

Regarding Denton Soccer Association..... Numbers have dropped due to players RUNNING to play at other Rec. Associations or changing sports..... Not going select/academy....

A few By-Law, Code or Ethics and Roberts Rule Notes/Quotes

NTSSA Codes of Ethics

11.4 NTSSA Codes of Ethics for Executive Committee, State Committee Members, and Member Association Administrators:

1. Have respect for the game, players, officials, parents, coaches, member association volunteers and fellow board members and deal with them in a patient, courteous and consistent manner.
2. Criticism channeled through the proper quarter should be educational, constructive, balanced and positive. Under no circumstances should it be demeaning or detrimental to the self-respect of the individuals involved.
3. Administrators should be informed and available. As facilitators they should know the right questions, have the ability to elicit the right answers and foster creativity with accountability within their committee or area.
4. Regarding committeemen and other volunteers: they should be praised for time spent and jobs well done; their suggestions welcomed, evaluated and conclusions communicated to them. Abilities should be recognized and encouraged.
5. Above all: courtesy, self-control and loyalty. We are role models for the youngest players to the newest association. Our responsibility is to serve them well as we work toward our common goal.

Roberts Rule

40.010 Conflict of interest No member of the board, or any of its committees, shall derive a substantial personal profit or gain, directly or indirectly, by virtue of his/her association or participation within the community. Each individual shall disclose to either the board or to the committee any personal interest he/she may have in any matter pending before the board or respective committee. The board or committee shall determine by vote of the members whether or not a disclosing member is disqualified from participating in any decision on a pending matter. (Res. 05-05 am, 4/20/05)

Legal Duties of a Nonprofit Board

According to a nonprofit corporation law & NTSSA Website & AGM meetings

A board member should meet certain standards of conduct and attention to his or her responsibilities to the organization. These are referred to as the Duty of Obedience, the Duty of Care, and the Duty of Loyalty.

[B]Duty of Obedience[/B]

Obedience to the organization's central purposes must guide all decisions. The board must also ensure that the organization functions within the law, both the "law of the land" and its own bylaws and other policies.

[B]Duty of Care[/B]

Board members must exercise due care in all dealings with the organization and its interest. This includes careful oversight of financial matters and reading of minutes, attention to issues that are of concern to the organization and raising questions whenever there is something that seems unclear or questionable.

[B]Duty of Loyalty[/B]

Conflicts of interest, including the appearance of conflict of interest, must be avoided. This includes personal conflicts of interest or conflicts with other organizations with which a board member is connected.

[B]Duty of Transparency[/B]

In addition to the above three traditional duties, boards have an obligation to ensure that their organization is appropriately transparent in its operations. For most nonprofits, this entails the filing of IRS form 990 or 990-PF and other appropriate informational and tax returns which are required to be made public.

Denton Soccer Association Executive Board Members 2015-2016 have FAILED in ALL of the above ethical, legal and Fiduciary Duties of the association.

Transparency - No one has seen or been given copies when requested (except Kevin Stout-Treasurer) **FAILURE**

Loyalty - President (daughter is paid to work in office), (Godparent - REINSTATED & PAID to work in office) - **FAILURE**

Care - None of the above is done in the ORGANIZATIONS interest *Denton Ex Board deal in tyrannical Neapolitan Methods, fall 2015 screamed, cussed at Coaches/Parents in front of players, coaches, members while the President ignored both tirades. Board members act and do as they please yet expect*

others to follow rules when they themselves do not! Minutes not recorded correctly, by-laws being changed at whim without votes and biased.

***** Example:** Text message from President Kelvin Teeka-Singh_ – **“ I am going to use my Presidential power to make sure X & X are on the same team”**

Electronic Votes not noted in minutes

Correct by-laws posted and delivered to City/State, yet posted online are falsified, biased and illegal

- FAILURE

Obedience - \$30,000 in CASH unaccounted for - was to be reported (never did!) - \$250k + uncollected fees - buried as a motion to wipe slate clean - \$93,000 sponsorship/donation being turned into a Loan with NO legal docs and authorization to refund *** PLEASE note 501c3 status was REVOKED from 2012 - SEPT 2015 so LEGAL & IRS ramifications? - **FAILURE**

DSA is/was functioning as a Non-profit entity and wants to continue as such.... So ALL COMMUNICATIONS ARE OPEN RECORDS - despite placing a flimsy disclaimer on the bottom of an email... Open RECORDS act DEMANDS providing ALL records to the public! Emails, Texts, docs that pertain to said entity.....

