

NEVADA COMMISSION ON ETHICS
REQUEST FOR OPINION
(ETHICS COMPLAINT)

RECEIVED

DEC 10 2010

COMMISSION
ON ETHICS

No. 10-108C

NRS 281A.440.2

Please print or complete online.

1. Provide the name, title, public agency, address, and telephone number for the public officer or employee you allege violated the Nevada Ethics in Government Law, NRS 281A. (If more than one public officer or employee is alleged to have violated the law, use a separate form for each individual.)

Name & Title:	SHARON McNAIR, TREASURER	
Public Agency:	BEACON ACADEMY OF NEVADA, GOVERNING BODY	
Address:	C/O McNAIR & ASSOCIATES, CPA 4015 S. EL CAPITAN #888	
City, State, Zip:	LAS VEGAS, NV 89147	Telephone: 702-646-0888

2. Describe in specific detail the conduct of the public officer or employee identified above that you allege violated the provision(s) of chapter 281A of NRS. (You must include specific facts and circumstances to support your allegations - including dates, times, places, and the name and position of each person involved.)

Check here if additional pages are attached.

PLEASE SEE ATTACHMENT RE: NRS 281A, 170. WILLFUL VIOLATION OF:	
NRS 281A.420; NRS 281A.430	
PUBLIC OFFICER ENGAGED IN DISCUSSION AND ACTION ON PUBLIC MATTERS AFFECTING THE SCHOOL WITH KNOWLEDGE OF HER OWN PRIVATE INTERESTS IN VIOLATION OF NRS 281A.420. IN ADDITION, SHE HAS MAINTAINED A PRIVATE INTEREST WITH MYSELF IN A PRIVATE CAPACITY (TAX PREPARER) WHICH HAS BEEN MATERIALLY COMPROMISED. SHE ENGAGED AND ADVOCATED FOR HER OWN PRIVATE INTERESTS TO RECEIVE FUNDS FROM THE SCHOOL AND AS TREASURER THAT BENEFIT HER DIRECTLY. FURTHERMORE, SHE DIRECTED AND CONSPIRED FOR THE HIRING OF HER EMPLOYEE AT THE SCHOOL IN WHICH SHE IS A PUBLIC OFFICER. SHE INVOLVED 2 OTHER BOARD MEMBERS IN THIS ATTEMPT TO ENRICH HERSELF.	

3. Identify all persons who might have knowledge of the facts and circumstances you have described, as well as the nature of the testimony the person will provide. Include the address and telephone number for each person.

Check here if additional pages are attached.

Name & Title:	GARY WATERS, EXECUTIVE DIRECTOR	
Address:	10325 EARLY SUN CT.	Telephone: 702-497-0447
City, State, Zip:	LAS VEGAS, NV 89135	
Nature of Testimony:	WILL CORROBORATE ATTACHED REPORT	

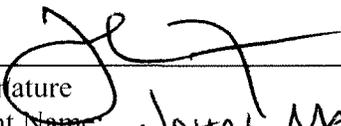
4. Attach two copies of all documents or items you believe provide credible evidence to support your allegations. NRS 281A.440.2(b)(1) requires you to submit all related evidence to support your allegations. NAC 281A.435.3 defines credible evidence as a minimal level of any reliable and competent form of proof provided by witnesses, records, documents, exhibits, minutes, agendas, videotapes, photographs, concrete objects, or other similar items that would reasonably support the allegations made within the complaint. Credible evidence does not include a newspaper article or other media report if the article or report is offered by itself.

State the total number of additional pages attached (including evidence) 18.

REQUESTOR'S INFORMATION:

NAME: <u>JOHN MATSIS</u>	E-MAIL: <u>john.matsis@banw.org</u>
ADDRESS: <u>3040 ST TROPEZ ST</u>	
CITY, STATE, ZIP: <u>LAS VEGAS, NV 89128</u>	
TELEPHONE: <u>702 726-8607</u>	CELL PHONE: <u>702 498-6981</u>

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Signature 
 Print Name: JOHN MATSIS

Date 11/25/10

Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:

