

For Immediate Release

01/14/2023

Open Letter to the Taxpayers of Denton County (and real estate taxpayers throughout Texas)

Before your ire is raised, I want to wish you and your Family, Happy and Healthy New Year! An espresso might come in handy right about now.....

Denton Central Appraisal District is Lawless! Ignoring a multitude of laws, then covering up their actions, using taxpayer's money, is a direct correlation to Ponzi schemes. Theft at any level and any value is nondiscriminatory. Theft of your money and my money is illegal and unforgiveable. Theft of billions is criminal. Regardless of residential or commercial property ownership, this Open Letter is lengthy but just like an onion having many layers, the more you peel, the more the tears, and so typifies the layers of how the money is being stolen, the associated problems and the necessary solutions as outlined below.

DCAD posts signs in the building for a "gun free zone". Leaving aside DCAD's ignorance of reality and Texas Law, wherein the reality is that the only way to stop a bad guy with a gun, is a good guy with a gun, why does DCAD need newly installed bullet proof glass if they are not breaking the law and causing over 107,000 protests per year? In psychology there is a term called transference. The criminals running the asylum (DCAD) know full well they are breaking the law and as such transferring their "we-may-get-caught" feelings upon the public of which the symbol is the new bullet proof glass. No employee should have to go to work every day in a bullet proof fishbowl, wondering if something bad is going to happen because of the actions of their employer. It is not DCAD that needs protection from the public, it is the Real Estate Taxpayers that need protection from DCAD.

Many of the people who are receiving this email, being Governor Abbott, Senators, Politicians, Multiple City Councils, Commercial Property Owners, Residential Owners, Property Managers, Appraisers, Entities / School Districts, Authorities, SEC, FBI, DA, and Press, are being notified and kept up to date concerning the fraud being perpetrated by Denton Central Appraisal District (DCAD) on the real estate taxpayers in Denton County, a problem that may also be occurring in other counties throughout Texas.

As you will see below, and with evidence located at www.mockingbirdproperties.com/DCAD (website), DCAD has engaged in a criminal conspiracy to defraud Real Estate Taxpayers. The Evidence of what was done, how and by whom, is irrefutable. I would be the first person to apologize if we were wrong on any aspect of our information, but not one person who has reviewed the information as it has been developed since 2016, including DCAD, can offer a single legitimate defense for DCAD's actions.

By way of an outline of the issues, please refer to Jeremy Bagott's article on the website, titled "Tax Agency Accused of Cover-Ups, Nepotism, Fabricating Thousands of Values". Mr. Bagott, who is an MAI and AI-GBS, without getting into the math or extreme details, explains in layman's terms what is taking place at DCAD. There is also a more recent article written by Kim Roberts of The Texan News also on the website. There are also several articles from the Dallas Morning News.

We recently reviewed several key documents with the District Attorney which are available on the website including:

1. **DCAD Violations in Appraisal Licensing & Property Tax Code** – Violations Log – 34 pages
2. **Potential Damages Model** - for all Denton County Real Estate Taxpayers, based on the evidence herein, approximately **\$822,894,000**, conservatively
3. **Protests of 140 Commercial Shopping Centers**, with values reviewed
4. 2022 DCAD Income Calculation Worksheet Reviewed – **Exhibit L showing how the fraud is perpetrated**
5. DCAD's Income Calculation Worksheets - 2016-2022

DCAD has been told and shown, year after year (see documents posted to website), that they are violating appraisal standards, and thus, breaking the law, and in August and September, there were at least 3 more attempts to communicate this to DCAD:

- A. With Vexler's DCAD Board Meeting Presentation on 9/13/22 (see website)
- B. With the Open Letter to Property Owners from Mitchell Vexler that was read into record in 9/1/22 ARB Hearing (see website)
- C. With the email sent on 8/16/22 to Hope McClure (Chief Appraiser at that time) in attempt to move resolution forward; yet the CA reneged on her statement "I will do what is necessary to make this right" (see website)

For speed of reference, all the above documents appear at the top of the website within "Case Information" page. There are dozens of additional evidence documents, reports, depositions, and news articles which track with what is outlined above and below.

