BEFORE THE ARIZONA DEPARTMENT OF REAL ESTATE

Sophia (Hong) Xu, Petitioner,

v.

Magic Ranch Community Association, Respondent.

LEGAL BRIEF IN SUPPORT OF PETITION FOR HEARING

Subject Property: 6843 E San Tan Way, Florence, AZ 85132
Unit ID: 7B2V-0D90
Recorded Lien Fee Number: 2026-025831

1. Violation of Mandatory Notification Hierarchy (A.R.S. § 33-1807)

The Respondent failed to follow the strict pre-collection notification hierarchy mandated by Arizona law and its own Collection Policy (Exhibit A) before escalating this account to an external collection law firm:

- Failure of Initial 30-Day Notice: The Petitioner never received the mandatory 30-day Late Notice via regular mail from the Association as explicitly required by Exhibit A.
- Failure of Final Certified Notice: The Association completely failed to send a Final Late Notice via Certified Mail, Return Receipt Requested. Under A.R.S. § 33-1807(L), this physical notice is an absolute statutory prerequisite that must be executed before an account can be referred to a collection agency or law firm for the recovery of attorney fees and collection costs.

2. Illegal Recording of Lien Prior to Statutory Notice (A.R.S. § 33-1807(L))

- The Evidence: The official Pinal County Recorder's stamp (Exhibit C) confirms that the Common Expense Lien (Fee #2026-025831) was filed and recorded on March 30, 2026, at 3:19 PM.
- The Inverted Notice Timeline: The final "Notice of Assessment Lien" demand letter issued by the collection firm, Schwartz Vays, LLC, is dated March 31, 2026, but was not transmitted to the Petitioner via electronic mail until April 3, 2026 (Exhibit D). A physical copy of this demand

letter was not discovered or received via regular mail at the Petitioner's correct primary residence until April 9, 2026—ten days after the lien had already been recorded (Exhibit F).
- The Violation: Recording a property lien prior to providing physical notice to the homeowner's primary address skips the mandatory 30-day boldfaced statutory warning window required under A.R.S. § 33-1807(L). This deprives the homeowner of their legal right to a cure period, rendering the recorded lien procedurally defective and void.

3. Systemic Address Discrepancies and Failure of Verifiable Service
- Documented Actual Knowledge: The Respondent possessed actual knowledge of my correct primary address, as evidenced by the fact that my residence in Florence, AZ is correctly listed on the face of the recorded lien itself (Exhibit C). Furthermore, the Association's Board President resides on the exact same street, just several houses down from the Petitioner's home, possessing direct, personal, first-hand knowledge that this property has been my sole primary residence throughout the entire window of this alleged debt accrual.
- Defective Transmission: Despite this localized, daily knowledge of my true physical location, the collection agent's unauthorized electronic transmission on April 3, 2026 utilized a completely incorrect address of record and a wrong zip code (typing 85005 instead of 85003 for the 1105 S 4th Ave Phoenix location) (Exhibit D).
- Failure of Statutory Burden: While the Respondent's agent (PMI San Tan) claims physical notices were issued prior to recording, they have failed to produce delivery tracking logs or physical USPS Return Receipts (Green Cards) delivered to my primary Florence address. Attempting to justify a lien action while corporate officers possess daily knowledge of the homeowner's true physical location—yet failing to ensure verifiable delivery of mandatory pre-lien notices to that exact location—constitutes a bad-faith circumvention of service that entirely voids the notice chain under A.R.S. § 33-1807.

4. Failure to Validate Debt and Retaliatory Fee-Stacking (15 U.S.C. § 1692g)
- The FDCPA Statutory Stay: The Respondent's collection agent issued a "Notice of Intent to Record a Claim of Lien" dated January 22, 2026 (Exhibit G). This notice was sent via regular mail and was not received by the Petitioner until January 29, 2026, severely shortening the right-to-cure window. In immediate response, the Petitioner issued a timely, formal Debt

Validation Request via Certified Mail on February 4, 2026 (Exhibit E). Pursuant to federal law under 15 U.S.C. § 1692g(b), the Respondent and its agents were strictly required to cease all collection and lien enforcement actions until a proper verification was delivered to the homeowner.

