

Director's Report Feb. 22, 2008

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I got involved with the co-op in Feb. 2006. I had recently moved back to Wisconsin after having lived out east for 30 yrs. While I was out east I took old buildings and made them more energy efficient. Designed and built passive/ active solar homes and worked with Maine Solar Energy putting on workshops to teach people how to build their own Solar Hot Water, PV, and Hot Air systems. So here I was back home (Wisconsin) with continual rising oil prices and absolutely tired of the rhetoric and no action from our government. I searched out what was going on in the renewable world in Wisconsin and low and behold I found a company that was building solar panels biking distance from my home. WOW I got involved! The co-op had just lost someone the day I showed up. Problem. They couldn't pay me enough to make 1/2 of my monthly mortgage payment. I agreed to a much reduced pay if I could remain self-employed and show up on my own time and as needed bases. I made a total of 8,000 for the whole year. I hope this shows you I was not there enough to know all the answers that are asked of me now.

Nov. to Dec.2006 answered phone calls and email. Last week in Dec. went to Maine to talk about co-op. When I came back Jan.2, 2007 I was shocked to find the doors locked at SMC and CEC. Jan.2007 Helped CEC w/ the booth for Brown County Builders. Spring 2007 Moved equipment left at SMC. Offered storage space at my home. Set up change over to a different server for CEC email

May 2007

Took over Chamomile's place at CEC to keep loan from going into default and Co-op from closing

Checks to Ben and Mitchell's Plumbing under Chamomiles direction for Avis project

Quickly began to realize a big problem with the SMC systems. Tried to discover what the problem was

Chamomile unsure of how much in the checking account could be used for member systems as Avis project was yet unfinished

The Avis project. Emails to Ben are unproductive in getting file on this project or amount necessary to finish (To this day I do not know much about this)

Looked for installers to help with members system problems

Looked for ways to bring in income

Discovered Focus would not allow CEC to sell anymore system until SMC warranties were taken care of

Website and P.O. Box taken care of for 6 mos.

Began to realize SMC had not paid subcontractors for installations on several of our members systems. Members were getting liens placed on their property.

Realized programs I had gotten from Chamomile for opening CEC file were only temp. Purchased programs out of my pocket

Meeting with Focus to see if we could get help for members and discussion of problems we were facing

Looked through paperwork to try to get to the bottom of financial problems

Talked to State Unemployment Dept. to let them know at this time we had no paid employees. Talked to State Sales Tax Dept. To let them know we had no sales at this time.

June 2007

Set up meetings with possible investors. The Oneida Tribe was very interested but wanted us to call back in Oct. for their next round of funding

Reapplied for Focus website grant to help with member systems and money for office supplies

Ashley Lane took over calls for member problems

Board meeting----Unsure of how much we had access to in checking. Reapply for Focus Grant on website to help members with system problems. Discussion of possible investors. Directed by board members to pay employees. A decision to tell members to pay for repairs using Focus approved installers and we would try to reimburse when we became profitable

Continued to press Ben for info. on Avis Project

Wrote check to Ashley Lane for back pay and found I had no access to bank accounts

Sent out paperwork to board members to change Chamomile's access to accounts over to me

Found out we were not getting income from large systems. Howard Johnsons-3 years in the rears

I made a decision to not take any more money from members until I could see a way to profit

1st meeting with Scott King at Nicolet Bank about Lg. Systems. Made two delinquent payments and reduced money market fund. Set up meeting with John Kress

Scott King and John Kress inform me in June of 2006 Richard Lane had been given half a million and told he had 6 months to turn SMC around or the doors would close. By October SMC was bouncing checks I know I got one of those checks. As far as I could tell Richard had withheld this information to everyone including board members.

Call from CNN to do interview. Used this as leverage to get Howard Johnsons to pay up.

July 2007

Continued to try getting Howard Johnsons to pay up. Talked to CEO of Howard Johnson's and the CEO of Windham International

Board decides to default on loan. Scott King notified July 20th, needed to default on Lg. System Loan. Could not pay the insurance as well. As it was tornado season there was great concern over this.