This case is not about a disgruntled property owner and a single property value. This case, which occurred over several years and created 100% by DCAD ignoring the laws that govern their existence, has resulted in thousands of hours of forensic research by my Company, all of which is available on the website. This case affects every real estate taxpayer, as the evidence shows that DCAD is literally making up the Initial Property Values with no basis in fact or law, and as a result, their data throughout their system is dirty and the waterfall effect ends with the stripping of Constitutional rights and criminal behavior. In an effort to stop DCAD's practice of sweeping the fraud under the carpet, using taxpayer's money, it is crucial that the Public is made aware of what DCAD is doing to put a stop to these illegal actions, or they will continue. Settling the value is independent of settling the fraud that created the illegal value and settling the value does not stop DCAD from continuing the fraud. To this point, I am putting forth the knowledge we have gained through extensive analytical research, to those of you who can push it forward to your constituents, State Representatives, readers, friends, family, business associates, associations,

subscribers, Press, and anybody who has an interest, as well as bringing this to the attention of the Authorities.

In addition to all the evidence on the Mockingbird website, including DCAD's admitted destroying of evidence, losing, and destroying recordings, creating erroneous property class codes, we recently received and posted evidence from a DCAD fraud case filed with TDLR. The case reference filing for this evidence is PTP2022-5537. This is a very interesting case posted by the X-Chair of the ARB panels (Bev Henley) which also outlines fraud created by DCAD.

This email lays out the case for both civil and criminal prosecution against the Denton Central Appraisal District (DCAD), it's Board of Directors, and numerous employees.

This is a situation that has evolved since 2016, culminating with the evidence that DCAD is committing fraud on a mass scale against the real estate taxpayers in Denton County of which there are roughly 500,000 ownership accounts. Realize that both residential and commercial tenants are impacted by this fraud. The more it costs to operate a property, the greater the effect on everybody (tenants & public) including every Entity (municipalities & school districts) in the chain right down to the bond holders of those Entities.

On October 18th we went to the District Attorney and had a nice long question and answer session. The three gentlemen that we met with including a liaison for the Texas Rangers and FBI, were well informed and they asked intelligent questions. I believe they have information from other cases as well. We reviewed several documents as outlined above, and I asked Bev Henley to join us in the meeting. Also in attendance was Leslie Robbins, my accountant. Just so you know, as you will see on my website, I am a 35-year builder developer with a background in statistical probability and quantitative finance and many years ago back in Canada I was a Licensed Real Estate Broker from which Appraisal work was allowed. I reside in Denton County and with regard to real estate, make my living from building long term real estate investments, buying distressed real estate for long term adaptive re-use, and buying distressed securities/debt for restructuring and long-term investment. It is the combination of the above that gives us a clear understanding of a capital structure, and to employ a "what if" analysis in special situations that leads to the protection of our properties. It is this same skill set that allows us to see through the crimes created by DCAD as outlined herein as well as offer the solutions below.

At the meeting with the DA, we reviewed **what DCAD has done:**

DCAD violated USPAP (Uniform Standards of Professional Appraisal Practice), the governing document (U.S. and International) on how appraisals are to be created.

DCAD violated the Texas Constitution, concerning Uniform and Equal.

DCAD does not use legitimate comparisons in determining the Initial Notice of Value.

DCAD lies to the property owners and the ARB panel members, in the ARB hearings by **creating illegitimate comparisons.**

DCAD is pre-determining values with no basis in appraisal, fact, or law.

DCAD failed to develop and or use math models to be within a reasonable bracket of certainty of values.

**DCAD violated Texas Property Code.
DCAD is in violation of TAAO, and IAAO.**

In addition to the above illegal actions of DCAD and its employees, we recently analyzed several years of DCAD's Annual Reports (available to public for download at DCAD's website, <https://www.dentoncad.com/index.php/Methods-&-Procedures>). To make a long story short, the data in the reports do not proof from year to year, nor do they provide any footnotes to explain the report entries, and yet it is very interesting that the net property values keep climbing year after year. Sections of these Reports are pieced together by different people, including the IT person, with each person supposedly proofing their own section and no one proofing the overall Report to verify that the data ties between sections. Then there is the issue of the timing of the Reports which is an excuse by DCAD as to why the Reports have gaps in information and no footnotes. Every report should be clearly notated for the date and time it is valid and the data provided for that specific report should proof within the report for that date and time. A detailed list of values should add up to the total it is supposed to represent and the relationship between the values and the details must proof up and tie within the report, which they do not. This demonstrates there is no oversight and no checks and balances. It also proves two other issues... 1) there is not a single person at DCAD with an accounting background (auditors) to tie the records together, and 2) further evidence on how the fraud is perpetrated by using dirty data and manipulating the reports then blaming "timing" and no means to make the Reports tie. It appears that DCAD has 3 sets of books. Internal, State Comptroller, and Public all of which contain dirty data. To be clear, falsifying records and Reports to the State and or Public is a crime and also a crime under Federal Statue. More on the topic of the State Comptroller below. It is not a good thing to raise bond money based on falsified reports and dirty data.

