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Holding Union Bank Accountable

Posted by [Libi Uremovic](#), July 19, 2013 at 08:06 am

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District Bond Proceeds

The City will deposit the proceeds from the District Bonds as follows:

Sources of Funds

Principal Amount of Bonds	\$6,957,000 (1)
Less Bond Discount	(472,022)
Accrued Interest	35,941
Cash from Improvement Area No. 7 Landowner	748,483
TOTAL	7,269,402

Uses of Funds

Construction Fund	\$ 6,225,347
Bond Fund (Capitalized Interest)	803,576
Costs of Issuance Fund (2)	145,191
Administrative Expense Fund	59,347
Accrued Interest	35,941
TOTAL (3)	7,269,402

(1) Approximately \$76,500 remains in Authority Program Fund to purchase District Bonds with respect to Area No. 4 or 5 at a later date.

(2) Costs of Issuance includes fees of Bond Counsel, the Special Tax Consultant, administrative fees, for costs of issuance with respect to the District Bonds.

(3) There is no Reserve Fund established with respect to the District Bonds. ←

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1994 BOND



In our Democratic system of Checks & Balances the massive bond debt incurred by the City of Beaumont Should have never happened.

Although the responsibility to control local government corruption is the Citizens' duty of care; there are State and Federal Laws to prevent Banks and Financial Institutions from approving debt that can not be repaid.

California Financial Code Section 1322 allows the Banking industry to engage in real estate development because of their 'expertise'. The 'expertise' would be for the bank to know the amount of debt a local government agency can legally acquire and the regulations & requirements for bond debt.

I have filed a complaint with the California Department of Business Oversight and the Federal Securities Commission against Union Bank NA located at 120 South San Pedro Street, 4th Floor, LA, CA, 90012 and their Vice President Stephen W. Boughton.

Union Bank is responsible for allowing the City of Beaumont to incur massive debt. Union Bank has issued the City of Beaumont \$300 Million in Bond Debt without voter approval. The Bonds are all poorly written, contain several mathematical & factual errors, and circumvent basic State & Federal laws regarding Debt and Reserve Requirements. Bond Debt should have a 10% Reserve Requirement, but the City of Beaumont can not produce a Statement from Union Bank or any other Financial Institution verifying any Reserves. Fine Print on the bonds state that no reserve fund has been established.

The City of Beaumont's total tax revenue is only \$12 Million/year, yet their bond debt payments are over \$14 Million/year and escalating. Union Bank has issued over \$44 Million in additional bond debt to the City of Beaumont in the last 18 months knowing that the City is already financially underwater and there is no tax revenue allocated to pay for the debt.

The actions needed are to demand Union Bank NA immediately cease all further issuing of bond debt to the City of Beaumont and any other Government Agency that been allowed to over-extended themselves.

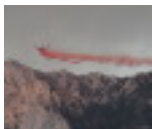
Union Bank should also be fined & penalized for circumventing California State & U.S. Federal Laws regarding Local Agency Debt and the Banks' Duty of Care.

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Libi Uremovic July 19, 2013 at 08:08 am

I filed a complaint against Union Bank on behalf of the Citizens of Beaumont with the State and Fedslet's see if anyone does their job....

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