**Executive Director
 Nevada Commission on Ethics
 704 W. Nye Lane, Suite 204
 Carson City, Nevada 89703**

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.
NAC 281A.255.3

John W. Matsis
3040 St Tropez Street
Las Vegas, NV 89128
(702) 498-6981
John.matsis@banv.org

NEVADA COMMISSION ON ETHICS
Ethics Complaint
NRS 281A.440.2

Re: Sharon McNair, Treasurer, Beacon Academy of Nevada

Submitted by: John Matsis

Statute NRS 281A.170 Willful Violation

NRS 281.420

NRS 281.430

Sharon McNair, with Hadassa Lefkowitz and Stacey Ginoza (separate complaints filed on these two individuals) willfully violated the Nevada Open Meeting Law. The complaint filed with the Nevada Attorney General's Office is attached.

Additional persons with knowledge of these facts and circumstances:

William Carrico, Member
5448 Desert Spring Street
Las Vegas, NV 89149
(702) 682-6702
billynvus@yahoo.com

Anthony Willey, Member
353 Amber Pine Street #104
Las Vegas, NV 89144
(702) 277-6966
Tonywilley62@yahoo.com

Ernest Freggiaro, PE, Member
4588 Coachman Circle
Las Vegas, NV 89119
(702) 683-3398
ernief@integrity-engineering.net

OPEN MEETING LAW COMPLAINT FORM

THIS FORM MUST BE FILLED OUT COMPLETELY

Name of Complainant: JOHN MATSIS

Mailing Address: 3040 ST TROPEZ ST.

City and State: LAS VEGAS, NV 89128

Daytime Telephone: 702-498-6981

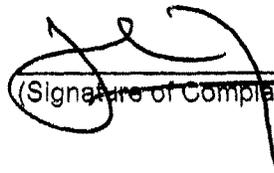
Name of Public Body: BEACON ACADEMY OF NEVADA
(i.e., specific board, commission, agency, etc.) (GOVERNING BODY)

Date of Meeting where Alleged Violation occurred: 11/8/10, 11/15/10
(Note: A separate form must be completed for each meeting date/alleged violation)

Describe Specific Violations: PLEASE SEE ATTACHED
LETTER AND ATTACHMENTS FOR
DETAILS

(use additional pages, only if necessary)

DATE SUBMITTED: 11/19/10


(Signature of Complainant)

Return original form to:

Office of the Attorney General
ATTN: OML Coordinator
100 North Carson Street
Carson City, Nevada 89701-4717
Telephone: (775) 684-1100
Facsimile: (775) 684-1108
(Fax copies will be accepted followed by original)

John W. Matsis
3040 St Tropez Street
Las Vegas, NV 89128

November 19, 2010

Mr. George Taylor
Open Meeting Law Coordinator
Office of the Attorney General
100 Carson Street
Carson City, NV 89701-4717

Dear Mr. Taylor:

After careful thought and consideration, as Director of Compliance for Beacon Academy of Nevada, a public, statewide virtual charter high school sponsored by the Nevada State Board of Education, I am compelled to file this Open Meeting Complaint against the Governing Body of Beacon Academy of Nevada, specifically the Executive Committee of this body, consisting of Hadassa Lefkowitz, President, Stacey Ginoza, Vice-President, and Sharon McNair, Treasurer.

As a prelude to the events that comprise the crux of this complaint, it is important to note that the Treasurer, Mrs. McNair, also serves as a vendor to the school. While she has maintained that she does not profit from this relationship, Executive Director Mr. Gary Waters and I are in concurrence that this relationship is in violation of NRS statutes as well as school bylaws. Mr. Waters has discussed this with her in the past, suggesting that she remove herself from the Board if she wants to maintain her vendorship. She dismissed this suggestion.

