

PRUSHKA FAST DEBT RECOVERY.  
8 Station Street, Mitcham 3132.

June 12, 2003.

Attention Sheree.

Dear Sheree,

Thanks for your help on the phone. Attached please find the "Action Form" for the Motorcycle Riders' Association of Australia Inc. (MRA) debt to me, as discussed. I have never used a debt collection agency before and, as this is not your average small business debt, I felt a short history was in order.

I am a one-man company, sole director of National Motorcycle Consultants Pty. Ltd. (NMC). I work part time as a courier and as a bike insurance agent. Most of my work for the last 25 years has been unpaid. This included work as a lobbyist for the motorcycle community (266,308 licence holders in Victoria in 2002) and in community service. In 1997 I was awarded an Order of Australia Medal (OAM) for efforts in road safety, for organising 20 MRA Toy Runs for needy kids and for promoting the Blood Bank through the MRA Blood Challenge. Of course, many MRA members earned a piece of that medal. I live with my parents, on a low income. NMC allows me to continue in some of my voluntary roles.

I was a founding member of the MRA in 1978 and was awarded an Honorary Life Membership. I have been MRA President, on and off, for about 14 years. I have always been an active member and have represented riders on local, state and federal road safety committees. I am currently the MRA Representative on the Road Safety Reference Group (RSRG) at VicRoads. In the 1980s I was on the Melbourne Tourism Authority (MTA) and we, the MRA, had the opportunity to help promote the first motorcycle Grand Prix at Phillip Island. The MRA Board would not take on the required responsibilities (leases, liquor licence, insurance etc.) to run camp grounds at such an event, so I did. I borrowed on my home. The first Phillip Island GP in 1989 was a massive success.

Had the GP stayed at the Island for 5 years, as the government promised, I would have done nicely. But it didn't. 1991 was a Sydney GP. Many associated Victorian businesses went broke. The MRA benefited from the GPs through PR, memberships and stock sales, while it was protected from any loss. It also benefited from a fully equipped, rent-free office at my house. For 3 years I worked as hard as I could to meet bank payments, keep my home and do my MRA work. I wrote for magazines, went laboring, sold insurance and so on. I continued, unpaid, to organise Toy Runs and promote the Blood Challenge. By 1995 I was exhausted.

During 1994 it was obvious the MRA was at a crossroads. It had to generate more income and employ people or it would collapse. An Elizabeth Street shopfront HQ was discussed. As with the GPs, the MRA Board would not take on the responsibility of signing a lease or hiring staff. I was still paying GP bills and couldn't do it alone. In 1995 my sister was diagnosed with terminal cancer. She lived in Canberra and had 3 children under 10. It was the last straw. I sold up, paid my bills and moved in with my parents so I could go to Canberra at short notice.

This would leave the MRA without an office and with its' equipment, records and history in storage in Richmond. An MRA Board meeting was held, probably in mid 1995. The MRA had to establish itself as an association, not a club, in the same way that Bicycle Victoria and the RACV had done. I was selling up so there would be enough to finance a shop in Elizabeth Street. NMC would share the premises with the MRA. It was an investment. I would run NMC bike insurance and the MRA would again benefit from a high profile position. I undertook to pay MRA's stock and running costs in the short term and would man the premises when MRA volunteers were not available. The meeting was minuted and recorded on audiotape. To avoid conflict of interest, I wasn't present while the issue was discussed and voted on.

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Over the next few years the MRA did well out of the shop paying about a third of the rent and overheads while increasing memberships and stock sales. A Harley Rides business, now owned by MRA Treasurer, John Karmouche, also did well out of the shop. In the late 90s the MRA Board worked out a figure it owed me. I was President at the time and absented myself from discussions. The Board determined it would pay *only* on receipts I presented and a figure was set. It was about \$15,000. It did not include interest or costs like renovating, maintaining or manning the premises. When the lease ended I was not prepared to put my name on the lease again. No one else would make the commitment. Both NMC and MRA left Elizabeth Street owing only routine running costs. The shop was a success for the MRA in that it kept the Association open to its' members some 70 hours per week, increased memberships and paid its' way.

