

Rec'd 8/13/2013

Dear Matt Vanover and/or Amanda Simhauer:

This is a FOIA Request for the following:

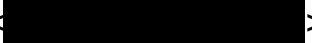
1) Any and all responses from SEA to IPCRB/ISBE with respect to my blowing the whistle (Lauren Russell and/or Paul N.) in August 2012 regarding SEA's co-founders' billing practices. (Please see forwarded email. SEA's co-founders were billing for direct service work as Program Supervisors even though they were not present at the school.) Hence, I'm looking for documents where SEA admits that the Program Supervisor expenses are (or aren't if SEA again reversed its position) non-reimbursable.

Respectfully submitted,

Michael J. Novak



Begin forwarded message:

From: Jonathan Lotsoff <jdlotsoff@comcast.net>
Subject: Re: Compliance and Complaint Reporting
Date: August 23, 2012 2:51:11 PM CDT
To: MICHAEL NOVAK <>
Cc: sea_dbaldassano@ymail.com, David Blasi <dblasiksu@gmail.com>, Linda Cervenka <linda@cervenka.org>, "jerrysapp@comcast.net Sapp" <jerrysapp@comcast.net>, Deanna Tyrpak <ddtyrpak@gmail.com>

Mike:

The other board members have reviewed your email below and provide this brief response. Your allegations of retaliation are entirely baseless and not asserted in good faith. Ever since the school declined to meet your unreasonable compensation demands and instead elected to pursue the transition that you yourself proposed, you have resisted that transition and lashed out with ever-increasing vitriol at your colleagues and others. Numerous statements that you made in your emails and actions that you took -- or refused to take, such as the Quickbooks master account transfer -- make this plain. We need not detail here all the examples, or our disagreement with your most recent assertions below. Suffice it to say once again that all of the other board members understandably have lost confidence in your judgment, objectivity, and

willingness to serve with your colleagues in a productive manner to help the school move forward.

The resulting situation that you find yourself in now has nothing to do with supposed “retaliation” for your questions about the founders’ billing practices. Soaring Eagle Academy takes its obligations seriously, including compliance with Illinois State Board of Education (“ISBE”) and Illinois Purchased Care Review Board (“IPCRB”) requirements. You asked us to investigate, and we did so in good faith. While we found no basis to support a conclusion that there was any impropriety such as billing of hours not worked, we respect, and have respected, your right to raise those concerns.

Regarding your position about Program Supervisor expenses being non-reimbursable (which is a reversal from how you allocated them for the school), we again take such matters seriously, and have assured the ISBE and the IPCRB of Soaring Eagle Academy’s full cooperation as they review these issues. We also had tried to meet with you to discuss your views and rationale on allocation issues because they appeared to be inconsistent with IPCRB regulations and the CFR instructions. But you refused, unless the school offered you a “guaranteed” 4- to 6-year contract for \$1,000 per month plus an annual social security cost of living adjustment. As you put it in your August 14, 2012 email, “NO CONTRACT MEANS NO MORE FREE WORK.” That is your prerogative, and we again respect your right to form your own opinion and raise these issues, even if we disagree with your conclusion.

We understand that no amount of explanation will ever convince you of these matters, because you don’t want to listen to reason. All of the other board members have been polled, and none is recalling their call for a vote on your removal as a director, nor does any such board member believe that a recall would be in the best interests of the school. Any such action, if taken by the board on September 5th, would be entirely legitimate and within the rights of the board and the school. We intend to vigorously and lawfully defend against any assertions by you to the contrary.

Jonathan

From: MICHAEL NOVAK [mailto:]
Sent: Tuesday, August 21, 2012 12:51 AM
To: Lotsoff, Jonathan D.; david blasi
Cc: Brooke R. Whitted
Subject: Compliance and Complaint Reporting

Jonathan, David:

As you know, I approached both of you two weeks ago today regarding two of the founders' billing practices. As I explained, I came to you two because I suspected Deanna was involved after she didn't answer my email about how Linda can bill for more direct hours per week than

was possible, as well as Deanna's very close relationship with each of the two founders. I also came to you two because you're both attorneys - officers of the court. I warned you two the founders' billing practices would cause SEA to lose well over \$100K. You both thanked me but 24 hours later Jerry demanded I turn over the accounting to the "new" accountant (HensleyCPAs), effective immediately, and that all communications would be directed to the accountant through him and Deanna. I reminded Jerry that I had actually agreed to take care of the books (pro bono) through the end of the month and fiscal year, which made a great deal of sense. However, I was willing to turn over the books to the accountants right away but insisted, as Treasurer, I had every right to direct access to the accountant. Jerry, however, clearly disrespected my authority as Treasurer and chose to impede. To make matters worse, no other board member said anything, which is tantamount to them condoning Jerry's inappropriate demands. In any event, pursuant to both the employee handbook I'm supposed to be protected from retaliation after informing you two of the billing irregularities. I then asked Jonathan what was going on? Jonathan's email reply said, nothing is going on. I then emailed back telling Jonathan I didn't believe him. Shortly thereafter I sent an email to the full board.

Pursuant to the contractor handbook, both Linda and Michele and perhaps Deanna, must reimburse SEA for losses and damages and/or referred for criminal prosecution. Deanna, Linda, Jonathan and I were all in Springfield on October 5, 2010, where the IPCRB spoke **at length** about what's reimbursable as program expense and what's not. We also responded to IPCRB inquiries on this topic both immediately prior to and after this IPCRB meeting. And part of the evidence I shared with you two was a June 2012 email, asking Deanna to carefully check each budgeted program personnel position to ensure that they are reimbursable pursuant to the description I provided as well as the attachment. Deanna's email reply said they were all reimbursable. Also at our meeting two weeks ago, I told you two I was skeptical that the program supervisor positions were or would be reimbursable, especially if we had a Program Director or if the Program Supervisors worked offsite. And I recommended a board member other than Deanna or Linda follow up with ISBE regarding the two Program Supervisor positions.

Then everyone on the board called for my removal as director. This clearly smacks of retaliation, especially when you consider the treatment I received since our meeting two weeks ago. At the very least, everyone should recall their call for my removal as director.

Because I greatly disagreed with the way you two, Jerry and/or Deanna went about in outsourcing my work, I did not want to continue as Treasurer after the upcoming election. This is because I knew, in addition to my employee duties, I would still be doing considerably more pro bono work than any other officer or director. Consequently, I thought it would be best to have Betty or Jerry act as Treasurer so they can also tell you the whole new arrangement is seriously flawed. In fact, I recently gave Deanna a breakdown of hours I worked during the past year. As you'll see, Betty and the new accountant will only absorb roughly 35% of the work I did during the past fiscal year. The other 65% will need to be absorbed by both the Executive Director and the new Treasurer, which, frankly, I don't see happening. Anyway, if I was still Treasurer 3 months from now and I still complained about the vast amount of work, nobody would believe me.

Please have everyone recall their call for my removal as director because SEA should also prohibit any director or officer from retaliating or taking adverse action of any kind against anyone for raising or helping to resolve a conduct concern.

Respectfully submitted,

Mike

Michael J. Novak CPA, CMA, CFA
Treasurer
Soaring Eagle Academy, Inc.
8320 S. Madison St.
Burr Ridge, IL 60527

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