

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

- - - - - x
:
HOMEOWNERS :
ASSOCIATION, : Docket Number: [REDACTED]
Plaintiff, :
:
vs. :
:
Un-Named Bank :
:
Defendant. :
:
- - - - - x Washington, D.C.

The above-entitled action came on for a hearing
before the Honorable [REDACTED], in
Courtroom Number [REDACTED]

APPEARANCES:

On Behalf of the Plaintiff:

[REDACTED] Esquire
Washington, D.C.

On Behalf of the Defendant:

[REDACTED] Esquire
Washington, D.C.

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P R O C E E D I N G S

THE DEPUTY CLERK: This is calling 2015 CA [REDACTED],
redacted HOA v. redacted bank .

If all parties could identify themselves, starting with
the plaintiff, and spell your first and last names for the
record.

: Good morning, Your Honor.
on behalf of the plaintiff. [REDACTED] is spelled -

[REDACTED]
THE COURT: Good morning.

MR.witness : [REDACTED] , [REDACTED] , -
[REDACTED]

THE COURT: Good morning, sir.

MS. E: Good morning, Your Honor. [REDACTED]
[REDACTED] . I'm counsel for redacted bank .

THE COURT: a?

MS. E: [REDACTED] . [REDACTED]
is [REDACTED] . [REDACTED] . And [REDACTED]
[REDACTED] is here from the bank. She stepped out for a
second. She'll be right back. Her first name is [REDACTED]
, last name [REDACTED] .

THE COURT: All right, do you have any problem
proceeding without her until she comes back?

MS. E: No, Your Honor, I do not.

THE COURT: Let's swear them in.

1 THE DEPUTY CLERK: Yes, I'll swear in [REDACTED] .
2 If you could please stand and raise your right hand?

3 (witness was sworn.)

4 THE COURT: All right. Let's see, Mr. [REDACTED] ,
5 why don't you tell us why you're here today?

6 MR. F : Sure. Your Honor, we're here
7 today because [REDACTED] Homeowner's Association has a
8 number of bank accounts with redacted bank and the bank
9 has inserted themselves into a dispute between the members
10 of the Association and they have -- they initially froze
11 the bank account back on October 17th for a period of ten
12 days and have now dishonored certain checks because there
13 were some members who made complaints to the bank. The
14 members who made the complaints to the bank did not follow
15 the proper procedures to notify an adverse claim. They
16 did not get a court order. They did not execute a bond
17 protecting the bank. And the bank was provided a letter
18 written by myself as the counsel to the [REDACTED]
19 Homeowners' Association explaining why those members were
20 not properly on the board and explaining who the members
21 were. The current board was elected using all the proper
22 procedures of the bylaws. They have presented all the
23 information to the bank that was requested to recognize
24 them as signatories on the accounts. So we are here today
25 to get a court order to require the bank to honor the

1 signatories that were elected to the board and allow the
2 checks to proceed as written.

3 THE COURT: Is there any proceeding with respect
4 to resolving the dispute with respect to who's the proper
5 board for the Homeowner's Association?

6 MR. F : Your Honor, there is not an action
7 involving them. It's my understanding from the statutes
8 that if they disputed the current board's ability to
9 access the bank account, it was on them to -- the burden
10 was upon them to bring a court action. They have not.
11 And so as far as the homeowner's association is concerned,
12 they are the only board -- the current board is the only
13 board and the only one who should have access to the
14 account.