- On November 4, 2010, Executive Director Gary Waters was summoned to a meeting at the offices of McNair and Associates, the CPA firm owned by Treasurer McNair. He was greeted by her and Governing Body Counsel John McMillan, ostensibly to discuss questions regarding Mr. Waters's contract and other vendor and employee issues. As part of my duties are fiscally related, I work closely with an employee of McNair and Associates who does our reconciliations and formalized fiscal reporting after I provide her with the information. At this meeting, Mr. Waters was informed by Mrs. McNair that she felt that I am "weak" in my job and had intentions of having her employee hired by the school. Through Mr. Waters, she also demanded that we begin advertising for a part-time bookkeeper with government experience. Mr. Waters was very troubled by the fact that a Board member was blatantly displaying a conflict of interest, not only had she been profiting from the public body on which she sits, but was now attempting to manipulate it to the gain of an employee. Mr. Waters reported this very odd meeting to me and we had difficulty understanding where this was leading to. For the record, Mr. Waters is my direct supervisor and his evaluations of my performance do not concur with Mrs. McNair, someone who has little if any knowledge regarding the day to day operation of our school
- On the evening of November 8, 2010, Mr. Waters reported the following to me: He called Vice President Stacey Ginoza to report that Beacon's Special Education Coordinator had resigned. As Mrs. Ginoza is a Clark County School District Teacher/Administrator, Mr. Waters asked if she might know of someone qualified that might apply for the position. His description of her

response was that she was curt and the conversation was very short; however, when it did end, Mr. Waters became aware that she did not properly disconnect her mobile phone and he heard familiar voices. He immediately recognized them to be the voices of President Lefkowitz and Treasurer McNair, who were clearly having a clandestine meeting regarding Beacon Academy. Mr. Waters heard them discussing him, me, and other employees as well as denigrating at least one of their fellow board members. We were both stunned with this revelation and decided that we would discuss in the morning how best to react to this disturbing occurrence.

- On the morning of November 9, 2010 I opened an email from Governing Body Member Ernest Freggiaro. He forwarded the following email message from President Lefkowitz, who. According to the time stamp, sent this message shortly after her clandestine meeting with Mrs. McNair and Mrs. Ginoza. A printed version is attached:

From: Hadassa Lefkowitz [mailto:wldsrvd@gmail.com]

Sent: Monday, November 08, 2010 10:14 PM

To: Sharon McNair; Stacey Ginoza; Ernie Freggiaro; Anthony Willey; William Carrico; Helene Upson

Subject: Meeting

Hello All!

I would like for us to have a closed Board meeting on Monday at 5:30pm.

It is important that everyone is able to attend.

Please confirm for your ability to attend as soon as possible as this meeting needs to be posted tomorrow.

Thank you so much for your support.

--

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Hadassa Lefkowitz

Mr. Freggiaro replied that he would not take part in this meeting, and shortly thereafter, Board Members Anthony Willey and William Carrico notified Gary Waters about the same meeting. Mr. Freggiaro, Mr. Willey and Mr. Carrico were all confused and concern about the propriety of such a meeting, and they received the following message from Mrs. Lefkowitz the evening of November 9:

From: Hadassa Lefkowitz <wldsrvd@gmail.com>

Date: November 9, 2010 9:50:19 PM PST

To: Anthony Willey <tonywilley62@yahoo.com>, William Carrico <billynyus@yahoo.com>, Ernie Freggiaro <ernief@integrity-engineering.net>, Sharon McNair <Sharon@mcnairepas.com>, Helene Upson <heleneupson@hotmail.com>

Subject: Meeting, Monday

Hi All!

I hope all is well with everyone.

The meeting scheduled for 6pm this Monday at Sharon's office is being called and will be run by our attorney, John McMillan.

As such I believe it is imperative that everyone needs to make every effort to attend.

This is a closed meeting for Board members only.

I hope to see everyone there.

If you have any questions or concerns please let me know as soon as possible.

Our regular monthly meeting will be held on Thursday, Nov, 18th at the Beacon office and dinner will be served.

Thank you so much!

Hadassa

--

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Hadassa Lefkowitz

Members Willey, Carrico and Freggiaro separately let Mr. Waters and me know initially that they would not be attending this meeting that Mr. and Waters and I were not supposed to know about. However, Mr. Carrico, an attorney, decided to call Governing Body Counsel McMillan to discuss the propriety of this meeting, and Mr. McMillan stated that it is a legal meeting for informational purposes only. Mr. Carrico then decided that he would attend and not comment or participate in any discussion so that he could get an idea of what all of the clandestine activity was all about.

