

Subject: DMS Board of Directors

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From: Timothy Halcomb <thalcomb@puretaxresolution.com>

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Dallas Makerspace board of directors:

I am writing today to share with you my thoughts and observations from things that have been happening at Dallas Makerspace (DMS) recently that have impacted Pure Tax Resolution directly. Specifically, I want to address recent actions of DMS's officers and some board members that call into question their commitment to proper cooperative governance. I will start with that I have been contacted by members, officers, board members (current and past), DMS staff, and my employee over the past month recounting dubious ethical behavior by many at DMS. I was told about misrepresentations and lies that were stated to manipulate DMS to take certain actions. Specifically, I am aware of statements that were made claiming the Pure Tax, or its employees, have endorsed action plans that it never had. These claims were used to move personal agendas forward by trying to validate personal positions with our support that did not exist. Further, I have been told about dubious board-member and officer actions that were directed at Pure Tax employees. Specifically, Pure Tax employees were told not to disclose financial information (e.g. DMS's expenses and commitments to expend DMS's money) with DMS's treasurer. By making these statements and taking these actions, DMS is prohibiting Pure Tax and its employees from doing what it had been contracted to do. All this must stop immediately!

Board members are entrusted to represent a cooperative's best interests. To determine what is in a cooperative's best interests, its board should engage in the free flow of information and ideas then consider different options and opinions at a board level. Only after that process, can an informed decision for the cooperative be rendered. Failing to do so shows that a board is not making informed, business decisions that are in a cooperative's best interest. And that is what I am seeing here.

Further, for a cooperative to be successful, its members must know what is happening. In the past weeks, I have been bombarded with separate contacts from DMS officers, board members,

and members about issues that were to be kept secret, issues that I was not to share with select people, or issues that Pure Tax employees were not able to share at all. This has put me and my employees in a very precarious position. Pure Tax Resolution represents Dallas Makerspace. It does not represent a board member, an officer, or a member. Consequently, my firm has been charged to do what is in the best interests of the cooperative and not what is in the best interest of one or a few people who are part of Dallas Makerspace. So for my firm to meet its commitments, this too must stop!

Last, we have seen, and documented, instances where misrepresentations and down-right lies have been stated about Pure Tax endorsing on plan or another. We have seen, and documents, instances where personal agendas are being moved forward – at membership expense – without regard to long-term viability where we have been asked to be complicit. Then we have seen, and documented, instances where there is no free flow of information, ideas are stifled, viable options are not considered, and opposing opinions are not heard by its board. We have seen, and documented, dubious decisions and actions taken by some board members and DMS's officers that are not in DMS's best interest. And we have seen many instances where members, officers, or board members have exceeded their authorities, as we know them, after claims were made the Pure Tax had approved these actions when Pure Tax had not. For Pure Tax to continue working with DMS, this must stop because it is wholly unacceptable!

For Pure Tax and DMS to move forward working together through a renewed services agreement, there must be immediate change. Clearly-stated, board-set policies must be determined and adopted by DMS's board. DMS's board, officers, and its members must all agree to and actually abide by its own policies. And these policies must be shared – in whole – with Pure Tax, so we know what DMS deems to be acceptable and not acceptable. If after reviewing DMS's policies – specifically ones that address authorities to expend money, the approval processes, and the checks and balances that will be in place – Pure Tax is not satisfied that it is being provided adequate guidance, our relationship will end immediately.

Should our relationship end, Kathy (Pure Tax's employee and DMS's on-site bookkeeper) will be recalled immediately, and we will begin an orderly exit. This will include drafting a closing report that will comprehensively document what happen and why this relationship had to end. It will be made available and shared with all, so Pure Tax can explain to DMS's membership that it was working in the cooperative's best interests despite its leadership's actions. Then I expect that DMS will take over all accounting and bookkeeping immediately.

Pure Tax will need an answer from DMS's board very soon. I expect to hear a response within the next week, so by February 28, 2019, I know where we stand. If no formal written answer is provided by then, our relationship will end. So put simply, I am seeking DMS's board to commit to what it expected of them: its existing fiduciary duties and proper cooperative governance. Then, if we are all in agreement, I will arrange for a new service agreement to be drafted that

memorializes all this. DMS's board will then consider it and approve it, as a whole, unanimously.

If this is coming as a surprise to some DMS board members, I am sorry. To be clear, I am not trying to ambush anyone because I am under the impression that the DMS board has been privy to all that goes on there. But finding out that there are these problems through this email further enforces what we have been observing.

I now await your response. The DMS board must provide me that response by February 28, 2019, 5:00 PM EST.

Regards,

Timothy C. Halcomb
President/CEO

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