

Ad Hoc Committee Report

June 25, 2014

Committee Meeting #3

June 17, 2014

Meeting began at 7pm. In attendance were Renee O., Caroline P., Naomi A. and Helene Q. Committee was overseen by Area Vice Chair Stan D.

Prior to this meeting Renee was sent copied of cancelled checks that were used to bring the closed out NEFA Special Events account current. The old account number was written on the back of the check used to bring the account to a zero balance and be closed out. Naomi was able to get this information to former special events treasurer so they could attempt to gather the bank statements we need to move forward in making a recommendation to the area.

After our presentation at last month's meeting a list of 6 questions was given to Renee and Naomi to address. We spent some time researching the answers and while in our meeting we decided as a committee to contact World Service for assurance that the answers were correct.

- Who is the prosecuting body/person? (keep in mind NEFA is not a legal entity)
 - An Ad Hoc Committee member or one person could represent NEFA. Keeping in mind that any members needing to testify would have to break anonymity to do so.
- Who represents NEFA at court/on legal documents?
 - See above answer
- What is the prosecution process?
 - this depends on how we proceed. For Criminal Charges, the appointed person would go to the commissioner who turns it over to the states attorney

and the former special events chair would be served with a court date and we would go to court.

- What is the Civil Process?
 - A judgment can be filed in district court and the former special events chair would be served, if she appears she has an opportunity for her day in court if she fails to appear the judge may enter a judgment in NEFA's favor.
- What could the legal cost be?
 - A Civil Judgment would be under \$100.00
 - A Criminal Case would require a consultation with an attorney
- What legal/tax liability does this open NEFA to?
 - None. According to World we are an unincorporated legal entity with no tax standing.

In the conversation with World we explained the current misappropriation of funds issue at hand. The person we spoke with stated in their opinion our system is weak and that the area should look at the structure. The most effective structure in this persons opinion is one involving 2 people which provides for more protection of funds and less possibility of theft. The system is Person A holds the checkbook and signs the checks, Person B receives the bank statements and reconciles the accounts.

The motions that were merged and voted on to create the ad hoc committee read as follows:

Motion 1 Passed 19 For/ 5 Abstain/ 0 Against (after merging of 2 motions)

An Ad-hoc committee be formulated to handle the existing theft of funds by former Special Events chair & member.

Area Chair will immediately turn over all applicable copies/information of this theft to the Ad-Hoc committee, which include the signed affidavit from the Special Events chair agreeing to the payments on her theft.

Area Chair may participate but will not hold a vote in the process of decision-making of the Ad-hoc committee.

Ad-hoc committee answers to the Northeast Freedom Area & must report each month on findings.

Any payments will continue to be included in the monthly Area Treasurer Report.

Discussion needed: Will we leave the decision up to the Ad-hoc committee or will we give them our vote to handle as necessary?

Motion 2 Merged

To follow the original agreement, that was signed by the former special events chair, that stated after 2 missed payments the information would be turned over to the police department for prosecution.

After much committee discussion as well as speaking with World this is where we stand.

We have none of the bank statements. The Area Chair has not handed over any applicable documents as asked for in Motion #1. The former treasurer has been unsuccessful in obtaining anything from Bank of America. Without the assistance of the Area Chair we are at a standstill with obtaining the documents we need if we are to present to the states attorney back up proving the misappropriation outside of the signed repayment agreement. Taking all that out of the equation and going to court we may not win, the reality is (after speaking with world) even if we do win we may never get the funds remaining back into the areas funds. Additionally members would have to potentially testify, breaking anonymity.

The Ad hoc committee is still bound by the 2 merged motions to prosecute. At this time we are leaning more towards a money judgment to be filed in district court. District Court judgments/liens are valid for 12 years and court costs would be rolled into the amount owed. After the expiration of the 12 years that money judgment can be renewed indefinitely every 12 years accruing interest every year. Additionally, the judge can require that the funds be paid back by wage attachment in some cases.

As discussed last month, Area Chair had stated prior to last months meeting he had \$660.00 in funds from former Special Events chair, he also stated in conversations she would be "paid up" by last months area. The area was given \$440.00 last month. When that money is added to the money we have received prior to that point the area has recovered \$940.00 total. Based on the repayment agreement the area should have received \$1705.52. The repayment agreement has not been honored and she is 765.52 short in repayment funds, which is the equivalent of a little over 3.5 payments. These numbers are subject to change based on any monies received by Area Chair prior to Area Service meeting tonight. Additionally, as stated in last months report the money that is being collected should be collected by the Treasurer

not the Area Chair, as per the agreement signed by both former Special Events Chair and Area Chair. In previous conversations with Area Chair he stated that he would gladly turn everything over to someone else to collect money from former Special Events chair. We have been unable to contact former Special Events chair to arrange this or remind her of the terms of the agreement she signed.