- It is important to note here that knowledge of a Governing Body hiding information from the Administration of Beacon as hiding information from other members added a tremendous amount of stress to the workplace. This was all happening while the staff was preparing from a state audit regarding our student count, the results of which determine our finances for the fiscal year, as well as working with an independent CPA firm on the annual audit and other state required reports that were due on or before November 15.
- On November 9 I discovered that Mrs. Lefkowitz had sent me a message the evening of November 8, after the clandestine meeting of the Executive Committee. I did not see it until sometime on the 9th as she sent it to a personal email account that I don't check that often rather than to my work address:

from Hadassa Lefkowitz <wldsrvd@gmail.com>

to John Matsis
<johnmatsis@gmail.com>
date Mon, Nov 8, 2010 at 9:47 PM
subject Request
mailed-by gmail.com
signed-by gmail.com

hide details Nov 8 (11 days ago)

Hi John!

Would you please do me a favor and email the following items to me first thing in the morning.

Template for posting the board meetings

Template for the agenda

Emails you send the postings to (including the state Dept. of Ed., and Tom McCormack

Directions for how to post the meetings.

Please email to my wldsrvd@gmail.com address.

If you want you can email to my Interact address as well.

The Board will be putting together the agenda and posting the meetings for this and future meetings.

Please also email to me the items Administration would like to have on the agenda.

Thanks a million!

--

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Hadassa Lefkowitz

The time stamp on this correspondence indicates that it was sent before the invitations to the "closed meetings" were sent out to the Board Members. It is apparent that during the secret meeting of November 8, Mrs. Lefkowitz, Mrs. McNair and Mrs. Ginoza arbitrarily decided without consulting the other members of the Board or discussing with the staff that the Board would now be responsible for posting Public Notices. As this has been my responsibility since Beacon opened, working with the Executive Director who in turn worked with the President on compiling the agenda and I would properly post it, this was again a surprising development. I sent her a word document as a sample and attached the items that Mr. Waters and I felt needed to be included in a meeting scheduled for November 18. This correspondence included locations and fax numbers for posting as well as the email address of Tom McCormack, Charter School Consultant for the Nevada Department of Education. For the record, I received a similar request from Mrs. Ginoza on November 15 so that she may post future agendas.

I stressed to Mrs. Lefkowitz that it is my habit to post early and asked her to send it to me before the posting deadline of 9:00 AM November 15 (the day of the closed meeting). This was the last that heard from Mrs. Lefkowitz until the late afternoon of November 17.

- On November 15, I came to work and there was no agenda posted at the school, the place of business and the site of the scheduled meeting. I called Tom McCormack at DOE to find out if he received an agenda, and he hadn't. I called Mr. Freggiaro, Mr. Willey and Mr. Carrico, and none of these members had received an agenda and, needless to say, were very uncomfortable with the thought of attending an un-posted public meeting. Mr. Waters and I reported these irregularities to Mr. McCormack, and he encouraged us to speak to Mr. George Taylor with the Attorney General's office regarding a potential open meeting complaint. Up until November 17, we were unsure of what to do regarding the regularly scheduled but unposted meeting.

- Mr. Waters met briefly with Mrs. McNair at her office on November 15 for the purpose of delivering documents that she had requested from him when she met with him and Attorney McMillan on November 4. She indicated that she wants the Board to hire her employee who has been working with Beacon on bookkeeping issues, and indicated her desire to hire her retroactively, which made Mr. Waters very uncomfortable.
- The closed meeting took place on Monday November 15, 2010 at the offices of McNair and Associates. Board Member Carrico took notes and relayed the following information to Executive Director Gary Waters.
 - While the meeting was called by the Attorney and was described as informational, discussion about the business of the school, specifically personnel issues, took place among the three organizers, Mrs. McNair, Mrs. Ginoza and Mrs. Lefkowitz.
 - It was stated by Mrs. McNair that Gary Waters was in agreement to hiring her bookkeeping employee on a part-time basis, a statement with which Mr. Waters vehemently denies, he never stated that he was in agreement of such a hire.
 - A discussion of staff performance ensued, including allegations of duplication of duties.
 - My personal competence was called into question by three individuals who have little knowledge of my day to day activities, and this alleged incompetence is the rationalization of Mrs. McNair to have a school on whose board she sits hire her employee.