- Deficient Debt Verification: The collection agent issued a response letter dated March 15, 2026, which the Petitioner received via regular mail on March 22, 2026 (Exhibit B). This response was legally deficient under federal validation standards. As shown on the face of the Respondent's own ledger (Exhibit B), the accounting fails to provide an itemized, line-by-line validation for an unexplained $385.00 "Balance Forward" charging block aggregated back on June 30, 2024 (consisting of $5.00 late fees, $160.00 other charges, and $220.00 principal).
- Retaliatory Recording and Illegal Fee-Stacking: Just eight (8) days after the Petitioner received this incomplete accounting, and while the underlying debt was still unverified, the Respondent rushed to record Property Lien Fee Number 2026-025831 on March 30, 2026 (Exhibit C). In response, the Petitioner issued a secondary formal dispute and debt validation demand on April 4, 2026 via Certified Mail (Exhibit E), specifically renewing the request for the pre-June 2024 line-item history. As of the date of this filing, the Respondent has failed to provide any accounting for the disputed $385.00. Furthermore, immediately following my request for clarity, the Respondent arbitrarily doubled the collection costs from $400.00 to $800.00 without justification, constituting bad-faith fee-stacking under 15 U.S.C. § 1692f.

5. Refusal of Tendered Principal and Assessment Funds (A.R.S. § 33-1807(N))

On 04/04/2026, the Petitioner formally tendered a total of $1,312.00 via Certified Mail ($1,162.00 to cover full principal assessments to the collector and $150.00 to cover upcoming April, May, and June 2026 HOA dues to PMI San Tan) (Exhibit E). As of this filing, the Respondent has neither returned these physical cashier's checks nor credited them to my account ledger. Under A.R.S. § 33-1807(N), an association is mandated to accept payments. Because a valid tender of the core assessment debt was made and ignored, the Respondent is legally barred from accruing further interest, penalties, or late charges.

6. Illegal Assessment of Unitemized Late Fees and Penalties (A.R.S. § 33-1803)

- The Provision: Under A.R.S. § 33-1803(H), a planned community association cannot assess late fees, penalties, or collection costs against a homeowner unless they provide a specific, itemized notice of the charge, its origin date, and the clear breakdown of the rule violated.
- The Violation: As shown on the account ledger (Exhibit B), the Respondent applied a $385.00 lumped "Balance Forward" charging block dating back to June 30, 2024 without any line-item history. By building a property lien upon an unitemized historical balance, the Respondent flatly violated the notice and transparency requirements of A.R.S. § 33-1803. Because the underlying penalties were applied illegally, the resulting lien built upon those penalties is invalid.

7. Willful Breach of Fiduciary Duty and Corporate Oversight Failure

Following my formal April 4, 2026 dispute submission, the Association's Board of Directors held an official vote to enforce collection actions against my property. The Board President explicitly admitted to me that the Board refused to read or review my written dispute letter, claiming it was a "private document". Voting to execute severe lien actions while willfully ignoring a homeowner's documented statutory defense is a flagrant breach of the Board's corporate fiduciary duties and a total denial of basic administrative fairness. Furthermore, during an initial inquiry regarding why no debt notices had ever been received, the Board President speculated that the Association's standard practice was to notify via email only. During a subsequent interaction, after asserting that PMI San Tan had indeed been sending notices, the Board President admitted complete lack of knowledge regarding where those notices were actually mailed. This lack of awareness demonstrates a complete absence of corporate oversight over their management agent, PMI San Tan.

RELIEF REQUESTED

The Petitioner respectfully requests that the Administrative Law Judge grant the following relief:
1. Declare the Common Expense Lien (Fee #2026-025831) procedurally defective and invalid, and order its immediate recorded release from the Pinal County Recorder's Office.
2. Order the complete waiver and removal of all unauthorized non-assessment fees currently charged to the account, including $305.00 in late fees, $113.46 in interest, and $800.00 in collection costs (totaling $1,218.46).

3. Compel the Respondent and its agents to immediately cash, account for, and apply the $1,312.00 in tendered payments (Exhibit E) to show the principal assessment account balance is entirely current ($0.00 past due).
4. Order a Full Refund of Unverified Charges: Order the Respondent to immediately refund the $220.00 principal paid under protest for the pre-June 2024 "Balance Forward" if the Respondent fails to produce a transparent, line-item ledger proving the legitimacy of this underlying charge under 15 U.S.C. § 1692g.
5. Pursuant to A.R.S. § 32-2199.01, order the Respondent to fully reimburse the Petitioner for the $500.00 ADRE Filing Fee due to the Board's willful refusal to review the initial dispute prior to forcing litigation.

I, Sophia (Hong) Xu, declare under penalty of perjury under the laws of the State of Arizona that the foregoing statements and facts outlined in this brief are true and correct to the best of my knowledge.

Respectfully Submitted,

/s/ Sophia Xu

Sophia (Hong) Xu
Petitioner in Pro Per

Date: June 26, 2026