

12/22/09

Dear Members,

I want to express the Board's extreme gratitude to all of you, as individuals and as clubs. You have offered us great support by coming forward and committing the energy, effort and passion that will be required to pull us through this storm. Difficult times bring us together and remind us of the fabric that we are made of and will allow true celebration when we weather the storm together.

The Board continues to spend countless hours on the situation. In our commitment to remain responsive and answer questions, we will try and keep you updated regularly with any and all information that can be disseminated, subject to limitations imposed by the investigators. A Board teleconference call was held on December 15th, 2009.

#### Board Meeting Highlights:

1. There is an ongoing investigation. Because of the investigation, there continues to be a need for any information related to the case to be approved by the authorities prior to dissemination. As soon as we are able to recover our records, a forensic audit will occur. Details of this audit need to be coordinated with Rhode Island authorities. We are working diligently to facilitate this process.
2. Dale and I continue to coordinate the timeline of events, focusing on the time period from the first awareness of foul play to notification of the membership. This timeline needs to be reviewed by the authorities prior to release to the membership. In response to questions from the membership, what can be said at this time is, as the timeline will reveal, on THE day there was an awareness of foul play the appropriate authorities were notified. Contrary to rumor, the authorities did not notify us first of any suspicious activity.
3. The Board voted unanimously to purchase Crime Protection Insurance. The application and premium have been forwarded to Equisure. This insurance provides coverage for any club volunteer, including the treasurer, who handles money. The coverage is for \$100,000.00 at an annual cost of \$336.00. This premium has been generously donated. As the club funds increase, consideration will be given to additional coverage.
4. The Board voted to require dual signatures on all checks over \$1000.00. HOWEVER, when Dale went to Bank of America to put this in place, they said that while they would print dual signature checks, they no longer offer the service of screening checks for dual signatures over the designated amount. Implementation of this safeguard is being further explored.

#### 5. TREASURER'S REPORT

Total Balance (across 5 accounts when Norma removed) -2238.17

#### Income Since 11-19-09

Dues	1838.00
Ck. Donations GFund	4915.00
Rescue	645.00
Friend of Record	5.00
Merchandise Sales	65.00
PayPal (Merchandise and donations)	5343.41
Credit Card Charges (not yet processed) est.	<u>1100.00</u>
Total Income	13911.41

Expenses Paid Since 11-19-09

AMS Computer Service – Website	19.49
Equisure Inc. – Crime Cov. Ins.	336.00
Euclid Vet. Hosp. – Trophy Nat. Spec.	975.65
Frames & Stitches – Trophy	77.38
Printing Productions Ink (Barks, Note Cards, Copies)	4514.00
Tenn. Sec. of State 2010 Registration	20.00
Conference Call Service (1 BOD & 1 Perf.)	49.23
Bank of Am. (1 Monthly Service & 2 Late fees)	99.95
Bank of Am. Merchant Service (CC fees)	<u>52.56</u>
Total Expenses	6145.08

Current Bank Balance	297.14
Money to Transfer from PayPal (\$1212.39 was trans. 12/02)	4131.02
Credit Card charges to process (hopefully this week) est.	<u>1100.00</u>
Total Monies Available	5528.16

There are also Futurity Entry monies and about \$2000 dollars in dues and donations yet to be reconciled and deposited. More dues and donations are received nearly everyday.

Money owed - to Barbary Coast BTC for Silverwood

AV Equipment and Seminar Supplies:	\$584.74
Judges and Stewards Meals	<u>\$1228.79</u>
Total BTCA owed	\$1813.53

No other bills have been reported during the past week. Glenna will have a report on any Rescue bills outstanding and contributions that have been sent to her.

6. BARKS: At this time 18 pages of advertising and the inside and back covers have been purchased for the upcoming issue of BARKS. The Board asks the membership to support BARKS. We have a verbal commitment for another 9-10 pages of advertising. Approximately 34 pages (plus the 3 covers) of advertising are needed to cover printing costs. The Board is committed to produce BARKS but will delay production pending resolution of financial issues surrounding production and mailing costs.

7. Dale Schuur has filed a formal complaint to the Board of Accountancy in Rhode Island regarding the accounting firm used for the annual reports during Norma Shepherd's tenure. He is pursuing legal avenues with the Rhode Island Attorney General's office.

8. An annual audit committee will be established to perform annual reviews and audits of the club's books. Qualified volunteers will be solicited once the new Treasurer is in place.

9. The solicitation for the position of treasurer was sent out electronically December 21, 2009. Postcard solicitations are being sent to members who do not receive club communications via email.

10. Fundraising update: Thank you to all of you who volunteered to be on the fundraising committee. The primary committee consists of: Claudia Sharp (Chair), Jan Dykema, Alison Ibbitson, Becky Poole, Sandra Hill McCowan and Alesia Cooke. We will be in touch with many of you who volunteered to assist in upcoming projects.

The following is in play:

a. Trudy Shelley Avery has given permission for 6 of her prints to be used on a one time only basis for a limited edition of 500 sets of note cards. Steve McCowan has most kindly donated to the initial costs of production. The cards will be available for \$20/set including shipping.

b. 80 of the next in the Four Seasons prints series have been pre-sold.

c. The following sales will be set up on line:

Estate: items valued over \$500.00

Boutique: items valued between \$100.00 and \$500.00

Flea Market: items valued below \$100.00

Solicitation for sale items will be early in the New Year.

d. Mary Jung has donated an original custom painting, either on canvas or tile, to be sold. Thank you very much Mary for this most generous donation.

#### 11. Retrieval of Records:

Our former treasurer has returned the club's checkbook, credit card machine and undeposited checks. We are working with authorities to recover the remainder of our property as soon as possible.

The greatest theft from this situation is the loss of trust between all of us involved in this proud organization. Our system of governance has been in place for over 40 years with no hint of a scandal of this magnitude. Many clubs have suffered the same tragedy and it is unfortunate that we are now one of them. We recognize the greatest need is for the individual members of the Board, who volunteer so much time and effort to the Club, to work to regain and rebuild your trust. We are dedicated to keeping the organization vital and moving forward. We ask for your continued patience and understanding during this difficult time.

Respectfully submitted,  
Mary Remer