

**IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF LANE  
Small Claims Department  
Case No. 25SC12868**

**Trial Exhibit: Legal and Factual Response to Claim Filed by Creditors Specialty Northwest, Inc.  
on behalf of Staffordshire Homeowners Association (SHOA)**

**Title: SMALL CLAIM AND NOTICE OF SMALL CLAIM**

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◇ **Prefatory Statement (See Exhibit 102)**

Submitted under oath by Defendant Stephen Gale Short, this statement outlines the ethical, legal, and community concerns that prompted the challenge to SHOA's Resolution 5 and subsequent fines.

The full version is attached as **Exhibit 102: Annotated Statement of Principle – Why Stephen Short Challenged Resolution 5.**

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◇ **Point #1: Resolution 5 Is Invalid Under Law and SHOA Governing Documents**

**Core Legal Arguments:**

- Not supported by CC&Rs or valid bylaws.
- Never approved by the membership.
- Violates ORS 94.590 (rule adoption) and ORS 94.630 (board powers).

**Legal Authority:**

- **Allen v. Reed, 155 Or App 426 (1998)** — Board rules unenforceable unless grounded in governing docs.
- **Mountain High HOA v. J.L. Ward Co., 228 Or App 424 (2009)** — HOA authority is limited to what's expressly granted.

**Supporting Evidence:**

- **Exhibit 105:** 1993 SHOA Bylaws (showing no mention of Resolution 5).
- **Exhibit 107:** 2025 SHOA Bylaws Amendment (Resolution 5 not incorporated).
- **Exhibit 106:** Resolution 5 Document.

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◇ **Point #2: SHOA Misrepresented Resolution 5 to Collections Agency (CSN)**

**Core Legal Arguments:**

- On Nov. 15, 2024, SHOA claimed that "Resolution 5 is part of the SHOA Bylaws."
- This statement is provably false and was relied upon by CSN to seek a \$10,000 fine.

**Legal Authority:**

- **ORS 646.608(1)(e), (u)** (Oregon UTPA) — Prohibits false or misleading legal claims.
- **FDCPA § 1692e** — False representations in debt collection are unlawful.
- **Boers v. Payline Systems, Inc., 141 Or App 238 (1996)** — Liability attaches even to unintentional misstatements.

**Supporting Evidence:**

- **Exhibit 108:** November 15, 2024 SHOA letter to Shorts.
- **Exhibit 111:** CSN Small Claim filing.
- **Exhibit 105 & 107 (again):** To show Resolution 5 not embedded in bylaws.

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◇ **Point #3: Procedural Injustice and Quasi-Judicial Misconduct**

**Core Legal Arguments:**

- 20-minute cap applies only to homeowners.
- Board acts as complainant, judge, and jury.
- No appeal mechanism; no burden of proof.

**Legal Authority:**

- **ORS 94.630(1)(n)** — Requires notice and opportunity to be heard.
- **Wong v. Mason, 362 Or 62 (2017)** — Tribunals must be neutral and fair.
- **Zollinger v. Donald, 192 Or App 639 (2004)** — No procedural safeguards = unlawful enforcement.

**Supporting Evidence:**

- **Exhibit 106:** Resolution 5 (showing hearing limits).

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◇ **Point #4: Unlawful and Escalating Fines Without Proportionality**

**Core Legal Arguments:**

- Flat \$250 fines for vague categories like "nuisance." And “annoyance”
- Retroactive penalties over time periods not clearly defined.
- Strict liability for guests, pets, and others.

**Legal Authority:**

- **ORS 94.630(1)(n)** — Requires proportionality and reasonableness.
- **Mountain High HOA**, again — Enforcement must match governing documents.

**Supporting Evidence:**

- **Exhibit 106:** Resolution 5 Fine Schedule.

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◇ **Point #5: Business Judgment Rule Does Not Protect SHOA**

**Core Legal Arguments:**

- SHOA cannot claim "good faith" if they failed:
  - to investigate legal authority,
  - to act loyally,
  - and to make informed, unbiased decisions.

**Legal Authority:**

- **Chaney v. Dayton, 2004 WL 1445299** — BJR does not shield unlawful conduct.
- **ORS 65.357(1)** — Imposes statutory fiduciary duties.
- **Wong v. Mason** — Bad faith and selective enforcement void BJR protection.

**Supporting Evidence:**

- **Exhibit 102 (again):** Annotated Statement of Principle – showing selective targeting
- **Exhibits 110a-d:** Formal Demands for Legal Justification and Correction of Resolution 5

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◇ Prayer for Relief

Defendants Stephen and Michelle Short respectfully request that the court:

1. Deny the claim in full;
2. Find that SHOA's Resolution 5 is invalid and unenforceable;
3. Declare the attempted \$10,000 fine void;
4. Find the CSN collection action improperly founded on misrepresentation;
5. Award any other relief deemed just and proper.

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*Respectfully submitted,*



Stephen Gale Short



Michelle Short

Defendants and Real Parties in Interest