15 THE COURT: But there's no lawsuit between the
16 board you represent and the other board?

17 MR. F : Not at this time, Your Honor.

18 THE COURT: Why don't I hear from Ms. [REDACTED] as
19 to what the bank's position is at this point?

20 MS. E: The bank's position, Your Honor, is
21 that there are two groups claiming to be the valid
22 authority for this homeowners' association. It's a non-
23 profit homeowners' association. And there is a pending
24 investigation with the Office of the Attorney General. And
25 they have representatives here today, sort of just know,

1 seeing what's going on. So the bank is in the position of
2 if we continue to honor checks by the authority of this
3 group that has sued us, then if it turns out that they're
4 not properly the board for the association, then the bank
5 could be liable if they continue to pay the checks. For a
6 period of time, they did put the account on hold and then
7 they started to just review the checks --

8 THE COURT: Well, when you say they, who --

9 MS. E: The bank put the account on hold
10 initially, because they had two different groups coming in
11 saying that they had the authority to run the association
12 and to manage the bank account. And I think it started
13 with a request that the signatory cards be changed and the
14 parties with the authorizations to sign off on the bank
15 account. So I think that -- until there's a resolution as
16 to who is proper, the bank took the step in defense of
17 this litigation to file for interpleader because we're
18 stuck in the middle. We don't have any interest in the
19 money, but if we continue to pay checks --

20 THE COURT: I thought you are defendant and
21 there's no interpleader?

22 MS. E: There is. And I cited the statute
23 in the pleading. You can do it either as plaintiff or you
24 can file it as a defense to an action like this.

25 THE COURT: I guess the only paper I saw was the

1 complaint.

2 MS. E: It's D.C. Code 287-603. Allows
3 interpleader as a defense.

4 THE COURT: All right.

5 MS. E: So what we filed was actually a
6 motion to dismiss as to the bank, because this really is a
7 dispute between the two boards and to authorize the funds
8 to be simply deposited into the court registry. I did
9 speak briefly with the representative from the OAG's
10 office, and there was a suggestion that makes sense that
11 if there could be some independent party -- an attorney or
12 someone appointed to manage this account, but the bank
13 can't continue to take directions from one board when
14 there's another group saying that they have the authority
15 to manage this association.

16 THE COURT: And is there someone from the Office
17 of the Attorney General here?

18 MR. R : Yes, Your Honor. My name is
19 [REDACTED], I'm with the Office of the Attorney
20 General.

21 THE COURT: Okay, I'm sorry?

22 MR. R : I'm sorry. My first name is
23 [REDACTED], [REDACTED]. My last name is R[REDACTED], R -
24 . And my colleague -- [REDACTED]

25 MR. D : And [REDACTED], [REDACTED]

1
2 THE COURT: All right, you can have a seat right
3 there. Why don't you tell me what the nature is of the
4 investigation and what -- whether the Attorney General's
5 office could take any action of a temporary nature to put
6 the account on hold or how the Attorney General's Office
7 is proceeding?

8 MR. R : Well, at this time, we have an
9 investigation under the Non-Profit Corporation Act. That
10 act gives the Attorney General the authority to seek court
11 relief, equitable relief when a non-profit corporation is
12 either acting contrary to its non-profit purposes or might
13 be exceeding its lawful authority. We have not reached a
14 conclusion as to whether the board that brought this
15 lawsuit is the properly constituted order or not -- that's
16 the subject of our investigation. We had suggested to
17 counsel for redacted bank that given that we are hanging
18 at the periphery with an open investigation, we would be
19 willing if there were a mediation -- for example, we would
20 be willing to focus on and try to accelerate our inquiry
21 to reach some conclusions and then perhaps participate in
22 a mediation if that, you know, were the route that the
23 Court took.

24 We don't have a mechanism in our office to take
25 control of funds. We really can only act by asking the

1 Court for relief. And at this point, we're not in a
2 position to make allegations as to which is the rightful
3 board or whether anyone did anything in excess of the
4 board's authority.

5 THE COURT: All right, well presumably the board
6 needs -- there's a need for money to be spent from time to
7 time.

8 MR. F : That's correct, Your Honor. And
9 for example, a check that was dishonored was sent to a
10 contractor or basically someone who cleans up the property
11 and maintains it. So when that check was not honored, you
12 know, it sort of put -- it makes it harder for the
13 association to do its business and it risks, you know,
14 causing damage or just general diskeep (sic) of the
15 association property.

