



Verde Valley Montessori School

A Center for Creative Education
P.O. Box 2678, Cottonwood, AZ 86326

Located at 215 South Main Street
928-634-3288 ~ fax 928-634-9781

Maryann Green - Director
www.verdevalleymontessori.org

From: Maryann Green
Executive Director

To: Arizona State Board for Charter Schools

Re: Verde Valley Montessori School

I am requesting to be placed on the Board's agenda for its November meeting for the following reason and purpose.

- Verde Valley Montessori was unable to complete its annual audit due to interference by a second entity providing financial operations and oversight.
- I, Maryann Green (owner/operator Verde Valley Montessori), am asking the Arizona State Board for Charter Schools to consider the tardiness of the school's annual financial report and completed audit report submission to be an isolated incident unworthy of punitive action and negative grading.

The Charter Management Group (TCMG) began its participation with Verde Valley Montessori School on February 1, 2018 and exited the situation in August/2018.

I ended the association with TCMG due to questionable practices and financial dealings. Center for Creative Education/Verde Valley Montessori is no longer affiliated with TCMG.

Verde Valley Montessori has normally retained the services of Dallas Siler of Dobridge and Company PC to conduct its annual audit in June/July. TCMG desired to retain a different auditor and complete the 2017-18 Audit in September.

After I terminated the arrangement with TCMG in August, I sought counsel from my attorney. TCMG initiated correspondence to my attorney questioning my intent to allow and participate in the previously-scheduled September audit. I informed my attorney that I would not block the Audit, as it was scheduled, due to the need for its timely completion and submission. Through counsel, I requested TCMG give me a list of items that would be needed and notify us when they were arriving.

I also asked Dallas Siler to review the completed audit to insure it's accuracy. He agreed.

Subsequently, TCMG requested no audit-related items. They, nor their auditor(s) arrived for the audit they had planned. Subsequently, TCMG did send a letter to my legal counsel telling me how much the school owed them for planning, executing and completing the audit.

To date, no evidence of a completed audit has been received.

The historical financial data was requested from TCMG as their incompleteness of Verde Valley's audit produced a need for the pertinent financial data. After multiple attempts to attain this school data, it was finally received this last week on October 25, 2018.

Verde Valley Montessori has once more retained the services of Dallas Siler at Dobridge and Company, P.C. to complete its audit. Mr. Siler is currently executing the audit.

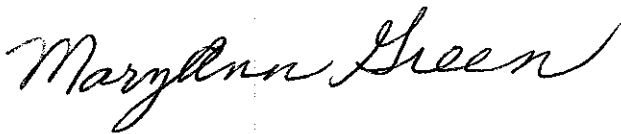
There is other detail needed, such as payroll and other items. Verde Valley Montessori School continues to remedy this situation and will see it through to its previous normalcy.

Center for Creative Education/Verde Valley Montessori continues its operations without interruption. Due to the secretive and partial implementation of TCMG, Verde Valley financial operations were briefly disrupted. This is no longer the case.

There are two primary considerations. One is the completion and submission of an Annual Financial Report (AFR) which was due October 15. The second is the completion of an annual, independent audit. Both are being addressed as expeditiously as possible. The school's financial data being held until after the October 15 deadline helped to prevent a timely submission.

In light of Verde Valley Montessori's active and positive historical participation with the State, I ask the Arizona State Board for Charter Schools to grant the school an extension of time for submission of its AFR and Audit Report. Compliance with regulatory oversight entities has never been an issue for VV Montessori. With the exception of present circumstances stemming from the illegitimate participation of a third party (TCMG), VV Montessori has maintained a timely and positive submission history. Punitive action of any kind is unwarranted and unneeded.

Thank you for your consideration and guidance.



Maryann Green

Executive Director

Center for Creative Education/Verde Valley Montessori



October 30, 2018

Arizona State Board for Charter Schools
P.O. Box 18328
Phoenix, AZ 85005

Re: A Center for Creative Education/Verde Valley Montessori School

To Whom It May Concern:

This office represents A Center for Creative Education/Verde Valley Montessori School with regard to various transactions with The Charter Management Group, LLC.