For the RECORD: Excerpt from Denton Record Chronicle Article: Soccer organization leaders say they now have financial controls - By Bj Lewis Staff Writer blewis@dentonrc.com Published: 21 November 2015 11:27 PM

"Stout was surprised by Vardis' decision to file a police report because she was no longer on the DSA board."

"The very people making the complaint sat there for a year and didn't do anything," Stout said. "If you saw these things, why didn't you fix them?"

"Vardis has claimed that she has financial records indicating money management issues, but Stout said he doubts Vardis possesses accurate financial data about DSA"

"The data is the same data they had. It's no different than what he submitted to the CPA to get our 2014 taxes done," Vardis replied. "The validity is it came straight from the books he and [other staff] looked at." - DRC 21 November 2015 11:27 PM

Please review the correspondence and detailed proof that the DSA Board & Kevin Stout made false statements to DRC and these documents prove that a conspiracy is afoot at Denton Soccer Association.

From an Internal Email between ENTIRE DSA BOARD RE: DSA Moving Forward Thread:

*****May 25, 2015 9:58am: **From Scott Brown:** " I wanted to take a moment and thank each of you for the efforts you all have given over the last few months as well as the incoming board members for your enthusiasm and willingness to jump in feet first in rectifying this unfortunate situation.

I want to personally thank Melissa Vardas for all the hard work, persistence, and due diligence in getting us near the center of this tootsie roll pop. :)

We have a long road ahead, but I can honestly say, I am excited about where we are heading as an organization. If we make it through the IRS audit, there are many good things to come for our community.

As far as the investigation, I can assist Melissa in reporting our issue to the police. (once we get our bond in place).

From that point forward I would like to be the lead in the overall investigation as it will relate to law enforcement. Kevin is naturally taking lead with the IRS portion.

If you have any objections, I don't mind. I just think we need a single point of contact to coordinate interviews and get information to law enforcement.

Again, Thank you all for your hard work and I look forward to serving you and our members this upcoming season. Kind Regards, Scott Brown"

*****May 25, 2015 11am: From **KEVIN STOUT:** "I totally agree with Scott.

It's going to become increasingly important in the coming weeks that we speak as one. My experience with this is that means just one person speaking. Otherwise you are just asking for trouble. I would suggest that if any of the rest of us are asked to comment on the situation that our response is "I would refer you to for the information that you are seeking, and I have no further comment."

And, I'd like to second what Scott said about Melissa. It takes a lot of courage to step forward and look into this situation. **And, predictably, she has faced a great deal of criticism for that.** That is really unfortunate, but I think she knew it was coming. Now, it's time for her to stop taking the heat. **There's a problem, and we're dealing with it. I think you're going to find that the ones making the most noise are those who may have the most to lose by us addressing the issues.** And, those opinions or comments are pretty much irrelevant at this point.

I've had the unfortunate experience of going through this before, at an even more serious level. With cooperation and a lot of hard work that association worked through things and they are now the largest soccer club in Virginia. We will also make it through this and emerge on solid footing. Keep the faith! Kevin Stout"

*****May 25, 2015 11:39am: From **MELISSA VARDAS**: "I appreciate that everyone is finally seeing what was there! **It was very difficult (Tony & others quit based on threats and nastiness) I attempted to also even after the proof was presented. It was hard to press the issue (we have been picking at it for 3 years (me n scott) but never got any further). ALL Board members have a fiduciary responsibility to the organization even if that means someone will be in trouble. We have to point it out and fix it.** We have danced around about how to resolve and move forward but I believe we all see where this must go. It is unfortunate, but I think we will come out ahead if we make the effort as a group.

It is and has been very difficult. But I believe once everyone is trained and is empowered to do any of the jobs at DSA then we will be a solid front.

It take a group to make a city (not one or two individuals).

I do not want to be anywhere near being a speaker - I really do not want to file the report (but I will as long as 1 or two more of you are with me to make the report).

I have made enough waves this year. I want us to get this mess finished up as quickly as possible and move forward to building this association up with sponsors, community support and work with the other entities we have alienated over the last several years.

I stand behind all of you with any decision we make as long as it is moving this organization forward with transparency all the way around. Checks and balances is simple and easy to implement we just have to do it.

Thank you all for your support! Lets make this happen and PLAY some Soccer (if mother nature will dry up a little!) Melissa Vardas"

*****June 23, 2015 9:58am: **From Scott Brown:** " I am prepared to move forward and file the original report with law enforcement. Kevin, can you please provide me with a list of the items (missing money amounts and/or physical items we are missing) we have in question? I can do this Wednesday. If not, I will have to wait until next week when I return from Travels with work. I have been very impressed with the progress we have made as I feel this is the most productive the DSA board has been in many years. Scott Brown"

I believe that Stout has forgotten what has transpired since he took office (selective memory loss from March 2015 – June 25, 2015)? How can he openly state there was no mismanagement, CASH missing/lost and that now the one filing the report is at fault or un-reliable?