Board members including Richard Lane sign the last of paperwork to change over accounts to me. Before I can get to the bank, next day, money in both Waupaca account and Nicolet accounts are empty. Nicolet went to Lg. System Loan. Unsure of Waupaca account at this time. Notified Nicolet to stop taking payments from members with automatic deposits. Called and emailed members. Met with Scott King and John Kress. John paid for loan that month to keep it from going into default and continues to pay. He also offered to give Lg. systems to CEC in exchange for tax credit. Emailed board members of John's offer. Richard Lane called to say no

Ashley Lane was no longer involved

Looked into condition of Lg. systems before taking on responsibility. Called past SMC employees only to find out that Howard Johnson's rarely worked and that is why they wouldn't pay. Other systems were having problems running as well. Expansion problems, frames rusting and were needing to be painted, screws rusting out and improper glass seals were unable to take the heat.

At this time 1/2 of both residential and Large systems are having problems with expansion tubes behind the PV panels on SMC system. Talked with other installers around the state, Don and Kari at Focus about how we might solve this

Focus approved grant but only 2,000 out of 10,000 asked for. Not enough to go forward so I declined

August 2007

I found the missing money from the Waupaca account had gone to pay for a (don't know for who) system install Chamomile had set up. This information came from the installer. Also found the Avis project had left us with no income. Ben had set it up for storage tanks to be given as partial payment to installer for this project. I really don't know much about this project as Ben was in the middle of overseeing this when I took over and did not give out information

Looked for people to help fix Lg. systems so we could start billing again. No luck. Tried to find possible ways to take systems through a nonprofit. No Luck. Canceled insurance on Large systems. Called Nicolet to inform them that the Co-op must default as we could neither pay the insurance nor take on the Lg. systems.

John Kress was still willing to give CEC the systems and wanted the Co-op to continue. John also shared the SMC accounts with me and suggested I would find the same thing in CEC's books. I had been looking in the computer records and found nothing unusual. I then decided to look at canceled checks and refigure from that. To my horror in Nov. and Dec. of 2006 Solar Mining Co. had been running its business through CEC's books. Among other things checks totaling almost 30,000 a month for two month's were directly written to Richard Lane. I do know some of this money was paid to SMC employees in cash but only 26,855 of the total. Paying people under the table while they are receiving unemployment is illegal. Top it off with Richard Lane running SMC accounts through CEC to either defraud his business partner John Kress, the IRS, & or he had an incredible number of bounced checks, I am not sure. No matter the reason Solar Mining business should not be part of co-op business. Nor should a board member be allowed to do this. I made copies of check stubs and all written documentation and called Scott King at

Nicolet Bank to verify what I had found. Next I talked to Don Wichert at Focus

Unsure of what impact this would have on CEC, the people involved and solar, I decided to hold off on blowing the whistle.

Not having received a paycheck from CEC since Nov. of 2006 I desperately needed to get some income going for me. I set off for Maine where I always have work. That pays. This break would give the time I needed to reduce my anger and think more clearly the direction I should take next.

When I got back at the end of September I called Kari Heinrich at Focus and let her know what I had found. I called the Oneida's just on the chance that they might still be interested in investing. But no return calls from my phone messages. I also called John to let him know I was back and feel him out for the Lg. systems. Yes, John was still interested in giving them to the Co-op, but there was no one to take care of them. I then emailed board members to set up a meeting to hand over the information I had found to date and resign. I felt there was nothing more I could do to help this Co-op and I needed to find a real paying job.

Yes, I am very angry about the poor workmanship by SMC. My mantra on my jobsites is "No call backs." Why the problem with the expansion tubes on the second or third call was never addressed by SMC is truly beyond me. Rusting frames and screws, etc. no call for it!

This co-op has done well to get the solar word out and I still think it is a wonderful idea. Solar hot water is great but PV and wind also needs to be promoted. My hope is that people in Wisconsin will take the idea and change it a bit so that they are using systems chosen by members and competent installers. It would also be better to use installers across the state and make them responsible for their own work.