Bottom Line: DCAD is committing fraud and stealing from Real Estate Taxpayers by creating dirty data (falsifying Initial Property Values) in the system and then in an effort to cover it up, using taxpayer's money to settle property value accounts none of which would occur if the data was not dirty and DCAD adhered to the laws as written. But as DCAD looks at it, why bother learning math (USPAP), why adhere to the laws (Texas Constitution and Texas Property Code), when there is no enforcement and we have gotten away with it since 2016? Why not cheat the Public when there is no enforcement??

In addition to Civil proceedings on value which under the current laws can only end at the court's determination of property value, without discussion of fraud by the Appraisal District, we believe the evidence for State and Federal criminal prosecution is clear. As seen in the Potential Damages Model (on the website), we estimate that the cash taken from Denton County taxpayers, being both residential and commercial, in just the last 3 years, above what should be normal tax valuation payments for legitimate values is between \$822,000,000 and \$1,000,000,000 conservatively, not including damages to the Entities (i.e. school districts and municipalities) underwriters or Bond Holders. We are aware that certain municipalities have residential homes paying more in taxes than commercial properties based on inverted values for the commercial properties. This is just further evidence that DCAD is making up the Initial Notice of Values that are predetermined and in violation of appraisal law and standards. The Evidence of DCAD's

violations is irrefutable, and there is no defense for or by DCAD. Based on the size of this fraud, any person at DCAD who has or is intentionally defrauding the public should at a minimum have their license stripped and pending the results of criminal prosecution be put in jail. In my humble opinion, as DCAD is a quasi-governmental entity, in addition to the solutions outlined near the end of this email, DCAD should be put into conservatorship, and or involuntary bankruptcy as a means to get control of the problem and insert independent auditors moving forward to make sure the laws are being followed and the math as part of those laws and standards are being followed per the requirements of USPAP, Texas Property Code, and Texas Constitution (Uniform and Equal), TDLR, TALCB, IAAO, & TAAO. The Board of DCAD is a co-conspirator in that they have firsthand knowledge about the issues and yet choose to do nothing except hire another internal person as the new Chief Appraiser (CA), who was hired by previous CA, Hope McClure, and who also knows full well the data is dirty. They have been told and shown on multiple occasions they have a severe problem which they choose to ignore at the expense of the Public, in violation of law, and in violation of their Oath which justifies immediate termination of the entire Board.

To show you another level of theft of the taxpayer, DCAD does not need more employees as they claim for an additional \$2.7mm of taxpayer funds above their current budget. DCAD needs a few good independent auditors. DCAD causes hundreds of lawsuits and tens of thousands of protests each year. There were over 500 lawsuits filed in the last 12 months and over 107,000 protests filed for 2022. If they were adhering to their legal requirements as stated above, the number of protests & lawsuits would easily drop by 80%. DCAD causes the problems, hires attorneys to fix the problems (using taxpayer's money), then holds their hand out for more taxpayer's money only to create more problems by hiring more employees, none of which have proper training, yet do the bidding of the leadership, which is clearly corrupt. All because they intentionally refuse to follow the law. Their actions are not by mistake (see the depositions of Charles Saling and Hope McClure on the website), they are by design and therefore this entity is truly lawless.