16 MR. R : Your Honor, we're not actually --
17 I'm not sure as of the middle of last week, we were not
18 aware of any check written by the board being dishonored
19 by the bank. And that was important to us, because
20 obviously that would create a problem if checks were not
21 being honored. But it's our understanding and this is
22 second hand and it's our understanding, because we were in
23 touch with the bank to try to understand the situation and
24 how urgent it was -- that they were reviewing the checks
25 one by one, but they in fact had honored all of the

1 checks. So we're not sure -- and I understand just today
2 that there may have been checks at the end of last week --
3 there may have been a couple of checks that were not
4 honored. But we didn't hear about that until today. We
5 were not aware of that as of the middle of last week.

6 THE COURT: How would that affect your position
7 at this point?

8 MR. R : Well, I guess it would depend on
9 why they weren't honored, but you know, we were surprised
10 by the filing of this action, because it seemed like a
11 theoretical dispute, given that we were not aware of any
12 checks actually being dishonored.

13 THE COURT: Well, let me just ask you, what is
14 the reason the check was dishonored?

15 MS. E: So I think there were two -

16 MS. J : There were three checks -- I'm
17 sorry.

18 THE COURT: Why don't you have the witness sworn
19 in?

20 THE DEPUTY CLERK: Can you state your name,
21 please?

22 MS. J : [REDACTED] . [REDACTED] is . -
23 [REDACTED] . J [REDACTED] .

24 THE DEPUTY CLERK: Could you please stand?

25 (Ms. J [REDACTED] was sworn.)

1 THE COURT: All right, yes, you were going to
2 explain why the check to some contractor from the bank --
3 the redacted HOA Association board was
4 dishonored?

5 MS. J : I don't believe that's true. I'm
6 not sure if you have evidence of that. The research that
7 we've done in our retail end operations department
8 reflects that there were no checks returned up until the
9 end of last week. And I have a spread sheet that shows
10 that -- some of the cleared checks. We did take the steps
11 to review each check that was presented once we received
12 notice that there was a dispute -- a legitimate dispute
13 between competing factions within the HOA.

14 And after this action was filed, we still
15 continued to honor checks after reviewing the checks. The
16 only checks that we returned were written last week.
17 There were two checks -- there were two checks written to
18 the D.C. Treasurer -- one for 2009 taxes and one for 2010
19 taxes. And neither of those checks specified the square
20 lot number or provided any definitive information on the
21 checks and the bank contacted Mr. [REDACTED] . I personally
22 contacted Mr. [REDACTED] and the other side of the -- you
23 know, the competing faction as well as our counsel to
24 confirm with the initial two parties, to confirm whether
25 or not there was a feeling that these were legitimate

1 checks and why they were, you know, written for taxes that
2 were so old, if those taxes were indeed legitimate.
3 Neither one -- Mr. [REDACTED] never got back to me on that
4 question, and the other faction stated that they weren't
5 aware. And our counsel confirmed that it was within our
6 right to deny payment of those funds based on the statute
7 and since there was a legitimate dispute between the
8 parties.

9 The final check that was presented on Friday was
10 a check written to Mr. F and the bank definitely did
11 not want to honor that check now that we knew that there
12 was this legitimate dispute, because the other faction has
13 expressed their need for an attorney. And you know, we
14 just don't want to be in a position to have to make a
15 decision and a judgment call and since we're supported by
16 law to not pay checks until this dispute is resolved, then
17 counsel advised us to do so.

18 THE COURT: All right. Let's see, I haven't had
19 an opportunity to look at the papers in this case. Let me
20 ask counsel -- well, first, let me ask Mr. F , what
21 provisions are you relying on for your argument that it is
22 up to the opposition board members to file suit, and until
23 they do so, that the checks of your client are the ones
24 that should be honored?

