**FAIR OAKS ROTARY CLUB FOUNDATION**

**Board of Trustees Meeting**

**December 1, 2021**

**CALL TO ORDER – Meeting was called to order by President Broad at 10 AM on Zoom. A quorum was present.**

1. Attending – Nick Broad (President), Marlow Simonetto (VP), Dennis Dunbar (Past Club Pres), Bonnie McClain (Secretary), Alisa Lisagor (Treasurer), Jim Cralle (Trustee), Alida Bray (Trustee), Diana Cralle (Club Pres), Anne Browning (Trustee), Mazzy (Club Pres Elect)
2. Absent – none
3. Guests - Dustin Buck, Ralph Carhart, Tom Knox
4. Roll Call of Board – quorum present
5. Overview of Agenda - all approved

**OPENING REMARKS**

President Nick welcomed all attendees on Zoom from his location in England.

Minutes were approved from the last meeting on August 17, 2021.

**FINANCIAL ADVISOR REPORT ~ Dustin Buck**

Dustin Buck reported the Feds are slowing down. The Foundation accounts are set up rather conservatively now and will stay that way for a while. On a scale of 1 to 10 with 10 being the riskiest, we are at a 3. May move to 4 or 5 risk but only after discussion with the investment committee. The Foundation has approx. $181,000 between two investment accounts. There were no questions. President Nick thanked Dustin for coming and providing reports and a level of transparency and accountability.

**TREASURER REPORT ~ Alisa Lisagor**

* Alisa had print outs of financial sheets; balance is $41,935.12. Everything is balanced & okay.
* Amount for the next president in 2022-23 year is $12,371.88
* Alisa provided an UTD report with detailed breakdown wherein one can check to determine who was paid, what amount, for what event. Anne asked if we are starting to use member donations for the President’s budget next year. Yes, Nick said per MOU.
* Several people thank Alisa for the professional report.
* FORF now has a credit card linked to our checking account as a debit card. Nick and Alisa each have one card. Procedure was approved 10 years ago but never implemented.

**PRESIDENT’S REPORT ~ Nick Broad**

* DONATIONS: Alida provided nice directions for donations at previous meeting.
* TRANSFERS: The investment fund transfers for any large amounts must be firstly approved by Dustin and the Investment Group. This prevents any one person from controlling the money; no one person can move money around.
* The Investment Group consists of Patrick Furlough, Chris Castillo and Jim Cralle.
* Nick stated all check requests or reimbursements must be accompanied by a one page form, downloaded from website, stating who payable to, who requested, the amount, date and reason. It then is presented to Nick or Alisa. It is to be signed off by President Nick or President Diana and must be approved by the board. Turn around for check will be 24-48 hours.
* MOU: compliance must be reviewed soon; last time was in 2016 and it was not complied with. If anyone needs a copy contact Nick or Bonnie. It consists of mostly financial information. Alida asked if this will be reviewed yearly. Nick shared according to the bylaws a review should be every 5 years, but an annual review is recommended.

**INTERNATIONAL ~ Jim Cralle**

* Big source of confusion……to be discussed later.

