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September 2, 2009

Sent Via Fax and U.S. Mail

DeAnna Rowe
Executive Director
Arizona State Board for Charter Schools
1700 West Washington Street, Room 164
Phoenix, Arizona 85007

Re: August 27, 2009 Notice of Board Meeting to Consider Imposition of Civil
Penalty under A.R.S. §§ 15-183(C)(4) and 15-512

Dear Ms. Rowe:

We have been retained to represent Espiritu Community Development Corporation ("Espiritu") in the above-referenced matter, which concerns the fingerprint clearance card for Ms. Dawn Michelle Dillon.

Ms. Dillon is not, and has never been, an employee of Espiritu. Rather, Ms. Dillon is or was an employee of Creative Therapy LLC (Creative Therapy) and Creative Therapy had assigned her to work at Espiritu. On the date of the Board's inspection, August 17, 2009, Creative Therapy was a contractor of Espiritu. August 17, 2009 was the first day of school at Espiritu and Ms. Dillon's first (and last) day on Espiritu's campus. At all times while she was working with students on Espiritu's campus, Ms. Dillon was supervised by a special education director and at least one other adult, both of whom had valid Arizona fingerprint clearance cards.

Espiritu fully cooperated with Board staff during the August 17, 2009 inspection. Upon realizing that Creative Therapy had not provided a valid Arizona fingerprint clearance card for Ms. Dillon, Espiritu notified Ms. Dillon that she was not allowed on campus until she produced a valid card and Ms. Dillon departed the Espiritu campus. Espiritu then immediately contacted Creative Therapy to obtain Ms. Dillon's fingerprint card. Creative Therapy did not immediately respond to Espiritu's request, but eventually produced Ms. Dillon's application for a fingerprint clearance card, which Espiritu provided to Board staff on August 18, 2009. On or about August 19, 2009, Espiritu learned that Ms. Dillon's fingerprint clearance card application had been denied on July 23, 2009.

Pursuant to Creative Therapy's contract with Espiritu, enclosed herewith, Creative Therapy was obligated to obtain valid Arizona fingerprint clearance cards for all of its employees before commencement of services. Upon learning that Creative Therapy had not obtained a valid Arizona fingerprint clearance card for Ms. Dillon in violation of the contract, Espiritu cancelled its contract with Creative Therapy. A copy of the cancellation letter is enclosed herewith.

In your August 27, 2009 letter, you asked Espiritu to provide the following information by September 2, 2009: (1) the current status of Ms. Dillon's fingerprint clearance card if it differed from the statements in your letter; (2) documentation showing that Espiritu complied with all of the "emergency hire" requirements in A.R.S. § 15-183(C)(4) for Ms. Dillon; and (3) the steps taken by Espiritu to ensure compliance with A.R.S. § 15-183(C)(4) for its contracted service providers. We respond to your inquiry as follows:

1. The current status of Ms. Dillon's fingerprint clearance card is unknown to Espiritu. Ms. Dillon is not, and never has been, an employee of Espiritu, and Ms. Dillon does not provide services at Espiritu.

2. The "emergency hire" requirements in A.R.S. § 15-183(C)(4) do not apply to Espiritu with respect to Ms. Dillon because Espiritu never hired Ms. Dillon. *See* A.R.S. § 15-183(C)(4) ("Charter schools may hire personnel that have not yet received a fingerprint clearance card if proof is provided of the submission of an application to the department of public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant" takes the actions set forth in the statute.) Nevertheless, Ms. Dillon did submit a fingerprint clearance card application on or about July 19, 2009, as noted in your letter, and Ms. Dillon was supervised at all times during her one day working with students at Espiritu's campus.

3. Espiritu takes all reasonable steps to ensure compliance with Arizona law. Espiritu requires its contractors to provide valid Arizona fingerprint clearance cards for all of the contractor's employees who are subject to the fingerprint requirements in A.R.S. § 15-183 or 15-512. If a contractor does not comply with that obligation, Espiritu will terminate the contract.

As Ms. Dillon's employer, it was the obligation of Creative Therapy to obtain any required Arizona fingerprint clearance card for Ms. Dillon. Espiritu reasonably relied upon Creative Therapy to fulfill its contractual and legal obligations. Upon learning that Creative Therapy had not provided Espiritu with a valid fingerprint clearance card for Ms. Dillon, Espiritu immediately required Ms. Dillon to depart the premises. After Espiritu learned that Creative Therapy had not obtained a valid fingerprint clearance card for Ms. Dillon, and that her application had been denied, Espiritu promptly terminated its contract with Creative Therapy.