There are over 50 documents that back up the Violations Summary (document titled "DCAD Violations in Appraisal, Licensing & Property Tax Code" on the website). The Evidence Log provides reference to all the exhibits and to the violations of USPAP, Texas Property Code, Texas Constitution, IAAO, TAAO, TDLR, TALCB, and as a direct result of the fraudulent actions of DCAD, we also have the Potential Damages Model. The website is updated constantly when there is new information or when new documents arrive. The website acts as a historic library for the Public and the Authorities as we want to share what we have learned about DCAD's corruption as well as the corruption of those who turn a blind eye to DCAD knowing full well the problems they created, because they receive money from DCAD via the taxpayers. The system is being abused in favor of theft. In plain English, we don't want the corruption to be swept under the carpet which is the designed pattern and practice of DCAD and sending this email and posting it to the website, ensures the information is now in the public realm. The damages to the real estate taxpayers do not include the damages to the Entities like LISD, The Colony, Northlake, DISD, etc. or the corresponding bond holders.

I understand that many Entities were involved in the removal of the Chief Appraiser Hope McClure. There is another interesting story behind this including nepotism and the corrupt

Board. The Entities (such as LISD, DISD, and municipalities) were corralled by Judge Eads in the effort to remove the CA. However, those Entities do not have the evidence we have researched and assembled, through mind-numbing, expensive effort, nor do they have the financial background to help them understand how they and all the other real estate taxpayers are being defrauded. Ignoring the depth of this problem at the expense of the real estate taxpayer, will not make it go away. Substituting one Chief Appraiser for a new Chief Appraiser when both know the depth of the dirty data that they helped create and both have chosen to ignore the problems they create, is an exercise in futility. The Board allowed this to happen and the Board, in addition to the Leadership and roughly 30% of the employees need to be removed and or fired at a minimum, as they are in violation of their licensing requirements from TDLR as well as breaking the law as shown herein. The Board has refused to take action to correct the problems and that makes them a co-conspirator in a conspiracy to defraud the public.

Each Board Member and Chief Appraiser signed an Oath to protect and abide by the Laws of the State of Texas. They have clearly broken their oath which is grounds for immediate termination followed by prosecution. **"Any elected or appointed official or Attorney refusing to honor an acceptance of their Oath is simply impersonating a public official (Texas) Penal Code 37.11 Impersonating a Public Servant – 3rd degree felony."** ***"neglect to protect" provisions in State law [upholding and enforcing the law by parties under Oath of Office] as well as Title 18 USC §1621 concerning the "neglect to protect" by persons under Oath, and Title 42 USC § 1986, wherein a person having "knowledge of the law", "the power to stop a wrong" and the "duty to prevent a wrong from being done" is liable for any failure to act.*** Should they fail to prevent a wrong, having knowledge of the law, the power to prevent, and the legal or moral duty to prevent the wrong, which causes deprivations of your religious and/or civil rights or Liberties, suit can be brought for violations." This OATH exists for a very specific reason. Given the evidence we are providing, an action not taken by the rightful Authority would make that Authority complicit and aiding and abetting a criminal conspiracy to defraud. Again, USPAP, TDLR, Texas Constitution all exist for a reason as does the OATH. Why does DCAD and it's enablers refuse to adhere to the OATH and laws under which they exist?

There is no way around the evidence against DCAD. It is DCAD's forms, DCAD's numbers, DCAD's dirty data and DCAD's fraud. Add into this equation DCAD's Annual Reports which do not proof and which do not have notes, it is irrefutable that this organization is systemically corrupt to the bone. Residential and Commercial Taxpayers don't like being lied to, and they don't like paying for corruption. DCAD paints a picture of legitimacy going as far to use TAAO's certifications of DCAD in their presentations, yet the evidence gained from DCAD's own numbers, is the exact opposite. TAAO has been put on notice.

By ignoring USPAP, Uniform & Equal under the Texas Constitution, and Texas Property Code, the net result is DCAD stealing from residential homeowners and commercial property owners, and the problem is pervasive all the way into the bond holders for such entities as the Lewisville School District and the Municipalities that depend on raising bond money. The data at DCAD is dirty and it all starts with DCAD pre-determining / price fixing, the Initial Notice of Value. This has serious financial implications.

In the case of Mavex Shops of Flower Mound, my Company, there is not enough revenue generated by the property to pay DCAD's pre-determined fraudulent arbitrary and capricious valuation from which the property taxes are being extorted. We have years of this history available on the website and you are welcome to all the evidence we have. DCAD has created fraudulent values year after year for which Mavex is forced into litigation year after year and DCAD plays a game of delay, delay, and delay in an attempt to wear down or break its victims. Realize that the settlements agreed to by DCAD with property owners are A.) with taxpayer money and B.) proof of the dirty data. If the initial values and data were correct (within a .05% standard deviation of true comparisons) upon the Initial Notice of Value, then the need for the vast majority of protests and litigation would stop. There are no checks and balances, or audits, at DCAD from which a proper determine of the Initial Notice of Value can be derived.