25 MR. F : Yes, Your Honor, I believe that

1 first of all, the statute that defendant's counsel relies
2 on, 28-7603, I believe that's --

3 THE COURT: I'm sorry, 28 --

4 MR. [REDACTED] : 28-7603 is not relevant to this
5 case. It's a warehousing bailing issue. I believe that
6 26-803 regarding notice of adverse claim to deposit should
7 control here. And it requires that a party that claims
8 there's an adverse claimant to a bank account to either
9 procure a restraining order injunction or to execute
10 basically a bond on behalf of the bank. And the adverse
11 party has not done so.

12 Additionally, the Stevenson case upon which
13 defendant relied heavily upon spoke of a brief time period
14 of -- you know, that more than nine days would not have
15 been -- would have been unreasonable essentially in which
16 to freeze the account to allow the adverse party to file
17 suit to resolve it.

18 None of this sort of -- I believe the case law
19 and the statute makes it clear that the burden is upon
20 someone who's not on the account who claims they should
21 be, rather than the party that's actually on the account.
22 And we do have evidence of a check from December that was
23 marked as signature not missing, even though it had the
24 proper signatures on it -- signature missing -- as one of
25 the checks that was not honored by the bank.

1 THE COURT: All right. Yes, Ms. e?

2 MS. E: Yes, so Your Honor, basically there
3 was the other faction in the homeowners' association who
4 represented themselves to be, you know, the new board
5 members of the homeowners' association. And they came to
6 the branch with the executed resolution and all the
7 bylaws, et. cetera, requesting to be added as signatories
8 to the account. And this is our branch manager.

9 MS. J : So basically, what's happening is
10 the bank is in the position of micromanaging this because
11 the bank now is having to look at every check and it's not
12 their position or right to -- or they shouldn't have to
13 decide whether this check is good or this check is not
14 good for the benefit of the association.

15 The complaint concedes that there's a dispute.
16 I mean, it does not deny that there's a dispute as to who
17 has the proper authority. So I just don't think that the
18 bank should be put in a position of having to micromanage
19 this.

20 THE COURT: All right, I'll tell you what. I'll
21 take a half an hour recess in this case so I can look at
22 the papers that have been filed and check those two
23 statutes out. And then we'll continue.

24 (Recess)

25 THE DEPUTY CLERK: This is recalling 2015 CA [REDACTED]

1 , ██████████ Association v. ██████████
2 . And for the record, Your Honor, all parties are
3 still present.

4 THE COURT: All right, let's see, has there been
5 an interpleader action filed? I see a motion to dismiss.

6 MS. E: No, Your Honor, not yet.

7 THE COURT: That hasn't been filed? All right,
8 and what checks are at issue at this point? In terms of
9 what checks if any has the bank not honored based upon a
10 dispute with respect to who is authorized to sign the
11 checks?

12 MS. J : There were three checks, Your
13 Honor. Two were written to the D.C. Treasurer, but it
14 doesn't indicate a lot and square number. And it only
15 indicates it was for -- one says 2009 D.C. Taxes and one
16 says 2010 D. C. Taxes in the memo section. And the third
17 check was written to the --

18 THE COURT: So as to those checks, the basis is
19 not that there's a dispute as to who is authorized to sign
20 a check and withdraw funds -- the basis for the refusal to
21 honor it, is that it doesn't have a lot number on it?

22 MS. E: No, Your Honor, the underlying
23 dispute is the authorization, but the bank has been trying
24 to work with the association while this whole thing is
25 being sorted out. So some of the checks -- most of the

1 checks have been cleared based on them looking at the
2 checks and determining that it's an association expense.
3 The bank attempted to --

4 THE COURT: Excuse me. Who's them? So the bank
5 has been consulting both the plaintiffs who are here today
6 as well as the competing factions?

7 MS. E: The competing factions. And so
8 with these two checks, the competing faction could not
9 confirm that these checks were legitimate and as the
10 representative from the bank indicated, the bank attempted
11 to contact Mr. F to get confirmation and did not get
12 a response, so they did not honor those two checks.