**GUESTS Joining us ~ Tom Knox, lawyer**

* Nick introduced everyone present to Tom Knox the lawyer assisting with money loss.
* Regarding Peter Wick’s repayment update he did *not* make the promised November payment by end of month. He said he will mail it tomorrow because wants in postmarked.
* POLICE REPORT…Jim Cralle had difficulty filing online so he called it in. Two officers met with him in person to confirm this was valid. They replied that it is a challenge since being 12 years old and we, FORF, do not have records to prove a transfer was falsely done. They said we could do this through the Court System rather than the Legal System. It was recorded as **Event # 21-365810**, Sacramento County Sheriff’s Department. Only two officers work the white collar crimes, and one is gone for a year. It needs to be filed outside the Sheriff’s Judicial System.
* Nick said at the last meeting we would file a police report; Jim and Nick would meet with Tom and his law firm to compile a letter to be sent to Peter.
* Tom said the number one step is to file a police report. The problem is we have no record the money was transferred from our account to Peter’s since it was over 7 years ago. The only thing we have left are tax returns showing federal offense. When Nick and Jim came into Tom’s office on November 4, 2021, they shared the sheriffs do handle financial cries but have a limited staff. Has any professional looked at the tax returns from year to year to determine if any discrepancies? No, per Nick who shared that, Melanie Hersch, a Rotarian and CPA, does this for us now and will look into this matter.
* As Tom said, practically speaking we know Peter took the money. Has the District Governor been informed? No, as Nick told Steve Lemmon and Bob Deering but not the D.Governor.
* For a demand of Peter Wick, Tom sent draft of a Promissory Note but it’s now out of date since Wick didn’t make the November payment. It states, “I agree to repay this money.” He should sign a legal note with repayment secured by his house and his wife. This would be hanging over his head. We should submit him a note and Deed of Trust, then threaten a suit forcing him to pay the missing amounts. Jim is concerned that deed includes his wife, as we are trying to keep her out of it. Let him choose what has the value…his business inventory or something similar.
* Tom said other security in lieu of his house is okay, but we are to go in *strong*…..here is the amount you owe us, the interest rate, payment schedule and the security you are going to give us. We don’t want to go in asking “*please*” do this.
* Nick shared that Ralph has been the liaison with Peter and is not on the board so able to meet with and talk to Wick. What is your impact? Ralph feels Peter is telling the truth, his business is growing as he claims.
* We don’t want to lose communication with Peter. Concerned that going at him in a hard way is wrong. Have a promissory note signed with a payment plan; for collateral he has a sizeable amount of liquor in his RC storage. He showed Ralph purchase orders for Cognac and income from that could make the payments. We want to keep this hold.
* Bonnie asked why we are allowing him to control everything? Anne said we should go with the professional method…go in strong with a Promissory Note. Marlow has personal experience with litigation, and it can cost a lot of money. What documents or funds does he have to give us? Wife Joedda apparently does not know. Marlow has said nothing to her. We can’t push him too far.
* Ralph doesn’t believe wife, Joedda knows. Peter has had bad health the last few years. He used the unauthorized funds, but the business went bad with Covid. He’s trying to clean up the situation and he doesn’t want to lose his reputation or the business. Knowing Wick kept the financial records on his own QuickBooks, it was very easy for him to tap into it.
* Nick asked Tom if any questions or thoughts. The board is very fortunate to have Ralph as communication conduit. We need signatures on a Promissory Note; we should be presenting a letter to Wick and get a written agreement from him secured by something.
* For resolution the following MOTION was made: “**The FORF Board directs the President and Board Counsel to prepare demand letter accompanied by a Promissory Note and guarantee of his business assets and Accounts Receivable payable as security for repayment on the note to be signed by Mr. Wick and sent from the Lawyer.**  Diana made motion; Ann seconded.
* The letter should come from an attorney.
* Anne reminded us we have a responsibility to the club. We need an attorney to send letter with collateral. Marlow asked how much equity is in the house. What equity is in his business? Ralph shared Wick claims to have $100,000 in Cognac as part of his business. An asset is necessary to guarantee the note, his house or his business. Tom said any adequate security is ok. Vote taken to approve the matter; all but two approved, both abstained.
* Attorney Tom feels we have fulfilled our fiduciary duties here.
* Tom and Dustin left the meeting.

**Further discussion**

* Ralph, as founder of the Foundation, is very pleased with the board and the professional and well managed procedure led by President Nicki. Jim asked why this took so long to discover. Dan Smallhouse, as past FORF President was recently informed and was shocked, dismayed and felt taken advantage by Wick. Other past presidents should be informed. We have some of the past minutes but missing those for years 2002-2008. It is hard to determine who the officers were.
* Group agreed this should still be kept confidential as this is a public relations catastrophe. Diana, the club President, will reveal the situation at the January club board meeting. Jim will contact past presidents.
* The primary goal is to get the money back. Currently, waiting to see if he continues monthly payments.

**DATE & PLACE OF THE NEXT MEETING:** Wednesday**,** March 23, 2022; location: TBA

ADJOURNED **–**11:57 am

Respectfully submitted,

**Bonnie McClain**

Foundation Secretary