Exhibit L (on the website) with reference to income properties shows specifically how the Fraud is created. In the 2022 case, 1.) lowering the expenses by 288% and 2.) increasing the net operating income (NOI) by 254% then 3.) use a cap rate that is also outside of USPAP. The income calculation worksheet (on the website) is what DCAD provided so it is their form, with their fraud. We entered their worksheet data in far-right column of the exhibit and placed a column on the left with actual data to show how the fraud is created on an income producing property by DCAD. The fraud is further expanded by DCAD 4) not using proper comparisons as defined in USPAP, Texas Property Code and Texas Constitution. **DCAD is pre-determining values which negates every appraisal law written**. The Texas Property Code paragraph 2 states "must adhere to USPAP" and all the laws and standards waterfall down from there, and by DCAD ignoring these laws and standards, they have created a situation of extortion and racketeering, thus the requested involvement of the FBI.

In your property valuation, if any one of the above 4 items has occurred, regardless of property type, then you should be protesting your values, notify the DA, Press and your local and State Representatives. A zebra does not change it's stripes, and what we uncovered here under any definition, is fraud and theft upon taxpayers and on a mass scale.

In the case of Mavex Shops of Flower Mound, if DCAD were successful in perpetrating it's fraud, the Tenants would vacate as the taxes would go up 300 to 400% as compared to any of the legitimate comparison properties in the vicinity of The Shops of Flower Mound. That is how blatant the fraud is. I have no choice, but to fight for my Tenants and my Company and I have the obligation to help others/public when I can. We have the evidence of a sampling of 140 shopping centers (see website) which is also just as damning against DCAD. Add in the TDLR complaint by Bev Henley the X-Chair of the ARB featuring over 10,000 corrupted accounts, the evidence is insurmountable and indefensible. DCAD will try and hide behind sovereign immunity, but the intent of this email, is full exposure as DCAD can't play that game at a Federal level and should not be allowed to use it at a State level. The State Legislature needs to ensure full compliance with the laws (Texas Constitution and USPAP) and anything less, makes them complicit in theft as DCAD is a creation of the State Legislature. The State is just as responsible as DCAD, for the stripping of my rights / taxpayers rights under the Texas Constitution. The State

created the laws, and DCAD operates completely outside of those laws as result of lack of enforcement. Therefore, the enforcement mechanism of adherence must come from the State Legislature. See the Solutions below.

The remuneration to the real estate taxpayers in Denton County, as a result of DCAD's intentional fraudulent overcharges, just for the previous 3 years alone would be massive. The point being that the tenacles of fraud (from DCAD to DCAD's co-conspirators) and the ramifications therefrom run deep and all because DCAD has invalidated and made meaningless USPAP, Texas Constitution, Texas Property Code, IAAO, TAAO, and they are even making a mockery of the Texas Comptroller who is responsible for performing Ratio Studies on Appraisal Districts. The State Comptroller's Ratio Studies are flawed, given that the data used is from dirty data created at the hands of DCAD and the State Comptroller is not looking for fraud, even though it is right in front of them, which means their published Ratio Studies are proof of the statement in data science "garbage in and garbage out". **All these violations of multiple governing bodies cannot exist but for the intent to defraud.**

If some of the Entities who benefit by being allocated funds through the DCAD process, know about the corruption and say nothing so as not to upset the flow of funds, at the expense of other Entities and Taxpayers, then the predicate as seen in Ponzi schemes (i.e. Irving H. Picard ESQ was the Trustee charged with collecting via CLAWBACK billions of dollars from the Madoff scheme), would be that those entities are co-conspirators in a conspiracy to defraud the public and subject to Clawbacks.

A few weeks ago, FTX's (Crypto Exchange – multi-billion-dollar Ponzi scheme) new CEO and liquidator, John Ray III ESQ, who also oversaw the unwinding and liquidation of Enron, admits that "Never in my career have I seen such a complete failure of corporate controls and such a complete absence of trustworthy financial information as occurred here." He adds that "from compromised systems integrity and faulty regulatory oversight abroad, to the concentration of control in the hands of a very small group of inexperienced, unsophisticated and potentially compromised individuals, this situation is unprecedented. This statement defines DCAD.