Here is another email dated June 18, 2015 – attorney Issues.docx attachment; "ok, hope this will help. Kevin Stout"

Attached document excerpts written BY KEVIN STOUT to potential attorneys for representation prior to filing police report of misappropriation of funds in excess \$30,000

"I'm not quite sure where or how to begin this. When I assumed my role as treasurer for DSA in late May, 2015 I was made aware of some potential misappropriation of funds, and/or property. At the time a verbal report had been made to the association membership at the Annual General Membership meeting, informing them that an inquiry was on-going and that it appeared that funds approximating \$145,000.00 were unaccounted for. "

"After being provided with some initial financial reports and bank statement reconciliation documents it was **obvious that numerous discrepancies existed. These discrepancies involved both the collection and deposit of cash money received during various registration events,** as well as a vast number of player registrations where fees collected would range from \$5.00 up to the actual registration amount of \$120.00."

'Apart from the shortcomings in the process used to collect cash, due I believe largely in part to the absence of any operating procedures and far too many people involved in the process, **something much more serious was revealed. Cash collected was not balancing with cash deposited.** And, we were not dealing with just a few dollars here and there. **It appears that differences ranged anywhere from several**

hundred to several thousand dollars. There was never any written explanation attached to the deposits slip, or located anywhere else that I've been able to determine that might help to explain these shortages. As previously stated, there was never any process followed at the end of a registration event that would ensure accountability for funds. The person who collected the money apparently passed it to another person, who it would appear simply put it into a deposit bag. There should have been a cash count conducted by two individuals, and then the amount collected should have been recorded on a cash reconciliation form, and balanced against the amount shown collected by receipts issued. Also, it doesn't appear that there was ever any explanation provided as to why receipts would be removed from receipt books."

"From what I understand of the process, once the cash was placed into a deposit bag, it was put someplace in the office and eventually picked up by Jane Malone, the treasurer, who would then count the money and prepare a deposit slip. She has told me that **she was never told how much money "should" have been in the bag, and she was never provided with any documentation** as to how much was collected. So, there was no way that she could have determined if any money was removed from the bank from the time that it was placed there until she picked up the bag. She also had no way of knowing that, let's say \$10,000.00 was collected but only \$8,000.00 was actually in the deposit bag. But, it's also **a fact that she simply never questioned** the process. She said that she **just did what the office staff her to do**. Unfortunately, it would look like she left herself open to being accused of removing cash from the deposit bag before making the deposit (although the person putting it in the bag never had her sign for any specific amount).

Petty Cash was another problem. There were many withdrawals from the operating account for petty cash, and yet very few receipts to indicate what the petty cash was used for. And, I haven't been able to find even one deposit showing that any petty cash was ever returned to the account.

In addition to the differences between cash collected and deposited, there was another problem. Looking at **deposit records it presents a clear picture of manipulation.** For example, if \$1500 was collected on March 15th, there may not be an actual deposit for another 5-6 days. And then, **the amount deposited may or may not be \$1500.** And then, there were dates where there **had been no registration events for any recent period and yet a cash deposit would be made (sometimes thousands of dollars)**. Nothing ever matched. I'm not a forensic auditor, ***but it doesn't take much to see a pattern.*** And, what I believe was happening was that a person or persons used the association's operating account as a personal loan source. **Shortages of several thousand dollars would build up over a period of weeks, and then all the sudden a large unexplained deposit would be made.** BUT, the amount that was supposed to have been deposited **would never match up**

with the amount that eventually was deposited (it looks like the amount eventually deposited was always lower). So perhaps this all started with someone needing to “borrow” a little money to help make ends meet, and then they actually paid it back later. But, as time progressed the need increased, the amount borrowed increased, and then the person(s) were never able to either remember how much they had borrowed, or else they didn’t have enough to make the account balance. **No matter what, it was theft.** And, keep in mind that **this is only going back a few years**. A **very quick look at some records from 2009 appear to show the same type of activity**, so it’s difficult to say for how long this went on, **or just how much the actual loss has been.**”

