hot issues.”

Maybe, they ought to call it, “CAI *Vendor* Day in the Capitol”.

“ CLAC retains a professional veteran lobbyist and association activist (Skip Daum, Capitol Communications Group) to lead our Sacramento efforts.”

Does Skip Daum lobby on behalf of “six million homeowners residing in 30,000 associations throughout California”, or does he lobby on behalf of the *vendors* to associations?? What would CLAC be trying to accomplish with its “Sacramento efforts” -- help vendors get more money from HOA members, relative to the vendors' costs??

I was asked, "Is it true that many HOA attorneys are members of this thing?"

According to Linc Cummings, CAI Founder, "Over time, the managers and colleagues saw the business potential and became more involved in CAI's operation. With the homeowners limited participation in associations operation and even more limited financial ability to participate in CAI leadership, the colleagues soon took over the Institute. Today CAI is fundamentally a trade association. Our experiment failed". He wrote this in "WMCCAI Quorum Article of the Century Thoughts".

I was asked, "Is it true that these trade groups spend a lot of time in court fighting homeowners?... probably fattening those court house coffers."

I added, "(or their own lawyer's coffers.)"

"Or maybe just trading in your house?" she asked.

"How can this be?" I replied.

Linc Cummings, CAI Founder, wrote in "WMCCAI Quorum Article of the Century Thoughts," "We now have over 1,000 PCAM's providing ethical guidance to the associations".

We have CAI PCAM's providing "ethical guidance". Why do I feel like Little Red Riding Hood? (Your nose is longer than Pinocchio's, CAI.)

The following quote is from the article, "Columbia Steps Up Inspections: Residents Who Fail to Maintain Their Property Must Forgo Amenities", by Christian Davenport, appearing in the Washington Post on Monday, July 31, 2000; Page B01

"Among homeowner associations, Columbia is not unique in forcing its residents to maintain their property, said Dawn Thier, the executive vice president of the Washington chapter Community Associations Institute, a trade group."

"Community Associations Institute

"The nation's voice for condominiums, cooperatives, and homeowner associations"?

( <http://www.caionline.org/> )

"Today CAI is fundamentally a trade association. Our experiment failed"?

"WMCCAI Quorum Article of the Century Thoughts" by Linc Cummings, CAI Founder

"Bay Area and Central California Chapter - CAI

"The voice of Community Associations"

<http://www.caibaycen.org/>

The following quote, "Panel to examine HOAs is just for show, Gilbert group fears" (July 13, 2000, The Arizona Republic)

"The reason: An e-mail written by a board member of the Virginia-based Community Association Institute. The e-mail says the institute's policy has been to 'facilitate, support, encourage, coerce, bribe' states to adopt uniform legislation when dealing with associations."

"coerce, bribe"?

"Community Associations Institute, a trade group"?

"The nation's voice for condominiums, cooperatives, and homeowner associations"?

“CAI is fundamentally a trade association”?

“the institute's policy has been to ... 'coerce, bribe' states”?

Pretty confusing, isn't it?

Finally, she asked me, “And what's CAI-CLAC?”

I replied, “CAI is a non-profit organization. CAI-CLAC stands for Community Associations Institute - California Legislative Action Committee. CLAC lobbies.”

News Releases

<http://www.cicproject.org/releases.html>

I thought about the words of President Truman, and suddenly I wasn't so confused any more.

If you can't convince them, confuse them.