

Before reporting on the substance of the Special Meeting of July 31st, the physical planning needs to be addressed. The members were not to be within the actual meeting but Judge Mitchell ordered that the open portion of the meeting “be broadcast via an electronic audio broadcast system to members in attendance outside the closed meeting room.”

Charlene West, chair of the SEC Reform Group, called the SEC office on the morning of the meeting to ask about seating. She was unable to get through to the manager, was informed by a staff member that no chairs would be provided. Charlene West contacted Trustee Priscilla Mauldin to request that she notify the manager that the SEC should provide seating for the members expected to attend. Trustee Mauldin did so and there were about 25 folding chairs lined up on the concrete pad in the parking lot which was just enough for the attending members. Several other members brought their own seating. The speakers were at the front of this pad and members were able to hear clearly. The SEC Reform Group provided snacks and cold beverages. They also provided soap and paper products for the only bathroom accessible to the outside listeners. In addition, one member did a partial cleaning of the facility.

The members outside were enthralled and delighted to hear the lawyers on their “side” describe some of the issues arising from the members’ wishes. The recording below are “Must see TV.”

The lawyers referred to the entire meeting as “procedural,” an attempt to agree on certain issues liable to be raised in the actual court case. Mr. Ikard listed the many gains in the areas of governance and transparency achieved by the members since the filing of the cross complaint in answer to Board’s suit against the members. These actions by the members resolved 3 complaints in the original filing. Mr. Ikard then listed two of the main complaints still standing. The retirement of Patronage Capital was first. There is no policy or official procedure governing this retirement and the co-op is holding too much capital. The members need to receive this excess over the next five years according to a fiscally responsible formula. Second was the updating and enlargement of the 2010 BKD Audit to keep a very close eye over the operations and expenditures in certain areas of the co-op. The board’s refusal to provide receipts for their expenditures (Charlie has raised this issue constantly over the years) advances, loans, dubious 990s, etc. can all lead to IRS problems, tax penalties, and the loss of non-profit status.

Mr. Ikard also stated that these issues were not the limit when Mr. Foster tried to back him into a corner after Charlie Wagner addressed the hearing. Mr. Wagner focused on the board’s lack of adherence to the bylaws over the years. Mr. Ikard clearly said that “no corner would be overlooked and no stone unturned” in the discovery process. Lee Deschamps also stressed that the issues raised by Mr. Wagner were relevant and not to be brushed off by Mr. Foster. At this point, Mr. Foster announced that the board would go into executive session and that he would consult with the board. (There was a meeting with the lawyers by the board with the exception of Trustee Wagner, management, and their lawyers before the meeting.)

Mr. Wagner was not allowed into this executive session nor was he seated with the board during the “limited” session. Mr. Wagner was seated with plaintiffs, Carol Auffrey and Herbert Myers. Mr. Foster sat in Mr. Wagner’s trustee seat.

Shortly after the retirement into executive session, an announcement was made that no action had been taken and the executive session was over and no report needed to be made. The board, management, and lawyers remained in the room consulting. The press and plaintiffs were called back into the meeting room where Mr. Foster made several announcements.

1. Policy 108 concerning Receipts and Reimbursements would be redrafted during the following 30 to 45 days.
2. The updated and wider scope audit would be costed out.
3. The numbers on the issue of Patronage capital would be checked with the senior member, Mr. Jack Moss, of the Bollinger audit firm. This audit firm has been employed by the SEC for the past 12 + years.

Mr. Foster asked for 60 days to accomplish these inquiries. Mr. Ikard had no objections.

For more information please watch the videos.