

**From:** Daniel Horal daniel@taloslaw.com  
**Subject:** Re: DC Zoning Shale Down--THE BARRAS REPORT  
**Date:** April 23, 2017 at 4:27 PM  
**To:** C 2.0 crotten2@gmail.com, jonetta@jonettarosebarras.com

---

Dear Jonetta,

A couple clarifications on your recent post:

1) Only the first \$100,000 was, legally, "no strings attached," the part that went to the Champlain St. Neighbors.

The rest of the \$2 Million (so, \$1,900,000) of it is going to the Adams Morgan Forget-Me-Not Fund, which is registered under 501(c)(3) and is legally bound, and has already begun, to spend its money in accordance with its stated charitable purposes.

Right now your post reads to suggest that all the money is "no strings attached" which is quite inaccurate.

2) To put that \$100,000 in perspective: the Champlain Street Neighbors raised \$2 Million for the community. Large charitable organizations regularly hire fundraisers that take 35 percent or more in fees for their services. <http://wemu.org/post/professional-fundraisers-tend-keep-more-they-donate-report-shows#stream/0>.

And in reality, that \$100,000 was spent in line with community goals. \$20,000 of it went straight to the AMFMN Fund. Around \$30K went directly to tenants associations. About another \$20K went to legal expenses. CSN isn't under any obligation to publicly account for every dollar; neither is the Red Cross. But the organization spent the money very carefully and with much deliberation to do the best it could for the community.

Even if CSN had simply kept the money (it did not), the AMFMN Fund was able to raise \$1.9 Million at a "cost" of only \$100,000. Anyone who works in the nonprofit world would tell you that a 10% cost of funds is a bargain. And here, given that CSN also paid for AMFMN's 501(c)(3) and other legal costs, and passed money on to AMFMN, you're talking about very low administrative overhead.

3) Most importantly to me, you stated "The initial payment under the signed agreement from the hotel developers to the group was \$100,000. Horal said he placed that money into a special banking account that was under his control."

That statement is unintentionally misleading. It was in a trust account. The trust account wasn't under my control. I was authorized to write checks from the trust account only upon request of the CSN principles. It's really important to me that it not look like I'm "controlling" money that belongs to my clients; I didn't have any legal control over it.

4) Also, as he noted, Chris was NOT one of those principles. Chris couldn't authorize spending of CSN money either.

Please let me know if you're willing to reword things to more accurately reflect what's going on. The details are important here.

Sincerely,

Daniel

--

Daniel Horal  
Talos Law  
[www.taloslaw.com](http://www.taloslaw.com)  
(202) 709-9662

Admitted to practice in Washington D.C.

The information contained in this e-mail message is intended for the personal and confidential use of the designated recipient(s) named in the address box. Do NOT forward this message to any third party. If the reader of this message is not the intended recipient or agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error, and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this message in error, please notify us immediately by telephone; delete this message from all your files; and return any printouts you may have made to us by regular mail.