13 THE COURT: So neither side has --

14 MS. E: Confirmed.

15 THE COURT: Confirmed those two checks?

16 MS. E: Right.

17 THE COURT: And who's the signatory on those
18 checks?

19 MS. E: R a H n and E n C r.

20 THE COURT: Is that your group or --

21 MR. F : Yes, Your Honor. R [REDACTED] n,
22 E [REDACTED] r and D [REDACTED] r went through all the
23 proper procedures with the bank to become signatories on
24 the account. And there's one additional check --

25 THE COURT: And those are to pay back taxes?

1 MR. F : Those were to -- I've gotten all
2 the information today. The Association had been paying
3 estimated quarterly taxes for a time period and they
4 finally were able to get an accountant in the fall to
5 rectify the numbers. And so there was a small discrepancy
6 between the quarterly taxes, the estimated and what was
7 actually owed. So back in October I believe the check was
8 written and the D.C. Government just finally tried to cash
9 it this month. So there wasn't a lot in square number
10 because I don't believe it was actually property taxes,
11 but it was the income.

12 MR. : Corporations are required to file
13 franchise taxes.

14 THE COURT: Pardon me?

15 MR. F : It was a franchise tax.

16 MR.witness : It was a franchise tax.

17 THE COURT: All right. Well, D.C. should be
18 able to confirm whether or not there is a franchise tax
19 that is still due on -- well, that seems -- why can't that
20 be settled in the sense with the bank willing to honor
21 those checks once D.C. has certified that in fact those
22 franchise taxes are still owing? Is that acceptable to
23 your side?

24 MR. F : Your Honor, the bank was -- the
25 account was first frozen back in mid-October. My reading

1 of D.C. law allows a brief window to freeze these.

2 THE COURT: Well, why don't you first answer my
3 question. Is there any harm to your side if those checks
4 are honored once D.C. confirms that there is money due?

5 MR. F : Your Honor, there's no harm -- I
6 mean, we want them to be honored, so I would be in favor
7 of that.

8 THE COURT: All right. And I think D.C. will --
9 maybe we can have D.C. agree that it will take no -- what
10 adverse action can D.C. take or not take based upon some
11 franchise -- small discrepancy in franchise taxes? I
12 mean, D.C. is not contemplating taking any action?

13 MR. R : Well, I mean, the fact that five
14 or six years have gone by since these taxes were owed
15 makes me conclude without knowing the facts -- I conclude
16 that there is no imminent risk of enforcement. I mean,
17 we'd certainly try to help in this situation by reaching
18 out to the Office of Tax and Revenue and confirming -- if
19 we can confirm that the tax is owed and it's proper to
20 have a franchise tax in this situation, we would be happy
21 to let the parties know so that the bank feels that it's
22 covered. I think they're just afraid -- Your Honor, we'd
23 be happy to help work with the parties.

24 THE COURT: Okay. And the last check was a
25 check to Mr. F ?

1 MS. E: To counsel for this group, Mr.

2 F .

3 THE COURT: Mr. F . All right, and what's
4 the amount of that check?

5 MS. E: \$1,668.

6 THE COURT: \$1,668? All right. Well, since --
7 I'm at odds in this case in a sense. It certainly seems
8 if there is a right dispute between the two competing
9 classes here as to who is the appropriate signatory, then
10 it certainly seems as if the bank should be able to
11 interplead and say here are the funds and those two sides
12 should fight it out. I guess what troubles me is so
13 far -- well, one, an interpleader action hasn't yet in
14 fact been filed. And secondly, the competing side
15 hasn't -- I gather it hasn't taken any action with respect
16 to notifying any action to comply with Title 26, Section
17 803 -- has it, with respect to the bank? Has it given
18 notice? It says notice shall not be effectual to cause
19 said bank or trust company to recognize said adverse
20 claimant unless said adverse claimant shall either procure
21 a restraining order -- and I take it that hasn't
22 happened -- or execute to such bank or trust company in
23 form of sureties acceptable to it or bond indemnifying
24 said bank or trust company from any and all liability,
25 loss or damage. I take it that hasn't been done either,

1 is that correct?