Shelley D. Cutts
Letter to DeAnna Rowe
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In light of the foregoing, we ask that the agenda item for the September 14, 2009 Board meeting related to Espiritu be removed, and that the Board take no action against Espiritu pursuant to A.R.S. § 15-183(I).

If you have any questions or if I may be of further assistance, please feel free to contact me.

Respectfully,

CALDERÓN LAW OFFICES



Shelley D. Cutts
Senior Associate

cc: Ernest Calderón, Esq.
Armando Ruiz, Espiritu Community Development Corporation
Marlene Sharp, Espiritu Community Development Corporation

Enclosures

MT ESPIRITU CHARTER SCHOOLS

4813 South Central Ave.

Phoenix, AZ 85040

RELATED SERVICES AGREEMENT

September 1, 2009 to May 31, 2010

Creative Therapy LLC, agrees to provide special educational services, speech language therapy-consult, educational psychological evaluations, para-professionals, and occupational therapy for students of Mt. Espiritu Charter Schools as follows:

Creative Therapy LLC will provide special educational services, speech language therapy-consults, educational psychological evaluations, para-professionals, and occupational therapy and, will do all things necessary for or incidental to the performance of work, as set forth below:

Special education and speech therapy services may include: child find, evaluations, IEP meeting participation, direct services for educationally-based needs therapy, and consultation to teachers and parents.

Special Education Services
Speech Language Therapy/Consults
Occupational Therapy

Rate: \$52.50/hr

Educational Psychological evaluations

Rate: \$400.00/evaluation

Para-Professionals

Rate: \$35:00/hr

The MET will determine the services and frequency of services to be provided. The contractor will follow the policy and procedures at Mt. Espiritu Charter Schools.

The contractor will be compensated through Creative Therapy LLC. Services may not commence until contractor provides Mt. Espiritu Charter Schools with current Arizona fingerprint clearance cards for all therapists, and special educator a copy of licenses and proof of professional liability insurance.

Contractor shall invoice Mt. Espiritu Charter Schools monthly and Mt. Espiritu Charter Schools agrees to pay contractor within 10 days of receipt of invoice. Should the sum of all services provided, at some point before the May 31, 2010, reach or exceed the amount of \$75, 000, Mt. Espiritu Charter Schools reserves the right to renegotiate or terminate this agreement.

Armando Ruiz DATE
DATE

Espiritu Charter Schools
602-243-7788

Creative Therapy LLC

602-547-6996
9908 E Calvary Dr
Phoenix, AZ 85262
cre8ivetherapy@yahoo.com



ESPIRITU

Community Development Corporation

"Using faith-based principles we develop ethical, virtuous, and loving leaders, who develop new leaders, that build spirit in families then communities."

ESPIRITU

COMMUNITY DEVELOPMENT CORPORATION

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PROGRAMS:

National Football
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Education Town
College Preparatory
Academy

AIM Higher
International
Leadership
Academy

Esperanza
Academy

Reyes Mariz Ruiz
Academy

Los Milagros
Academy

International Montessori
Training Center

Creative Therapy LLC
9908 E. Calvary Dr.
Phoenix AZ Creative Therapy LLC

August 28, 2009

Dear Norma Anderson:

Yesterday our organization received the attached fax letter from the State Charter Board. It states that one of the employees of your company was denied fingerprint clearance by the Arizona Department of Public Safety. Your contract with us states that:

"Services may not commence until contractor provides MT-Espiritu Charter Schools with current Arizona fingerprint clearance cards for all therapists and special educators a copy of licenses and proof of professional liability insurance".

Because you have violated the terms of our contract, our organization is now required to appear before the State Charter School Board to show cause for why we should not be fined or sanctioned. Therefore our Board of Directors has decided to cancel our current contract with Creative Therapy LLC, immediately, and we hereby cancel the related services agreement scheduled to commence on September 1, 2009.

Respectfully,

Armando Ruiz
Temporary Managing Board Director
ESPIRITU CDC

cc: AZ State Charter School Board

4813 South Central Avenue
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