The Clawbacks, in favor of the real estate property owners who paid the taxes from which the distribution to the Entities occurred, would go against those Entities that received money from DCAD (LISD, DISD, the Municipalities etc.) in excess of values as required under USPAP and the laws of Texas. The DCAD Potential Damages to Taxpayers (see website) shows amounts between \$822,000,000 and \$1,000,000,000 over the last 3 years, conservatively. One would clearly see why those Entities would prefer to run silent even though they know of the corruption at DCAD. What they need to understand is that they are making themselves co-conspirators. A crime is a crime, otherwise why have laws? The point being that it would be best not to be complicit in a crime and solve the problems.

Some of the Federal and State issues against DCAD could be:

False Claims Act

Fraud – Intentional Misrepresentation, Concealment, Promissory Fraud

Negligent Misrepresentation

Breach of Contract

Breach of Covenant of Good Faith and Fair Dealings

Unfair Business Practices

Fraud Waste and Abuse

Criminal Fraud

Civil Fraud - Violations of appraisal standards in USPAP, Texas Real Estate Code, Texas Constitution etc.

Mail Fraud

Rico Statutes

The cumulative effect of DCAD's fraud, and Entities helping to sweep the fraud under the carpet, is a daily drain of taxpayer's money and increasing DCAD's and the enabler's liabilities which grow exponentially. Every day that goes by, is more money on both sides of the equation.

We are obligated to pay reasonable taxes as defined in USPAP, law and the Texas Constitution. We are not obligated to be a victim of DCAD's fraud!

One other point... the IRS collects tax dollars based on thousands of pages of codified law. They don't get to make it up. DCAD is irrefutably making up the values, outside of any appraisal law.

I thought you would find it interesting that so much money is being stolen, and the public does not know how. They just know there is a problem. We were able to quantify the issues and tie all those issues back to the law, and now it is time to take what we know and ask the Government Officials, including the State Legislature, FBI, Texas Rangers, SEC and DA to get involved by bringing criminal and civil charges, create the enforcement mechanisms (via the solutions below), and also ask the Property Owners to do their job by getting involved and notify the Authorities and other Government Officials about DCAD's effect on their property values, in a concerted effort to put a stop to this nonsense. The more Citizens and Press helping to inform the Authorities, the better.

Your help would be greatly appreciated. We are available to discuss anytime. Collectively, we are all in a unique position to shine a spotlight on this corruption, help the Authorities, and shame on us if we don't.

Why does it matter? I suspect that this problem, to one extent or another, replicates itself from appraisal district to appraisal district as they like to copy from each other. DCAD clearly depends on the complicity of the Authorities and Entities, conflicts of interest, no internal or external licensed financial and data auditing, their own willful ignorance of the law, lack of training and legally required independence of the ARB panels, as well as the apathy of a busy Public that feels they stand alone and that does not have the resources to research what is happening. The net result is many more people than in Denton County are being affected and the dollars at risk across multiple districts, are much larger than discussed herein. It is imperative that the Legislature recognize the criminal behavior of DCAD and put real teeth into forcing DCAD and other appraisal

districts to adhere to the law. Why would any property owner, residential or commercial, want to participate in a system that is rigged against them, forces defensive dollars to be spent annually, and is irrefutably against the law?? The solutions are outlined below.

All the evidence we have and case information is available at www.mockingbirdproperties.com/DCAD To gain access to the evidence section of website, complete the “request password to case information” form and we will quickly send you a password. This helps us determine who is a residential owner and who is a commercial property owner. Any Authorities can call 972-724-2508 for the password.

There have been over 80 articles written by the Press since January of this year about the problems created by DCAD and the Press has done a good job, in 1,000 words or less per article, of trying to explain the surface issues. Many of these articles are on the Mockingbird website. The taxpayers deserve to know the system they depend on is not cheating them, which clearly it is.

It is very interesting to note that on December 15, 2022 the DCAD offices were closed to the public, per the notice posted on their website. The Board of Directors meeting was also on the same day. Per the Open Meeting Act, how could the public attend an open meeting if DCAD is closed? If that is not enough, there was no disclaimer on the website informing the public that anyone desiring to attend the meeting will be allowed in. Yet, another clear violation of law.