2 MS. E: That has not been done. Apparently
3 what they simply did was went through the -- tried to go
4 through an administrative process with the OAG's office.

5 MS. J : And I was told that the reason
6 that they haven't taken any legal action is because they
7 don't have the resources to pay for it because one side
8 has control over the funds and the other side doesn't have
9 control over the funds. So homeowner association fees are
10 being used to pay Mr. F [REDACTED]'s attorneys fees where the
11 competing faction doesn't have access to --

12 THE COURT: Well, I mean, as I say, the statute
13 provides how notice is to be handled and how it just seems
14 to me it just hasn't -- that the opposing side hasn't
15 ripened its claim and no interpleader action has formally
16 been filed. So at this juncture, I think what makes sense
17 is for D.C. to just confirm that there is that franchise
18 tax discrepancy and that once that confirmation is
19 achieved, then the bank will be under an obligation to
20 honor those two checks, and I think with respect to the
21 remaining check of counsel fees, the amount of \$1,668 to
22 Mr. F , I think that in view of the fact that an
23 interpleader action has not been filed and in view of the
24 fact that the competing homeowners' association group
25 hasn't complied with Title 26-803 in ripening its claim,

1 I'm going to order the bank to pay that -- to honor that
2 check.

3 MR. F : Your Honor, there's one other
4 check that they have not mentioned. Permission to
5 approach?

6 THE COURT: Well, why don't you --

7 MR. F : It's a -- there's an individual
8 named H [REDACTED] r who they have been paying since I
9 believe April -- monthly to help maintain the grounds.
10 And there was a check from December 4th that was signed by
11 R [REDACTED] n and E [REDACTED] r, two of the three
12 signatories, and it was returned as signature missing I
13 believe was the term. And this was from December 9th. So
14 I'm not sure why it's not showing up in their records.

15 MS. J : Who is it written to?

16 MR. F : It's written to H [REDACTED] r.

17 MS. J : We cleared that check. For how
18 much?

19 MR. F : It's for \$228.

20 MS. J : Yes, we have it here. Check No.
21 1 [REDACTED] 1?

22 MR. F : Yes.

23 THE COURT: Has that been honored or not?

24 MS. J : It's been honored. I mean my
25 records show it's been honored.

1 THE COURT: All right, so it seems as though
2 there should be no dispute as to that.

3 MS. E: So Your Honor, this is a difficult
4 situation I think both for the bank and the association
5 because where we're left now is either the bank files an
6 interpleader and the money gets put into the registry of
7 the Court, which we would do today, or the bank would
8 exercise its authority and simply close the account, which
9 they have the right to do, and then just make a check for
10 the full amount to the association. But you know, I don't
11 know where the City stands in that and whatever. But the
12 bank has an absolute right to disclose it so they're not
13 in the middle of this dispute.

14 THE COURT: Well, I think the bank can take what
15 action it wishes to do in that regard. Because I mean,
16 certainly the bank shouldn't be unnecessarily caught in
17 the middle of it. And there will have to be a lawsuit
18 which determines the merits of the claim of the two
19 competing groups for the home association funds and
20 hopefully D.C. will -- since this is no longer a
21 hypothetical dispute, D.C. will act promptly to see
22 whether or not it wants to take any action in favor of the
23 competing group.

24 All right, so I think my oral order is clear
25 enough. So at this point, except as otherwise stated by

1 me, the motion for a TRO is denied and the motion to
2 dismiss is also denied, denied without prejudice.