It is my understanding that if personnel issues are to be discussed in a closed meeting, such meeting is to be posted. No agenda was issued to Mr. Carrico prior to his observation of this meeting, and no Board Member or employee is aware of it being posted. It is my belief that this was the second illegal meeting held in one week.

- On the morning of November 17, I received a telephone call from the bookkeeper that Mrs. McNair is trying to have hired by Beacon Academy inquiring about work space, as she has been told that the Board will vote on hiring her at the November 18 meeting. I did not know what to say to her as there was no agenda published of which I was aware. On that same day she called me close to 5:00 and questioned me again about a meeting agenda; I told her that one had not been posted and that we were unsure if a meeting would take place. She told me that she was calling her boss, Mrs. McNair, and within 10 minutes, Gary Waters received an agenda via email. At the same time, President Lefkowitz, who took upon herself the duty of posting this agenda, called him and was very agitated. Although it states clearly on the sample that I sent to her that the agenda is to be posted at the school and on the web site, she totally overlooked this. Further, the Department of Education requires that they be submitted copies of agenda and though she maintained that she sent it to Mr. McCormack, he had never received it. She was very upset and reluctant to cancel the meeting; however, Mr. Waters advised her that she had no choice. President Lefkowitz' inability to properly post an agenda plus her refusal to research the Public Meeting Laws as a President of a Public Body demonstrates gross incompetence in my mind. She is attempting to reschedule a meeting for December 2, however, she has not received a commitment from Mr. Carrico, Mr. Freggiaro or Mr. Willey as they are still very uncomfortable with the events of the past two weeks.

- The Executive Committee of the Governing Body was attempting to hold a meeting on November 18, 2010 with an agenda that was not shared with other Board members nor the administration of the school, which is customary. When Mr. Waters shared the agenda with me and I in turn sent to the other Board Members, it was apparent that there were agenda items that they did not want the staff to see, including Action Items regarding contracts and pay structures that had previously been approved and had not be discussed with staff prior to putting them on a public agenda, even though it was not properly posted. Finally, agenda item 10 was an action item to hire an employee of a Board Member who is improperly serving as a contractor to the school.

These inappropriate, unethical and possibly illegal acts have been reported to the Nevada Department of Education, and upon their suggestion, I am filing this formal complaint. I take the filing of this complaint very seriously as I believe that the actions of these three Board Members, Hadassa Lefkowitz, Stacey Ginoza and Sharon McNair, are putting our charter in danger. I am acting as a whistle blower to bring to the state's attention the danger that this unethical behavior is putting our charter, faculty and staff, and most importantly its 700 plus students at risk. I would implore you to consider this complaint in a timely fashion, as it will help the Department in formulating its course of action, and its direct and immediate involvement concerning these matters is imperative.

In praying for a timely review and action on these reported improprieties, I remain,

Very truly yours,


John Matsls
Director of Compliance
Beacon Academy of Nevada
(702) 726-8607 Direct
(702) 498-6981 Mobile
john.matsls@banv.org

Exhibits:

1. Email forwarded to me from Board Member, from Hadassa Lefkowitz, dated November 8, 2010, invitation to closed board meeting
2. Email forwarded from Board Member, from Hadassa Lefkowitz, dated November 9, 2010, stating site of closed meeting at Member McNair's office and time.
3. Email to me dated November 8, 2010, 9:47 PM from President Lefkowitz stating that Board would now be responsible for posting agenda. This was received immediately after clandestine meeting held among Mrs. Lefkowitz, Mrs. McNair and Mrs. Ginoza documented in the body of this letter.
4. Open Meeting Compliant from Beacon Academy Board Member Anthony Willey
5. Email correspondence from Anthony Willey attached to his Complaint
6. Memo from Beacon Academy of Nevada Board Member Ernest Freggiaro
7. Letter to Nevada DOE from Beacon Academy Board Member William Carrico

John Matsis

EXHIBIT 1

Subject: FW: Meeting

From: Hadassa Lefkowitz [mailto:wldsrvd@gmail.com]

Sent: Monday, November 08, 2010 10:14 PM

To: Sharon McNair; Stacey Ginoza; Ernie Freggiaro; Anthony Willey; William Carrico; Helene Upson

Subject: Meeting

Hello All!

