11 DEC 11 Special Board Meeting Minutes

President Knott advised Secretary Castiglioni did not respond to calls and Mr. Cauley was not available so he would take minute notes.

Meeting called to Order at 9:09 p.m. EST.

Directors Present
Region 1: Stan Walters (PA)
Region 2: Norman Kaplan (MD)
Region 3: Roy Drury (FL)
Region 4: Ed Kirby (OH)
Region 5: Larry Fry (WI)
Region 6: Tom Jenkins (ID)
Region 7: Charles Land (TX)
Region 8: John Capodanno (CA)
Region 9: D. Kenny Jagdeosingh (Trinidad)
President: John Knott (FL)

Officers Present
President: John Knott (FL)
Executive Vice President: John L. Mahon (MA)
Secretary: Michael Castiglioni (MA)
Treasurer: Lee Besing (TX)
Asst. Treasurer: Frank Jennings (WA)
Asst. Treasurer: Stan Walters (PA)

President Knott advised there was a Quorum

Guests Present
Chuck Thompson, Dallas County (TX)
Jerry Jones, Dallas County (TX)
Vincent Mazzuca, LA County (CA)
Steve Ramos, LA County 840 (CA)
Skype Xoflex remained unidentified and was placed on hold

Chairman Walters advised this was an unscheduled special meeting regarding the March Annual (winter) Board meeting location and to review the Drury Hotel contract. Chairman Walters confirmed all Board members had received a copy of the contract.

President Knott outlined the contract details.
Rates are at the Atlanta market in the Morrow, Ga., facility south of Atlanta, $67.95/night Thursday through Saturday night, may be extended based on availability. We can fit into small meeting room, conditions and fees were outlined, individuals have to make their own reservations, RI-HQ will not be paying for attendee accommodations. We need ten guest room nights to receive complimentary meeting room with $50.00 set up fee. The contract needs to be signed and back to Drury Inn by December 14 to validate the contract as written.

Region 7 requested clarification of meeting room conditions – President Knott compared meeting room to that used in Dallas 2 years ago.

Region 9 requested clarification of meeting room rate, accommodations, occupancy, and location.

Region 6 requested clarification of taxes, President advised approx 14%.

Region 3 requested clarification if 14% covered the sales tax and hotel tax – Yes it does.

Region 5 requested clarification of ten room nights – Based on the number of days the meeting room is needed. Chairman Walters read from the conditions from the contract. We need 20 room nights for the meeting room.

Motion by Region 3, second by Region 8; to accept the contract.

Discussion included the Quad rate to include 2 double beds; cost of transportation from airport/hotel. A hotel shuttle does not exist; President Knott was personally going to assist with transportation to the hotel. The number of room nights/meeting room was revisited and discussed, reading from the contract. Room rates may be increased if 80% of the rooms are not occupied. The contract, page 2, does not appear to specify rooms for Saturday night, where would attendee’s spend Saturday night? It may be indicative that we are not obligated for these rooms.

The motion was amended to authorize President Knott to sign the contract pending acceptable answers to the questions asked:

Saturday night lodging
The meaning of 12-12-0
The actual number of room nights required to get the small meeting room for free

Region 5 was not comfortable without these questions specifically addressed in writing.

Region 3 does not accept the amendment to his motion. Vote on original motion by Region 3.

R1-N; R2-N; R3-Y; R4-Y; R5-N; R6-N; R7-N; R8-N; R9-Abs; Pres.- Y. The motion failed.

Motion by Region 7, second by President Knott; to authorize the President to negotiate and sign a contract. He is willing to trust President Knott’s judgment that the questions would be clarified.

R1-Y; R2-A; R3-N; R4-Y; R5-N; R6-N; R7-Y; R8-N; R9-A; Pres.- Y. The motion failed.
We are back to the drawing board to find a place to meet for the winter board meeting, as the primary purpose of this meeting.

The Chairman opened the floor to discussion of the Board’s expectations of a meeting place and concerns. Doubling of rooms may reduce our ability to meet the obligation for the small meeting room. We may be obligated to additional expenses for falling under the ten-room requirement.

Motion by Region 3, second by Region 6, to authorize the President to renegotiate the contract based on the concerns expressed tonight; bring the contract back to the Board by Email; have the Board of Directors respond by Email with the approval; if he has a majority of the Directors’ approval he is authorized to sign the contract. Motion amended to authorize President Knott to poll the Board by phone if particular Board members are unresponsive by Email. The amendment was accepted by R3 and R6.

R1-Y; R2-Y; R3-Y; R4-Y; R5-A; R6-Y; R7-Y; R8-Y; R9-Y; Pres.- Y. The motion passed.

Region 7 asked if it would it be helpful to poll the attendees to determine who may be doubling up the rooms. The poll resulted in a commitment to 8 rooms.

ITEM 5: Business that cannot wait until January 8

Region 9 Requested a convention update – Ron Mayes (Sedgewick County REACT, Kan.) is looking at possibly hosting a 2012 convention but is concerned with having a sufficient number of volunteers. R9 reported Trinidad & Tobago was finishing their convention proposal and expects to be submitting it the Board shortly.

