

United States Environmental Protection Agency
Region VII
901 North 5th Street
Kansas City, Kansas 66101

07 JUL -9 AM 10: 34

ENVIRONMENTAL PROTECTION
AGENCY-REGION VII
REGIONAL HEARING CLERK

Re: John North
Provision Property Management

To Whom It May Concern,

The following is a reply to the violation against this company, and an explanation of the business. John and Heather North, a young married couple, were approached by the owner of the business, formerly First National, Jim Barlos. After several meetings with Jim, he explained that he would sale the business to John and Heather and remain on as the broker for five years until John could get the schooling it takes to become the broker. Jim produced financials on the business, showing it to be very profitable. The couple took out a \$15,000 loan for a down payment on the business and was to pay \$975 per month until the sum of \$60,000 was paid off to Jim.

After the first week of John's control of the business, several financial concerns began to arise with owners whose properties were managed by the company, and within the first month, the business was notified of over \$17,000 of bad checks due in the business' name. John and Heather sought legal counsel, and were made aware of the fact that Jim Barlos had filed bankruptcy and was well over thousands in debt with his personal life and the business. Struggling to keep owners happy, the couple did the best they could while a case was being made against Jim. Within the weeks leading to the trial, several owners had pulled their properties and were demanding monies from the company. All of the escrow, the general and the trust accounts that were supposed to be transferred to John ownership were empty. Jim was no longer coming to the office because of legal counsel advising Heather and John to distance the company and themselves from Jim until a trial. Jim was being sought after by almost every owner, and several companies that were used as vendors, and when they could not find him, the business began getting sued.

By the second month there was over \$64,000 of complaints and the company had already lost several of it owners. Heather and John were pulling money from all their resources, equity on their own homes, credit cards and from the maintenance side of the business trying to keep the business afloat.

Upon the trial, all that was decide is that Jim acted unethically by providing false financials on the business, and that the couple did not have to pay him the remainder of the loan on the business. This decision left them with the dooming fact that they now owned a company that was in terrible financial stress, with owners who were pulling their properties, vendors who would not do business with them and houses that were falling apart and unable to be rented. Jim was to no longer be part of the business, which left the North's and the secretary struggling on what to do and how to do it. Although Jim was still listed as the broker on legal records, there was no one on hand to help train the North's.

in realtor school and trying to get done so he could go to broker school, so that the business would have broker when their was a formal complaint made to MREC on John by a mad owner. This complaint put a halt to John's schooling, and the couple was left once again to try to figure out what to do. They ended up sending one of John's business associates to school who made it through realtors school and then through brokers school in about 2 months. He had only been on with the company for less then a month when the EPA came to the office.

The company has since been the cause of John and Heather North being in over \$65,000 worth of debt trying to dig the business out of the hole that was left, a foreclosure on their home, repossession of their car and over \$35,000 in law suits. The company had two owners left of the 83 that it started with as of November, and all were gone by December 2006. The company is no longer in business.