

**From:** Warrick Smith

**To:** Glenn Kwok

**Cc:** Paula Beaton, Graham Smith, Catherine Byrne, Janet Steedman

**Date:** Thursday, 28 June 2012 1:03 p.m.

**Subject:** Bellvue Apartments - 9 Sarawia Street, Newmarket - Committee

Greetings Glenn . I write with some very real concerns regarding recent un-intended / un-invited developments with regards the duties and responsibilities of each of the committee members for this building.

Further, and more concerning is the confrontational tone that Christoph Paszyna has adopted in recent correspondence with the committee chairman, Graham Smith. ( I have provided you with copies of these under separate cover ).

These are somewhat disappointing and potentially damaging developments that I propose need to be nipped in the bud as matters of priority at the next committee meeting.

Firstly . the committee itself . I have been party to the committee in one form or another for the past 15 years or so. For most of those years the committee has been chaired under the very competent and capable stewardship of Graham Smith, who brings with him a formidable set of pertinent skills and experience well suited to the task. You and I both know that he has always contributed well beyond normal expectation for this voluntary role without any form of remuneration, and in fact has turned down offer of remuneration because he felt that a conflict of interest might be construed by some. ( unlike his predecessor )

For all of those years the committee has, under his guidance, piloted the common interests of all of the owners in an on-going direction of general building improvement, always mindful of the primary common goal of adding value, both capital and attracting better calibre tenants and consequential rent return wise. The general status of the building in the community has progressively improved as a direct result, and so every one of the owners wins, whether they be owner occupiers or investors.

The formula over all of those years of having the chairman delegate various tasks to other committee members ( given willingness on their part ), and to your personnel including the accountancy function, has worked very well indeed. The management of trust account monies with the Chairman retaining sole signatory of cheques authority, and BCA undertaking the accounting of same, all independently audited on an annual basis, has kept the whole thing simple, low cost, transparent, and very effective. There has never been any misappropriation of funds.

This all sounds very grand, however to put things in proper perspective, in reality we are discussing a modest annual budget of less than \$150,000 and an average of approximately a dozen transactions per month, including caretakers wages and IRD payments.

It seems that Christoph Paszyna, perhaps encouraged by some due praise for tidying up a few minor irregularities in the accounts, ( which most likely would have been sorted out in the wash anyway ) has taken it upon himself to unilaterally assume a role of committee treasurer, and has indeed proposed on one recent occasion that this arrangement be formally adopted !

Whilst his contribution should not be un-appreciated, it does need to be put into perspective as being helpful, along with all of the other tasks that the various committee members undertake from time to time.

The notion of formally adopting a Treasurer role for this regime is a nonsense and should be quelled immediately.

( Perhaps Allan Bollard could be persuaded to compete for the position . I believe he'll be unemployed soon !! )

The proposal that Christoph should have any level of access to online banking, to suit some proprietary accounting software that he has access to is also nonsense and is certainly not warranted. I'm sure a pencil and a rubber would suffice !

( \$150,000 per annum .. 12 or so transactions per month )

Further, I am somewhat surprised that BCA have to date tolerated his audacious overstepping/overstating his status in his on-going harassment of your personnel relative to petty accountancy details and lambasting your adopted systems.

He clearly has no mandate to do so. I can only assume that good old fashioned diplomacy is driving your tolerance in this regard. I respectfully suggest that in this instance, any such diplomacy should be given a rest and that BCA re-stamp their authority here.

We have for many years enjoyed an amicable professional relationship with BCA, and have appreciated that your package and performance of services has suited our requirements admirably .. that the formula we have jointly structured over time fits very comfortably with our objectives. I for one do not see any value in changing the status quo.

Secondly .. Recent correspondence .. Obviously not appreciative of Graham Smiths generous contribution in so many ways over the years, Christoph has recently had the audacity to directly attack Grahams integrity, and inferring that Graham may have an agenda contrary to that of the body that the committee represents. ( see his correspondence under separate cover )

Further, he also infers that one of your previous staffers has included deliberate misrepresentations in our accounts, and that he may have lost his employment as a result of like activity !

These disrespectful challenges are simply not acceptable behaviour, and certainly not founded on anything that represents fact.

This entire set of unfortunate circumstances is outrageous and I feel needs to be set at the top of the agenda for the next committee meeting, with a view to the committee re-stating, re-affirming the previous, perfectly adequate regime . that is, BCA being responsible for all accounting duties ( questionable by the committee, via the chairman ) ..and for just the one Chief ( Chairman ) leading the team of Indians ( committee members )

I propose that there should be no direct day to day interaction between committee members and BCA other than that initiated by BCA, excepting the Chairman of course.

There should also be a unanimous commitment to re-establish the previous relaxed and harmonious culture that has worked so well for all of these years.

It may be prudent at this time to remind all committee members that BCA annual fees are discounted considerably as consideration for the money management and disbursement duties that Graham Smith contributes.

Glenn . I propose that the committee re-affirms its primary task of focusing on the bigger picture ( as a board of directors would ) relative to the on-going improvement of the building at 9 Sarawia Street, for the betterment ultimately of all owners.

Meantime, I feel it would be best if all communication directly between Christoph Paszyna and BCA was ceased.

I have copied this note to all members of the committee that I have email addresses for (which exclude Len Nola and Anna Curtis) including Christoph Paszyna and Graham Smith

Warrick Smith

As co-owner and committee member