On behalf of my client, I have made multiple requests, spanning multiple months, for school information that was necessary for timely completion of the Annual Financial Report and the audit of the school records. Of the requested items, we have only received a copy of the Quickbooks backup file, which was tardily disclosed just last week.

Do not hesitate to contact me with any questions or comments.

Thank you.

Sincerely,

THE LEDBETTER LAW FIRM, P.L.C.



Tosca Henry, Esq.

TGH/clk

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Timeline of the relationship between The Charter Management Group and Center for Creative Education

Center for Creative Education (CCE)
dba Verde Valley Montessori (VVM)

The Charter Management Group (TCMG)

Submitted by MaryAnn Green, Director
Verde Valley Montessori

January 26, 2018, Purchase Agreement signed.

Seller: Greenhill Expansion LLC

Greenhill owns the property that the school leases. This is my LLC

Buyer: The Charter Management Group

February 1, 2018

The Charter Management Group begins leasing the Verde Valley Montessori school and taking over the accounts payable with myself, MaryAnn Green, acting as principal. This was to continue until purchase of property. Closing date was set for some time in April 2018.

TCMG was unable to acquire funding by the April so the closing date was extended.

Other closing dates that did not transpire were June 15, July 15 and July 30 2018.

The Purchase Agreement stated that an extra 10 thousand dollars be placed in escrow by TCMG due to a delay in closing.

I was told by Bil Zeleny that the extra escrow money had been given to the Yavapai Title Company in July. The Title Company did verify that TCMG had given them the escrow money.

June 21, 2018 a New Purchase Agreement was drafted as the original document was outdated.

In this updated agreement the Seller was listed as Greenhill Expansion LLC, however the Buyer was now listed as The Center for Creative Education not TCMG.

August 1, TCMG closed on a sale of the old Accelerated Learning building, down the street from VVM.

TCMG wanted to place VVM 4-7th graders in that building immediately upon purchase. I would not allow that to happen as the building did not meet code and I had some serious concerns that the building had mold in it. There were two of us who questioned one of the owners and he responded with "a mold test had been done and no mold was found.

We discovered later that there had been No mold test conducted.

I started to become aware that TCMG was using funds from VVM to make repairs to their newly purchased building.

August 21, 2018 a closing at the Yavapai Title Company was to have taken place with MaryAnn Green for Greenhill Expansion LLC and Bil Zeleny of The Charter Management Group. The new document with the current dates was to be signed.

I would not sign the papers since the buyer was listed as The Center For Creative Education with Bil Zeleny as the Business Officer. I was told by Bil that the agreement would be changed to reflect the buyer as TCMG.

August 24, Doug Pike came to school with the new updated agreement. I refused to sign as it listed the Buyer as The Center for Creative Education and Doug Pike as the President.

August 24, I started checking the school bank statement and discovered that there was much less in the account than expected and a few odd looking withdraws and checks.

Checks written from the CCE (VVM) account and not authorized by the school:

The first 2 odd checks were: 1. To the TCMG attorneys, Osborn Maledon, for drawing up the papers to lease and buy the school property. The invoice was for paperwork and meetings taking place from November 2017-January of 2018, however, the invoice was not paid until June 2018 from the Center for Creative account.

2. The payment to Yavapai Title Company for the additional escrow money required for TCMG to make purchase of the Greenhill Expansion property.

* checks to TCMG

* Canyon Community Bank. This is the bank that TCMG was acquiring the loan to buy Greenhill Property.

* Professional Property Services for improvements to TCMG new building 2 checks

* Charity/community org (this was notation from the bank)

* Wayne Ziller, inspector for TCMG closing of new TCMG building

* Payment of \$500.00 each pay period to one of Bil's children, starting in February of 2018.

I have since found out that the large cash (a cashier's check) withdrawal of \$62,559.67 made on Friday August 3rd, is what TCMG used for the deposit on the school building TCMG purchased across the street from us.