

Quarterly Board Meeting Minutes

of The Studebaker Drivers Club

January 14, 2018

- I. Meeting was called to order by President, Tom Curtis, at 4:00 PM Eastern Time.**
- II. Roll Call was taken by Secretary, Cindy Foust. Present were: Tom Curtis, President; Don Jones, Vice President; Jane Stinson, Treasurer; Cindy Foust, Secretary; Carl Thomason, Past President. Directors present were: Bob Henning, Crossroads Zone; Frank van Doorn, North Central Zone; Malcolm Stinson, Pacific Southwest Zone; Duane Miller, Upper Mississippi Valley Zone; Peter Bishop, Northeast Zone; Warren Thompson, International Zone; James Bell, Pacific Can-Am Zone; Lanny McNabb, Southeast Zone; Bob Canada, South Central Zone, and Paul Johnson, Atlantic Zone.**
- III. Bob Canada made the motion to approve the minutes from the Board of Directors Meeting of Oct. 8, 2017. The motion was seconded by Frank van Doorn, and passed by all board members.**
- IV. Tom Curtis opened our discussion by referring to his letter regarding retooling our judging standards; this letter will be printed in Turning Wheels. A copy of this letter was emailed to all board members prior to today's meeting. SDC needs to restore validity to judging. We will appoint a committee that will address issues as authenticity, improving communication between potential judges and the chief judge, judges training, and lack of consistency in judging between International Meets and Zone Meets. This committee will review the current judging policy manual of 2007; and will present suggestions on any revisions/changes to the SDC board for approval. Per the survey forms from the 2017 International Meet, 27% of the responses indicated that they would be interested in serving as a judge. Denny Foust will scan those survey forms and email them to the committee, so we have a list of potential judges. Tom named the following to the committee: Peter Bishop, Bob Henning, Carl Thomason, and Denny Foust; if any board members have interest in also serving on this committee, please email Tom.**
- V. The Marketing Committee is suggesting the SDC board vote to retire the old Spoke & Wheel logo; but retain the trademark on it. Motion to retire the Spoke & Wheel was made by Bob Henning, seconded by Peter Bishop. The motion passed by all board members.**
- VI. Tom gave a brief history on the Studebaker Fountain: the city of South Bend sold the fountain to a miniature golf course, which eventually closed. The city of South Bend has located the original molds, so they can reconstruct the fountain using existing**

parts, and the molding of the missing pieces. The Studebaker Fountain will be placed in the city park upon completion. To date, \$600,000 has been donated to the City of South Bend for this project. Tom asked if the SDC board has interest in donating \$5,000 to this project. Don Jones stated that the City of South Bend has given grants to SDC in the past to help fund our International Meets; and suggested that we make a donation to this project. Carl made the motion, seconded by Malcolm, that we donate \$5,000. The motion passed by all board members. In appreciation of our donation, SDC will have a park bench named in our honor.

VII. Don Jones reviewed our history of frustration with the lack of full disclosure on the restricted assets held by The Studebaker National Foundation and their recent audit response received from the Auditor based on our questions.

Specifically referring to following items:

1. There is no GAAP standard that addresses "approximate" accrual basis audits
2. We have offered to assist in preparing a list of restricted assets for SNF
3. Gave them a detailed description of what defines a restricted asset
4. The auditor for SNF agrees that restricted assets and their specific restrictions must be disclosed, per IRS requirements
5. We are aware that SDC members have made donation of assets to SNF with restrictions
6. Our requests for an audit that discloses these restricted assets, goes back to 2012
7. SDC has the responsibility to protect SDC members should infractions/litigation occur with the SNF
8. SDC cannot be complicit in non-compliance with IRS Regulations
9. Regrettably, we must sever SDC's ties to the SNF

Don referred to our letter dated August 18, 2017 to Chris Collins, where we specifically addressed the issues SDC found with the yearend audit of April 30, 2017 of the SNF, where SDC referred to: GAAP; FASB 958-360-50-1, asset clauses, and SDC availability to assist with the details SDC expects.

Don reviewed the letter of response from Advantage Accounting & Tax Solutions, Inc. to Chris Collins, President of the Studebaker National Foundation.

Don and Tom stated that they have had four (documented) discussions with SDC Attorney Mike Malumutt. SDC is acting on his advice.

Motion was made by Peter Bishop to divorce ourselves from our relationship with SNF effective 2/28/2018. Carl Thomason seconded the motion.

Additional discussion followed:

We need an agreement with both the SNM and SNF (once/if our relationship resumes with the SNF) to protect either party from litigation, should litigation occur.

Don stated the IRS website clearly defines a restricted asset.

Jane said: if an asset can't be sold, it becomes a restricted asset. If an asset has a specified time in which it has to be held before liquidation, it must be reported as a restricted asset during this time frame.

After this discussion, all board members then voted in favor of severing our relationship with The Studebaker National Foundation.

Bob Henning thanked both Don Jones and Jane Stinson for taking on this project.

Peter Bishop applauded Bob Henning on his comments. Peter has concerns regarding how SDC will handle social media responses to this decision. Don Jones will be our response person.

Frank van Doorn asked if SDC President, Tom Curtis, will be advising SNF President of our decision today. Don will email a copy of our letter to SNF to all board members. Tom Curtis stated that we will also publish a letter, to SDC membership, explaining why SDC had to take this position with SNF, in Turning Wheels.

VIII. Don Jones reported that the February 2018 issue of Turning Wheels should be mailed by Friday.

Don thanked Frank van Doorn and Paul Johnson for their service as a board members. Their terms will be expiring after the next quarterly board meeting of April 8, 2018.

Tom said incoming board members will be invited to sit in on that board meeting, but will not have voting privileges.

IX. James Bell requested the appointment of Brian Curtis to the position of Zone Coordinator for the remainder of the term. Tom will make this appointment. Someone is considering the Regional Manager position; but this is not confirmed presently; this position can be appointed after April.

The meeting was adjourned at 5:32 PM Eastern Time

Respectfully submitted,

Cindy Foust, SDC Secretary