In law, the Chief Appraiser is personally responsible for the actions of DCAD. However, the problems as outlined herein across this appraisal district are in the billions of dollars and suing one CA in any given district, does not cover the costly issues of fraud even at a local level such as Denton, and it is further complicated by the attempted sovereign immunity created by the State, that the appraisal districts hide behind. The reality is that the employees and the appraisal districts are not being held responsible for their actions and as a result of the lack of enforcement / real audits by the State Comptroller, TDLR and other Entities that turn a blind eye, billions are stolen. The education and training of the RPAs, Board of Directors, and Administrators of Appraisal Districts with regard to the existing laws (USPAP & Texas Property Code, Texas Constitution etc. is woefully lacking, and appears to be by design. Every level associated with DCAD has failed and therefore serious changes need to occur at the State Legislature and quickly.

This is the solution:

- A.) The initial education per the licensing requirements and quarterly continuing education must teach proof accounting to tie the requirements of USPAP to the law and the math wherein the property comparison reports create an Initial Property Value which is correct.
- B.) ARB panels must be **absolutely independent**, or they are simply an illusion designed to give an appearance to the public of impartiality when it is irrefutable they are the paid and instructed right hand of the appraisal districts, only existing to do their bidding in

maintaining high valuations and then splitting the difference of an artificially high number, none of which is in conformance with USPAP or the Texas Constitution.

- C.) ARB training must include USPAP requirements sufficient to recognize when an appraisal district is abusing their authority in statements made by the appraisal district with regard to manipulating and creating comparisons which do not follow the guidelines of USPAP. The ARB members must have the right to file complaints to the State and with immediate public disclosure, concerning abuse of authority by an appraisal district and the individuals involved, and due to the amounts of money involved, such complaints must be adjudicated by a Judge within 72 hours of filing.
- D.) Each RPA and person working at an appraisal district (DCAD) must sign the same Oath, signed by the Chief Appraiser, Board Members, Judges, wherein each RPA will be held liable for their actions otherwise their license is a meaningless paper shill and the equivalent of getting their license from a box of Cracker Jacks. There are massive amounts of money at risk and those passing judgements need to know what they are doing and be held accountable.
- E.) All appraisal districts sovereign immunity should be permanently stripped allowing for the public to file suit for fraud against the district, and those individuals committing the fraud, should be held jointly and severally liable. As we have demonstrated, DCAD is running amok with no oversight and no internal or external checks and balances. The ultimate governor on all these problems is the Public's ability to file suit for fraud! If the State Legislature, does not do it's job to make licensed RPAs and Appraisers responsible for their actions, then Ricco Statutes may be the net result in addition to several other expensive solutions for the State.
- F.) **Independent Auditors** must be hired by each appraisal district and or the State, to ensure compliance with USPAP, The Texas Constitution, and the math that links the laws and appraisal standards. Just like the ARB, these Auditors should have the right to file complaints to the State and with immediate public disclosure, with regard to any person or persons exhibiting abuse of authority and failing their requirements under their license and Oath, and due to the amounts of money involved, such complaints must be adjudicated by a Judge within 72 hours of filing.

With the above implemented, the tone and accuracy of DCAD and similar appraisal districts, would change for the better within hours.

Please help inform the Texas Attorney General, Governor Abbot, State Legislature, as well as your local Authorities (Denton County DA's office, Matthew.Shovlin@dentoncounty.com) how you have been affected by DCAD or your local appraisal district. The evidence on the website is irrefutable, there are billions of dollars at risk, and there are no excuses not to fix the problem once and for all. I know the Texas Legislators have multiple proposals as outlined in an article by Texas Radio News created by a law firm who is tracking those proposals, but the reality is they have been nibbling at theoretical solutions to a "high tax problem" but not with the understanding of how that problem is actually created. This Open Letter provides the evidence of what the Legislators have not been able to see and the stated solutions above will hit the target. It is our sincere intent to help the Legislators fix the problem permanently and quickly.

We are in the process of taking our next steps and will keep you informed once the petitions are filed.

Best Regards

Mitchell Vexler, President G.P.
Mavex Shops of Flower Mound LP
mitch@mockingbirdprop.com
214-725-9013