“There is another financial issue involving money that was reportedly “loaned” to DSA by Jane Malone. Records indicate that there were a variety of deposits made over several years, with the grand total adding up to \$93,000.00. Apparently past board members have authorized payments to her that brought that amount down to \$74,300.00. **No records exist showing that a loan, or loans, were ever made.** In fact, depending on who you talk to, **the money originally was provided as a donation.** Then, at some point for unknown reasons the donation turned into a loan. There’s a vague copy of board minutes from January 2014 that indicate that the board was approving re-payment to her, but the minutes do not reflect the results of a formal vote. Additionally, Ms. Malone has apparently claimed that a loan document exists; however, she has been asked to provide the board with a copy of that agreement for well over a year. Her response is always that her attorney has it, but she will get a copy. When I took over as treasurer I refused to make any additional payments to her until I was given a copy of a loan agreement that had been properly completed and signed by both association officials, and Ms. Malone. She again indicated to me that she was getting that, but still nothing. Now she claims that she is bringing a document that her attorney prepared to our meeting on Saturday. I have already told her that was not sufficient because it would be something that the board would have to discuss and then vote on if a motion was made to accept it.

I think I’ll close this out by just briefly outlining **our non-profit status problems.** The association was allowed to submit the annual 990 to NTSSA for inclusion with their group return. **Unfortunately, the last time that they did this was in 2009.** Eventually (I believe in 2012), the board was notified by NTSSA that they would no longer be allowed to be covered by them, and that they would have to file their 990 independently. It never was done. So **no tax returns were filed from 2010 to current.** In late 2014 the board retained the services of KHA & Associates in Flower Mound to prepare the past-due tax returns. It was at that time that they were advised that the failure to file the returns for 3 consecutive years had resulted in the IRS automatically revoking the association’s 501c3 status. The account that was assigned

to the case **(Cynthia Greico) made many attempts from late 2014 through February 2015 to obtain the information needed to get the returns filed** and to get a request for re-instatement of our non-profit status filed. Jane Malone mentioned to me at the transition meeting, very casually, that I probably needed to call the CPA. She never provided me with any details of what had, or had not transpired. So, I was pretty surprised when, a few days after the board meeting, I made contact with Ms. Greico and she advised me that she had been **trying without success to get information from Keri Saling and Nikki Scoggins (DSA office workers) and Jane Malone, over 6 months.** **She advised me of the revocation of our non-profit status was made known to Keri and Jane back in February 2015.** They were also told at that time that a re-instatement fee of \$850 would be required, and also that the association was subject to penalty and interest from the IRS totaling \$50,000.00 **It would appear that they didn't share that information.** But, Ms. Grieco also told me that there should have been a series of correspondence between the IRS and the association as well. There is no such correspondence in our files, although I did get a letter from the IRS two days ago that was at our PO Box, so I know that what she said is most likely true. “

“The only reason that I can think of the constant stonewalling of the CPA, or the failure to file 990's was that there was **no way that anyone could come even close to making the books balance.** There have been other tax-related issues that **frankly I have just been plain lied to about.** I discovered a file of 2013 and 2014 1099's primarily for individuals who have been referees for our games. All three copies of the forms were present in the folder (the association copy, the individual's copy, and the original for the IRS, along with the original 1096 form). I e-mailed Jane and asked if she knew whether or not individuals had been provided with 1099's for 2014. She told me that she had prepared them and that Keri mailed them. Two days ago when I saw her in person, I told her that I had all of the copies so it wasn't possible that Keri had mailed them. Jane told me then that she was the one that mailed them, and that she had used her own postage to do so and never requested reimbursement. I bluntly told her that I believed that she was mistaken.”

Additional Excerpt from Denton Record Chronicle Article: Soccer organization leaders say they now have financial controls - By Bj Lewis Staff Writer blewis@dentonrc.com Published: 21 November 2015 11:27 PM

“Vardis has claimed that she has financial records indicating money management issues, but Stout said he doubts Vardis possesses accurate financial data about DSA.”

"The data is the same data they had. It's no different than what he submitted to the CPA to get our 2014 taxes done," Vardis replied. "The validity is it came straight from the books he and [other staff] looked at."

"Nonetheless, Vardis said she has filed a 25-page formal complaint about the DSA operations to the North Texas State Soccer Association."

"Denton needs a soccer association that can be run with transparency — that's what it boils down to," she said.

"Stout said there is no vast conspiracy to how the DSA is run, in times of financial troubles or now."

"You had a group of people in 2012 to 2014 trying to do the best they could," Stout said. "And there was room for improvement, and those improvements have been made."

I believe the written documentstion is proof of some conspiracy.... DSA board brings back and PAYS individuals who were the only ones dealing with the "missing cash" to help run the association.....

HMMMM.....

NTSSA is hands off? Hmmmmmm..... Life-long friends..... Been in the "group for 20+ years"....

The average Joe would be in jail or in court already!