I would like for us to have a closed Board meeting on Monday at 5:30pm.

It is important that everyone is able to attend.

Please confirm for your ability to attend as soon as possible as this meeting needs to be posted tomorrow.

Thank you so much for your support.

--

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Hadassa Lefkowitz

Subject: FW: Meeting, Monday

Begin forwarded message:

From: Hadassa Lefkowitz <wldsrvd@gmail.com>
Date: November 9, 2010 9:50:19 PM PST
To: Anthony Willey <tonywilley62@yahoo.com>, William Carrico <billynyus@yahoo.com>, Ernie Freggiaro <ernief@integrity-engineering.net>, Sharon McNair <Sharon@mcnaircpas.com>, Helene Upson <heleneupson@hotmail.com>
Subject: Meeting, Monday

Hi All!

I hope all is well with everyone.

The meeting scheduled for 6pm this Monday at Sharon's office is being called and will be run by our attorney, John McMillan.

As such I believe it is imperative that everyone needs to make every effort to attend.

This is a closed meeting for Board members only.

I hope to see everyone there.

If you have any questions or concerns please let me know as soon as possible.

Our regular monthly meeting will be held on Thursday, Nov, 18th at the Beacon office and dinner will be served.

Thank you so much!

Hadassa

--

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Hadassa Lefkowitz

from **Hadassa Lefkowitz** <wdsrvd@gmail.com>
to **John Matsis** <johnmatsis@gmail.com>
date Mon, Nov 8, 2010 at 9:47 PM
subject **Request**
mailed-by gmail.com
signed-by gmail.com

Hi John!

Would you please do me a favor and email the following items to me first thing in the morn
Template for posting the board meetings

Template for the agenda

Emails you send the postings to (including the state Dept. of Ed., and Tom McCormack
Directions for how to post the meetings.

Please email to my wdsrvd@gmail.com address.

If you want you can email to my Interact address as well.

The Board will be putting together the agenda and posting the meetings for this and futu
Please also email to me the items Administration would like to have on the agenda.

Thanks a million!

--

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Hadassa Lefkowitz

EXHIBIT 4

OPEN MEETING LAW COMPLAINT FORM

THIS FORM MUST BE FILLED OUT COMPLETELY

Name of Complainant: Anthony J. Willey

Mailing Address: 353 Amber Pine St #404

City and State: Las Vegas, NV 89144

Daytime Telephone: 702-277-6966

Name of Public Body: Governing Board Body
(i.e., specific board, commission, agency, etc.)

BEACON ACADEMY OF NEVADA - GOVERNING BODY
Date of Meeting where Alleged Violation occurred: 11/15/10

(Note: A separate form must be completed for each meeting date/alleged violation.)

Describe Specific Violations: See attached

As a member of the governing body identified above I submit the attached complaint for your attention.

(use additional pages, only if necessary)

DATE SUBMITTED: 19 NOV 10



(Signature of Complainant)

Return original form to:

Office of the Attorney General
ATTN: OML Coordinator
100 North Carson Street
Carson City, Nevada 89701-4717
Telephone: (775) 684-1100
Facsimile: (775) 684-1108

(Fax copies will be accepted followed by original)

BEACON ACADEMY OF NEVADA

Governing Body Member

John Matsis

EXHIBIT 5

From: Anthony Willey
Sent: Tuesday, November 16, 2010 6:46 PM
To: John Matsis
Cc: Gary Waters
Subject: Letter

To Whom it may Concern;

My name is Anthony Willey. I first became concerned when I recieved an email from Hadassah calling for a closed board meeting.

I became even more concerned when there was no agenda attached. I determined that I would not attend. I was called by Gary Warter's and he confirmed my uneasee by stating that the meetings were irregular. In addition none of the parties sent me information stating what these meetings were to cover or why the need for a closed meeting.

I feel that the meetings they held were at the least irregular and compromised the charter of the school. I feel that for the good of the school the situation needs to be rectified by going back to open meetings. I further feel that those board members who have compromised the integrity of the open meeting process should resign.