Treasurer Update by Mr. Besing. President Knott, Brenda, and he have participated in a teleconference finalizing a reconciliation through November/December. She will be generating checks in QuickBooks to be sent to him for signature; he anticipates reports being available; the PayPal lump sum transfer problem was resolved; he has not received any statement information from Mr. Jennings regarding our investments, therefore, that information cannot be included; the mailing of the investment statements to RI-HQ has to be confirmed to facilitate copies being forwarded for his reports.

Region 5 left the meeting at 10:09 p.m. EST.

Region 9 requested clarification of winter Board meeting dates, March 23 & 24, 2012

Motion by Region 8, second by Region 2, to remove John Knott from the office of President. Chairman Walters asked for the basis of the motion. Region 8 referenced the Emailed allegations by Region 3 regarding this motion.
Region 5 returned to the meeting at 10:13 p.m. EST.

The discussion included financials and the CPA search for the audit. Chairman Walters outlined our search for a CPA from multiple previous minutes. The audit requirements were highlighted. There are numerous concerns regarding incomplete tasks by President Knott. Region 8 does not want to discuss/address the concerns in open session and called the question to vote on ending the discussion and moving to a vote.

R1-N; R2-Y; R3-Y; R4-N; R5-Y; R6-Y; R7-N; R8-Y; R9-A; Pres.-A. The motion to close the discussion failed. Clarification of President Knott’s obligation to recuse himself and affecting the vote. With or without, the vote does not have a majority of votes needed.

Additional discussion expressed concern with the allegations. Chuck Thompson noted that the Chairman of the Board should be neutral on the matter. If Director Walters wanted to be an advocate in the discussion, he should step down and have the Vice-Chairman take over. Chairman Walters noted that with a Board this small that’s not feasible. Discussion continued noting this action is usually for very drastic actions, that cannot wait for an election, to address specific details. A mid-term leadership change may be more harmful to the organization.

Region 2 shared an opinion from a friend who was a lawyer responding to questions. He asked if an officer should keep documents from members of the Board of Directors. A company’s documents should always be available to Directors. A corporate officer must be responsive to reasonable questions posed by Board members. If a majority of the board makes a request of an officer, that officer must provide an answer. A board may also remove an officer by majority vote. President Knott had previously stated that by December 4, which was last Sunday, he would have an answer to the reconciliations as requested by the Board of Directors. Reconciliations for January through October were sent out on December 11 and were discussed as it relates to President Knott’s responsibilities. The accuracy of specific reconciliations was discussed questioning specific transactions as valid. President Knott advised we are at the mercy of the CPA as to when we receive the reports. The payroll taxes, for the second and third quarters, have been completed and will be sent out this week. Clarification brings the main motion to vote

R1-N; R2-Y; R3-Y; R4-N; R5-Y; R6-Y; R7-N; R8-Y; R9-y; Pres.-A. The motion passed and Mr. Knott left the meeting.

Region 2, second by Region 6, nominated Mr. Capodanno to the Office of President to fill the remaining term until the winter board meeting. Region 5 nominated Chuck Thompson who respectfully declined. The nomination was withdrawn. Motion to close nominations; Mr. Thompson advised the motion was out of order and nominations reopened. Chairman Walters nominated John Knott, second by Region 9. There were no other nominations, the
Nominees are John Capodanno and John Knott. Directors asked to vote by stating the last name. John Knott was not present to accept the nomination leaving one nominee for President. Chairman Walters asked Board members to exercise patience as he was now taking the minutes.

R1-K; R2-C; R3-C; R4-A; R5-C; R6-C; R7-A; R8-R; R9-C. Mr. Capodanno is the new President.

Motion by Region 8, to remove Treasurer Besing. Mr. Besing stated that he would end his 14 years of Service with the Board and they can figure this out themselves, goodnight. The attempts to clarify Mr. Besing’s statement remained unanswered and it was opined that he is resigning his position as treasurer. The Bylaws state a resignation must be submitted to the Secretary in writing, and to forestall any question about the resignation, the vote was conducted.

Motion by Region 6, second by Region 3, to remove Mr. Besing from the office of Treasurer. Region 9 requested and received clarification of why the motion is being brought forward.

R1-A; R2-Y; R3-Y; R4-A; R5-Y; R6-Y; R7-A; R8-Y; R9-Y. The motion passed.

EVP Mahon advised the Board of the contact limitations with the CPA per John Knott’s instructions. President Capodanno will submit a replacement President’s article for the REACTer.

Motion by Region 8, second by Region 5, to adjourn the meeting.

R1-Y; R2-Y; R3-Y; R4-Y; R5-Y; R6-Y; R7-Y; R8-Y; R9-Y.

The Board is adjourned until Sunday, January, 8th at 9:00 p.m., EST.

Minutes prepared by:

John L. Mahon
Executive Vice-President
REACT International Inc.