3 MS. E: Thank you, Your Honor.

4 THE COURT: All right, thank you all.

5 MS. J : So I'm sorry -- just so the bank
6 can be clear on the next step, we will be closing the
7 account today?

8 THE COURT: Well, but you first have to honor
9 the check to Mr. F .

10 MS. J : Yes, we'll honor those two
11 checks -- I'm sorry, that one check?

12 THE COURT: Well, actually, why don't you honor
13 all three checks?

14 MS. J : Well, the checks have already been
15 returned. They were returned last week.

16 MS. E: So they can be resubmitted.

17 THE COURT: All right.

18 MS. J : We'll retain funds sufficient to
19 carry --

20 THE COURT: They can resubmit them or keep
21 sufficient monies in the account to cover those checks.

22 MS. J : For those three, but the remaining
23 funds will be dispersed in the name of the homeowner's
24 association?

25 THE COURT: Well, you can take -- whatever is

1 closing the account -- you can take whatever action is --

2 MS. J : But we want to clarify to whom the
3 check should be mailed. Because we want to make sure,
4 again, that no party -- neither of the parties --

5 THE COURT: Well, I think maybe it would be
6 depositing the monies in the registry of the Court with an
7 interpleader action so that the two competing parties can
8 fight as to those --

9 MR. F : And there are three accounts for
10 the record, with . There's a reserve
11 account and then -- there's actually two accounts that
12 have reserve funds and the operating account.

13 MS. E: We will close all of the accounts.
14 But Your Honor, the bank would like to request that if we
15 close out the account, that the bank not have to incur
16 additional legal expense by drafting and filing an
17 interpleader action and then I don't know if we would
18 still have to be party to that action. Because this is
19 costing a significant amount of expense to the bank in
20 terms of administration. If we could make possibly --

21 THE COURT: Well, I'm not going to enter an
22 order excusing the bank from filing an interpleader
23 action.

24 MS. E: Okay, so are we going to allow to
25 close the account simultaneous with the filing of the

1 interpleader action?

2 THE COURT: Yes, I think that that would --

3 MS. J : I think that's the process and
4 then offer the money to the court registry.

5 THE COURT: Right, right.

6 MS. E: Okay.

7 THE COURT: All right, thank you all.

8 THE DEPUTY CLERK: Your Honor, are we closing
9 the case at this time?

10 THE COURT: Actually, did counsel want a status
11 hearing?

12 MR. F : Your Honor, can I say something
13 before? I think as part of it, that if -- they had plenty
14 of time to file an interpleader. I think that the funds,
15 if the account is closed, should be written to the
16 association as they are the owner of the account. The
17 proper board has opened an account with ,
18 so they would like to take those funds and deposit in that
19 account. And I think if the competing faction has
20 something they want to do, they can then file something
21 then. But I believe that would be the -- that should be
22 the procedure going forward.

23 THE COURT: Well, I think -- no, other than the
24 outstanding checks that we've discussed, I think an
25 interpleader action would be the way to go. Do counsel

1 want a status hearing later on this or no?

2 MS. E: I don't think it's necessary, Your
3 Honor. We will -- the bank will honor those checks and
4 then we have a scheduling conference.

5 THE COURT: All right, the complaint is
6 otherwise dismissed at this point.

7 MS. E: Thank you, Your Honor.

8 THE DEPUTY CLERK: So you're dismissing the
9 complaint for the PI?

10 THE COURT: What?

11 THE DEPUTY CLERK: You're dismissing the motion
12 for PI at this time?

13 THE COURT: Yes.

14 THE DEPUTY CLERK: Okay.

15 (Thereupon, the proceedings were concluded.)
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√ Digitally signed by P [REDACTED] o

ELECTRONIC CERTIFICATE

I, P [REDACTED] o, transcriber, do hereby
certify that I have transcribed the proceedings had and
the testimony adduced in the case of [REDACTED]
HOMEOWNERS ASSOCIATION V. [REDACTED] , Case No. 2015
CAB [REDACTED] in said Court, on the [REDACTED] day of [REDACTED] ,
2016.

I further certify that the foregoing 25 pages
constitute the official transcript of said proceedings as
transcribed from audio recording to the best of my
ability.

In witness whereof, I have hereto subscribed my
name, this [REDACTED] day of [REDACTED] , 2016.

Transcriber

[REDACTED]