

A. Understanding the CAI attitude toward homeowner rights advocates

Legislators and government officials love to have opposing interests “work it out” and present them with a solution to the problems, acceptable to all interests. This is a workable approach only if the two groups possess equal bargaining positions and strengths, which is not the case with homeowners vs. HOAs. Management is aided and abetted by its lawyers paid by homeowner dues/assessments. The attorney’s client is the HOA and not the members of the HOA, and homeowner attempts to enlist HOA attorney aid is usually met with, “You are not my client”. Yet, the attorney frequently sends dunning letters to homeowners stating that they owe attorney fees when in reality it’s the attorney’s client who must pay the fee. (I believe the judge decides the amount of attorney fees to be paid, if the attorney loses).

Community Associations Institute, CAI, made its views known in regard to homeowner rights advocates quite clearly in its May-June 2006 Common Ground magazine cover page (see Exhibit A). Homeowners with legitimate and valid complaints¹ were depicted as angry monsters spewing forth garbage and seeking to trample to poor people of the HOA community.

For over 35 years CAI has proclaimed that it is the educational organization for HOAs and its managers. Yet, today, you are faced with the task of figuring out what is wrong. One thing for sure is the failure of the CAI educational programs with its personal agenda – protect the HOA from failure. I cannot understand why anyone would hire any organization that came to him with such a track record, yet the State of Florida has elected to use CAI educational programs for its community manager training.

B. Ancient History²

CAI was formed in 1973 as an educational nonprofit organization as a result of increasing problems with planned communities with mandatory homeowners associations and compulsory assessments. The model and plans for Condos/HOAs as we know them today began with the publication of *The Holmes Association Handbook* in 1964 by the Urban Land Institute, supported by federal funds from such concerned and interested agencies as the Department of Defense, the Veterans Administration, FHA, and the US Public Health Service as well as by industry special interests. The structure of CAI was modeled after a typical government agency/commission that is comprised of all “stakeholders” in order to solve these problems. The groups included developers, attorneys, managers, HOAs, and public figures. CAI advertises itself as the only national HOA educational organization.

However, in 1992 a major restructuring took place and CAI became a business trade organization, a 501(c)6 tax-exempt nonprofit in order to maintain a statewide, national lobbying effort for the blossoming HOA industry. Problems were surfacing as the result of publications by political scientists and university researchers in that time period. Yet, this fact is

¹ In Arizona, administrative law judges of the Office of Administrative Hearings are permitted to adjudicate HOA disputes. Its hearings are recorded for all to hear. The first year results revealed that the homeowner plaintiff, who was most often a Pro Per and was against the HOA attorney, won 42% of the cases. See <http://pvtgov.wordpress.com/2007/09/24/az-first-year-oah-statistics-for-hoa-cases-a-great-start-but-abuses-must-be-corrected/> or go to <http://pvtgov.wordpress.com> and search on OAH.

² See *Privatopia*, Evan McKenzie 1994; *Community Associations*, Donald R. Stabile 2005 (funded in part by CAI).

buried within the CAI literature made available to you and the public. In 2005, as a result from complaints, I presume, to the IRS regarding its business trade group status yet admitting consumer groups who use the services of the bona fide business group members, CAI dropped its HOA membership category. (The purpose of a trade group is to promote the business interests of its members). It still allows board members and individuals to become members, offering substantial discounts for multiple members from the same HOA. Its current managing structure is its Board of Trustees where homeowners are in a distinct minority. The major players are the attorneys and management firms.³

C. Who are the public figure CAI members in Florida?

Many prominent attorneys are members of CAI's College of Community Association Lawyers (CCAL) whose goals and objectives state, "To achieve the goals and objectives of the CAI".⁴

Gary A. Poliakoff, Becker & Poliakoff

Joseph E. Adams, Becker & Poliakoff

Donna D. Berger, Katzman & Korr, formerly with Becker & Poliakoff; formerly Exec. Dir. of CALL, now Exec. Dir of CAN

Ellen Hirsch de Haan, Becker & Poliakoff, former CAI President

Helio De La Torre, Siegfried, Riveria et al

Joseph H. Ganguzza, Joseph H. Ganguzza & Associates

Michael J. Gelfand, Gelfand & Arp; Laurence E. Kinsolving; William P. Sklar

³ Based on its own data, CAI claims a membership of only 26,000 for some 275,000 HOAs giving it, at most, a 9.5% presence. In contrast, AARP has a membership of about 38 million people.

⁴http://www.caionline.org/ccal/ccal_poll.cfm. 1/20/08.

EXHIBIT A.

CAI *Common Ground* portrayal of homeowner rights advocates. May-June 2006 issue.

