**FAIR OAKS ROTARY CLUB FOUNDATION**

**Board of Trustees *Executive* Meeting**

**November 7, 2021**

**CALL TO ORDER – A special meeting called to order by President Broad at 5:08 pm on *Zoom*. This meeting is in the strictest confidence.**

1. Attending – Nick Broad, Dennis Dunbar, Bonnie McClain, Alisa Lisagor, Anne Browning, Jim Cralle, Alida Bray, Diana Cralle
2. Absent – Marlow Simonetto
3. Guest – Ralph Carhart

**REASON FOR MEETING:**

**Issue #1** **– Attorney Meeting**

* Nick Broad and Jim Cralle met with two attorneys, John Lemmon and Tom Knox, both Rotarians and past Rotary Presidents.
* The strategy is still to get the money back from Peter. We are glad he paid the October payment of $3,000 to equal paid amount of $5,500 of the total CDs missing e qual to $78,000.
* We have a fiscal responsibility to the club to follow through on this missing money. Shall we continue our current strategy of *an unsecured agreement* as we wait for Peter to make a payment with nothing in writing, or shall we take *legal action* which includes filing a police report and sending a demand letter? This could cost the club $5,000 and still no guarantee the missing funds would be returned.
* Anne recently talked to Bill Stapelfield, a previous member of the club and a retired IRS Agent. A form 990 would have been filed by the club. We should check the tax records to determine who signed them. This can be tax evasion.
* The two attorneys recommend we file a report with the police department, and discussed optional letters. They realize we have nothing in writing from Peter but stated we have *plenty* of evidence to prove this theft.
* It would be great if Peter would write a dated letter and sign it stating he made a *mistake* and is willing to make payments.
* **MOTION**: Anne made a motion that a) a police report be filed against Peter Wick b) and the attorneys draft a letter for the Foundation Board’s approval to Peter with a payment plan and some form of guarantee included. Legal cost not to exceed $1,000. Diana seconded, all approved.

**Issue #2 Communication**

* Attorneys advised we tell the Rotary Club Board in writing, factual only, stating where we are today. This will be done after the police report and Attorney’s letter to Peter.
* The executive Club Board only will be informed but not until the January Board Meeting.
* Ralph is concerned about the Foundation, the Club and *confidentiality* of this issue. The Foundation is independent from the Rotary Club.
* Who knows about this? The Foundation Board (9), Ralph Carhart, Bruce Hagel, Fred & Alice Rowe, Pete Schroeder (Anne’s spouse), Buzz McClain (Bonnie’s spouse), Dustin Buck (financial advisor), Bill Stapelfeld and members of the Investment Group which include Chris Castillo, Patrick Furlong, Jim Cralle & previously John Carr. (20 people)

**Issue #3 – Accountability**

* So that this does not happen again, the Foundation treasurer does not have control of the Investments. This will be managed by the Investment Group consisting of a select number of club members.
* As incoming President, Nick immediately checked the bank account and found this discrepancy.
* Former Foundation Presidents have not followed the Bylaws or MOU. Bruce Hagel, Dan Smallhouse and Bill Wagner (former investment officer) should be contacted to determine what they knew.
* Money should not be moved around without approval by the President and Board.
* Minutes from the meetings must include up to date financial reports.
* Last week Nick and Ralph went through years of past minutes to review financial situations of the Foundation treasury. Ralph compiled list of officers of the past many years in the Foundation.
* Alida and Ralph will determine a way to store and archive future records.
* Nick will communicate with Bruce H, Dan S and Bill W after the police report and Attorney letter are completed.

**Plan of action:**

1. A Police report will be filed against Peter Wick with the help of Chris Castillo;
2. Advise the attorneys to prepare a letter;
3. Past presidents to be informed;
4. Reports to be maintained;
5. Inform the Club in January

Adjournment

* Meeting adjourned at 6:45 PM
* Next meeting will be scheduled as this situation continues.

Sincerely,

Bonnie McClain

FO Rotary Foundation Secretary