Respectfully,

Anthony Willey

Sent from my iPhone

EXHIBIT 6

November 16, 2010

Memo to: Mr. Gary Waters & Mr. John Matsis, Beacon Academy

Memo from: Ernest Freggiaro, P.E., Board Member

Re: Attendance at Board Meetings

Gentlemen:

This memo is transmitted to you in hopes that you can provide some clarification to me on the required attendance at Beacon Academy Board Meetings. I have been a member of the Board for a little over one year.

It has been my experience that All Board Meetings are to be publicly noticed and that I would be provided an agenda a few days prior to the meeting. Last week I received a request to attend a Board Meeting on Monday, November 15, 2010. I have no evidence that the meeting was publicly noticed per NRS; nor did I receive an agenda. Due to previous commitments, I could not attend even if I wanted to.

I have on my calendar a Board Meeting for this Thursday, November 18, 2010. I have received no agenda or evidence that this meeting has been noticed per requirements of NRS.

I agreed to serve on the Beacon Academy board as a way to give back to the community. I believe that Beacon Academy provides a wonderful and needed service to students that cannot prosper in the typical brick and mortar situation.

I will not be attending Thursday night's Board Meeting because I have no evidence that we can conduct work and act on any items that will benefit the Academy. I will not waste my time at any meetings that may not be properly noticed or beneficial to the Academy and its students.

Please let me know when you can confirm that there will be a legally noticed board meeting in the future.

I am willing to serve, but I will not waste my time.

Sincerely,

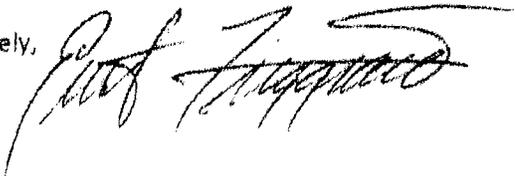


EXHIBIT 7

William C. Carrico
5448 Desert Spring Road
Las Vegas, Nevada 89129

(702) 655-8641

VIA TELECOPIER

TOM MCCORMACK
Charter School Consultant
Nevada Department of Education
1749 Stewart Street, Suite 40
Carson City, Nevada 89706-2953

Re: Beacon Academy Las Vegas, Nevada

Dear Sir:

I am writing in my capacity as a member of the Beacon Academy Governing Body. I wish to register my concerns about recent actions taken by some members of the Governing body that appear to run contrary to statute, bylaws and good ethical practice. As a member of the Governing Body, and a practicing attorney, I believe it is incumbent upon me to bring these concerns to the proper authorities, because in summary, it is my opinion that some of these actions, and proposed actions if completed, could jeopardize the school's Charter, or at the very least, damage the excellent reputation for service to its students that Beacon has begun to establish for itself. I apologize for the long narrative that follows, but I believe that this is the only way to fully inform the reader of the sequence and context of events, that out of context might appear petty or little significance.

I serve on the Governing Body of Beacon Academy along with the President Hadassa Lefkowitz, Vice President Stacey Ginoza, Treasurer Sharon McNair and members Ernie Freggiaro and Anthony Willey. (Member Helene Upson has submitted a letter of resignation, but also had taken no part in the events to which I refer). In my opinion two things need to be addressed immediately. Ms. Lefkowitz has convened at least two meetings of the Governing Body without having properly noticed the meetings, nor properly posting the agendas. Far more troubling however, is the fact that Ms.

EXHIBIT 7 (Pg 2)

Sharon McNair, through her accounting firm of McNair and Associates, has sought to establish herself as a vendor of accounting services to Beacon. Her firm has recently presented statements for services in amounts of \$8,000 and \$10,000 for each of the past two months. This not only projects the "appearance of impropriety," but is in fact an unambiguous violation of an ethical duty.

To begin, on Monday, November 8, 2010, I received an e-mail message from Governing Body President Hadassa Lefkowitz. She stated that she would like to have "a closed Board meeting" on the following Monday at 5:00 p.m. The message appeared to have been addressed only to the members of the Governing Body. There was no mention of an agenda.

As I did not see the message until the next morning, I responded then that I would be in court and unable to attend a meeting at 5:30, and I asked what was on the agenda. Ms. Lefkowitz responded simply by asking that I please come after court, and that the meeting would be held in "Sharon's office." Member Ernie Freggiaro copied me on his response at about the same time. He mentioned that the "meeting," (by which I believe he referred to the Body's regularly occurring monthly meeting), had already been rescheduled from November 16 to November 18, and that he had arranged his schedule around that meeting time. He said that he could not attend the special meeting.