In 1997 I retired as Toy Run organiser and as MRAA President in 1998. I kept only a road safety role. The Elizabeth Street shop closed. The MRA established its' HQ in South Melbourne. I was not a Board Member when, under President Dean Balding and Treasurer Faye Kerridge, the MRA began to repay the debt it owed me at \$200 per month. In 2001 (?) Marcel Comports became MRAA Vice President and in spite of protests from various people MRA equipment, records and history from the Richmond store went to the tip.

Faye Kerridge stayed on as Treasurer until this year and signed many/all of the repayment cheques to me. In 2002, Alex Money became MRA President. The MRA Board comprised 7 members. President Money's faction included the Vice President, Treasurer and Secretary and it was hostile to veterans like myself. He sent me a letter of demand for the original contract for the monies owed. I was given approximately 48 hours from receipt of his letter to produce a document that did not exist. The receipts and records of 5 to 8 years ago should have been in the MRA store in Richmond. However, much of the history in the store was, in spite of members' protests, taken to the tip by MRA VP Marcel Gomperts. Since the day President Money took the office I have tried to talk to him about the debt and about my semi-retired role in the MRA.

Under Section 5 of the MRA Constitution (copy attached) President Money is required to attempt dispute resolution within 14 days or go to an independent mediator. After *months* of consistent refusal to resolve the dispute by independent mediation, a Special MRA Board meeting was held on March 18, 2003 at the South Melbourne HQ. As the Chairman was President Money it didn't even provide a credible first step in the dispute resolution process as required under the MRA Constitution. I repeatedly asked to see the MRA financial records and was refused or given so little time it was impossible to achieve anything. Photo copies were not allowed. President Alex Money ordered the repayments to me stopped.

It was a particularly harsh thing to do to low-income earner in December. I had to cancel a 5-day trip to meet relatives in Eden, NSW. My nephew and nieces had to wait months for Christmas presents. I felt it was more to demoralise me than to save the MRA money.

At the MRA Board meeting on March 18, I was again given an impossibly short time to look at the books and copies were again refused. **Michael Czajka, MRA Board Member and qualified accountant** told President Money that the contract was established and it had been recognised as legitimate by more than one MRA Board over several years. See attached statutory declaration. **MRA Public Officer, Grace Placencio B.A. (Hons) L.L.B. and Board Member, Heather Ellis**, supported this. It was in effect a ten-year, interest-free loan that had allowed the MRA to survive the 1990s. President Money threatened to close the MRA down using the excuse that it could not pay me and remain solvent but Grace Placencio offered to cover the repayment of the loan in full or in part. Further, it was President Money's Board that ended the reasonable and affordable repayment plan of \$200 each month.

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President Money insisted I produce a document, a contract he *knew* did not exist as a single paper. He had good reason to think MRA records and receipts from that time no longer existed. I kept duplicate records from those days and may be able to find minutes and/or tape recordings. However, finding those records would take many tens of hours searching stores. I will make that search but I am reluctant to do so unless absolutely necessary. As I understand it, Alex Money's faction decided not to resume MRA repayments to me. They outvoted Michael Czajka, Grace Placencio and Heather Ellis. The onus is on them to prove, through the MRA's records that the debt does not exist.

While giving evidence on another matter at the Dandenong Court on April 14, 2003, then **MRAA Treasurer, Faye Kerridge**, said she had signed MRA cheques that were repayments to me. She recognised a Treasurer's Report she had prepared and agreed that the amount marked "Less Unpaid Invoices/Accounts Damien Codognotto Loan - February 02 (\$200.00" was indeed one such repayment. Copy attached. I have today emailed **MRA Treasurer, John Karmouche**, making another request to see the MRA books to confirm the debt. I have no confidence that this request will be any more successful than the others. (Copy attached)

The amount now due, plus accounting fees is **\$7562.00**. According to my records, at June 30, 2002 the MRAA owed me \$7912. Repayments for July, August, September and October amounted to \$800.00 reducing the MRAA debt to \$7112.00. The MRAA has not made it possible for me to confirm that this figure coincides with their figure, to date. This has directly caused me to spend time and money preparing this document. I seek recompense for accounting fees, including administration and book keeping costs, \$450.00. Total owed by the MRAA to Myself **\$7562.00**.

Sincerely,

Damien Codognotto OAM  
MRAA Life Member. NMC Director.  
PO Box 3091, The Pines, Vic. 3109.