



## Potential HSV lawsuit?

### Description

**Has our CEO informed the Board of Directors about a potential HSV lawsuit?** Hot Springs Village People received a communication today, May 7, 2019, with this document enclosed. The communication stated the Board of Directors has not been notified of this potential HSV lawsuit. This document was sent to the [Hot Springs Village](#) Board of Directors, attention Lesley Nalley on April 30, 2019.

**Letter from Legacy Law Firm to HSV POA Board of Directors, Attention Lesley Nalley**

**Via Federal Express and Electronic Mail**

April 30, 2019

Hot Springs Village Property Owners' Association, Board of Directors

Attn: Leslie Nalley, Chief Executive Officer

895 DeSoto, Blvd Hot Springs Village, AR 71909 [lnalley@hsvpoa.org](mailto:lnalley@hsvpoa.org)

Re: [Hot Springs Village Builders Guild](#)

[Sherman Anti-Trust](#) and [Clayton Anti-Trust](#) Acts

Ms. Nailey:

I have been contacted by individuals regarding your efforts to promote individual builders, and other professions, above all others to stifle competition and increase revenue for the Property Owners' Association. Based on the facts, I have been asked to investigate whether your actions in this regard are violations of the Federal Sherman Anti-Trust and Clayton Anti-Trust Acts. Violations of those acts carry severe penalties, including, but not limited to, triple damages and costs (including a reasonable attorney's fee) to a private claimant, injunctive relief, as well as the potential for fines if prosecuted by the government.

In particular, the clients informed me that you have engaged in a scheme in which you recruit builders to be a member of your guild by promising free advertising on your website and through the newspaper, The Village Voice, and other mediums. We also have reason to believe the builders also receive preferential treatment in the form of relaxed restrictions by the Architectural Control Committee and reduced costs to purchase lots on which to build. In exchange for these benefits, we have been informed that you require these builders to construct on POA lots and list the properties with the realty company owned by the Property Owner's Association, thus reaping the benefits of a commission from the sale of the lots.

If true, these actions are certainly anti-competitive as you are attempting to freeze out non-guild members as well as other realtors and private property owners. By providing benefits unique to guild members and requiring them to build only on lots you own, you are harming the owners of the village as well as the businesses that do not receive the advantage of free advertising and reduced regulations.

Of course, if you believe your actions do not violate federal and state anti-trust laws, then you would have no issues providing us with documentation regarding these guilds. In particular, we demand you provide us with all communications, documents and agreements related to the builders' guild. We are also asking you to provide copies of any and all agreements between you and guild members, advertising and promotional material related to the guild, copies of any and all documents related to the guilds as well as any communications between you and members of the Architectural Control Committee related to membership in the guild as well as the application process. Please provide all guidelines established for membership in the Guild as well as any agreements between your realty company and guild members related to the purchase of Village owned lots and the construction of homes on such lots.

This matter is of great importance to my clients and should litigation be deemed necessary; we would be able to obtain all these documents through discovery. Thus, there is no reason for you to delay in complying with our requests. Please provide the requested documents within 15 days from the date of this letter.

Sincerely,

**[Phillip B. Montgomery](#)**

PBM/kk

**[Letter-to-Ms.-Nalley-4-30-19](#)**



## Potential Lawsuit at HSV – The Scales of Justice

### Category

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### Date Created

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lynn

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