Copied on the response to Mr. Freggiaro's message of regret, I was thus informed, that the regular meeting (now set for 11/18/2010), was to still take place, but that the meeting planned for Monday was to be "closed (Bd members only)," and that it was "**important.**" (*Emphasis in the original*). These communications all took place during the day of November 9, 2010.

Meanwhile, I began to receive calls from other interested parties. John Matsis, Beacon Academy's Compliance Office called me as did Gary Waters, our Executive Director. Neither man could answer my lingering question of what might be on the agenda at the proposed Monday meeting. I had always found both men to be highly informed and eager to assist, yet they appeared to be at a complete loss on this subject. They were uncharacteristically distracted by the emergence of this clandestine meeting and disturbed to the point of

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speculating about what negative impacts might be falling upon the school or themselves arising from such a meeting.

On the 10th of November, I received another e-mail from Ms. Lefkowitz to the members of the Governing Body. In this message, she informed me that the meeting would now be held on the following Monday at 6:00 and be run by attorney John McMillan. In response, I asked the following very short questions: Where was "Sharon's Office," again what was on the agenda, why the meeting was not being held at Beacon's offices (our usual meeting site), and why was it being closed. The response I received from Ms. Lefkowitz was in part that she had not seen John (McMillan's) agenda, and that it was being held at Sharon's office because that was the best place for this meeting.

It was shortly after this, that I called Mr. McMillan. He told me that the meeting was not really a Board meeting, but that it would be limited to him providing information to the members so that they could address topics that might come up at the regularly scheduled meeting. In discussing my interpretation of Nevada's Open Meeting Law, I accepted Mr. McMillan's statement that some of the information that he would provide was sensitive in nature as it involved staff. Shortly thereafter, I received another e-mail from Ms. Lefkowitz parroting Mr. McMillan's statement that this would be an "informational meeting," and that there would be no discussing, debating or taking of any action.

Thus it was that I determined to attend the meeting in order to be informed, and inform other members of the Governing Body who may have elected, or perhaps been unable to, attend. Also in attendance were Mr. McMillan, Ms. Lefkowitz, Stacey Ginoza, and Sharon McNair.

I was provided a group of documents that were referred to throughout the session. Mr. McMillan led the session, and began by stressing that he did not think there were any real problems at the school, but that there appeared to be a need for greater transparency and clarification of staff roles, so that there would not be a duplication of services. From everything that was said, and everything that I reviewed then, and after the session, I agree that there did not seem to be anything presented that would go further than what Mr. McMillan indicated.

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Ms. McNair however interjected that she thought there was some \$3,000 unaccounted for. Even though she presumably had just participated in the audit of the school, and in spite of Mr. McMillan and me pointing out where the money was allotted, she was reluctant to accept the facts. Then she announced that due to Mr. Matsis inability to handle the bookkeeping function, it was her suggestion that the school hire one of her current employees to work at the school. Gary Waters, she said, was in complete accordance with that arrangement.

I am most disturbed by this proposed action by Ms. McNair. I am now aware that as a member of the Governing Body, she has directly profited from her firm doing accounting and audits for the school. In what I heretofore had presumed was her volunteer role as treasurer, I feel that she has had inside knowledge of the financial condition of the school, and how the funds were allocated. At this point, especially in light of her firm's dramatic increases in billing, this raises a very dramatic specter of impropriety and could lead to a loss of the charter for Beacon Academy. Even so, at the time the statement was made, I knew that Mr. Water's had not agreed to the arrangement, because he had rushed to inform me, a few hours prior, that a similar proposition had been laid before him by Ms. McNair. He told me that he felt it was at the very least unethical, and I agreed going further by stating it might also be illegal.

And so it goes. I have taken up too much of your valuable time with what I warned would be a long narrative. I thank you for your time, and I ask for guidance, if possible regarding these events and those that are certain to unfold. I am available for further consultation or the providing of information should you desire it. Thank you.

Sincerely,

William Carrico