

**MINUTES OF THE AMHA EDUCATIONAL CHARITABLE TRUST BOARD OF TRUSTEES
MEETING**

August 4, 2007 – Buffalo, NY

CALL-TO-ORDER

The Educational Charitable Trust Board of Trustees meeting was called to order by President M. Goebig on August 4, 2007.

Trustees present: L. Brown, S. Cole, E. Creighton, C. Fletcher, S. Foy, M. Goebig, G. Green, M. Hazelwood, B. Hewitt, J. Kjellander, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, H. Sebring, L. Sidi, and L. F. Wylie.

Member guests present: Jan Gingold, Jeff Gove, Ann Hailey, Mike Hewitt, Kim Likakis, Valerie Low, Karen Lucas, Catherine McCauley, Bob Painter, Tom Parks, Joyce Quigley, Jay Rappaport, and Donna Thompson.

AMHA Legal Counsel: Kevin Maynard

AMHA Auditor: Wallace Tapia

Staff members present: J. Broadway and E. Richard

APPROVAL OF MINUTES

Motion 1: To approve the May 2007 Minutes.

Moved by L. Brown, Second by G. Green

Discussion: The date of the meeting that was shown in the minutes was corrected. The minutes reflect what occurred at the meeting.

Passed by roll call. C. Fletcher and J. Kjellander abstaining; not present at meeting.

M. Hazelwood abstaining; disagreed with one set of minutes encompassing both parts of the meeting.

Objections to the May 2007 reconvened meeting were noted. Notice of Trust meetings was not addressed in the Trust document, and the question is debatable from both sides. A discussion ensued whether or not the Trust could grant money to AMHA.

Motion 2: To consider the reconvening of the Trustee meeting on May 5, 2007 to be an appropriately reconvened meeting.

Moved by S. Cole, G. Green

Discussion: The Trustees need to make a decision whether to proceed with parliamentary procedures or follow Roberts Rules.

Passed by roll call. E. Creighton, M. Hazelwood, and J. Kjellander voting no.

L. Brown, S. Cole, C. Fletcher, S. Foy, M. Goebig, G. Green, B. Hewitt, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, H. Sebring, L. Sidi, and L. F. Wylie voting yes.

Motion 3: To ratify the actions taken at the last meeting (May 5, 2007).

Moved by S. Cole, Second by K. Newcomb

Discussion: The opinion rendered by Bulkley, Richardson & Gelinas supported the actions taken. These changes will be sent to the IRS.

Passed by roll call. E. Creighton, M. Hazelwood, and J. Kjellander voting no.

L. Brown, S. Cole, C. Fletcher, S. Foy, M. Goebig, G. Green, B. Hewitt, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, H. Sebring, L. Sidi, and L. F. Wylie voting yes.

COMMITTEE REPORT

Motion 4: To develop a standard application form and review process for AMHECT funding requests, and to require that all requests for AMHECT funding be made on that form and subject to that process.

Moved by G. Green, Second by M. Hazelwood

Discussion: Most foundations and trusts use grant applications. This Trust's application will be simple.

Passed unanimously by roll call.

This application will be approved by teleconference prior to the November meeting to expedite its use.

Motion 5: That the AMHA provide administrative staff services to the AMHECT for a nominal consideration of \$1.00 annually.

Moved by G. Green, Second by C. Fletcher

Discussion: The Trust will hire AMHA staff to handle its administrative duties. This excludes services provided by professionals.

Passed by roll call. H. Sebring voting no. L. Brown, S. Cole, E. Creighton, C. Fletcher, S. Foy, M. Goebig, G. Green, M. Hazelwood, B. Hewitt, J. Kjellander, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, L. Sidi, and L. F. Wylie voting yes.

Financial Update

The AMHECT income year-to-date was \$6,200.57. Expenses total \$14,651.96 for 2007. The current balance is approximately \$2,500. AMHA is covering additional expenses being incurred by the Trust.

OLD BUSINESS

Registry Benevolent Fund

No new applications have been received. Staff will investigate whether this fund can continue under the AMHECT. There is approximately \$2,500 in this restricted fund. \$1,500 was designated to help fund the "Little Sorrel" restoration project by the Trustees, this is not a restricted fund. The project will apply for this funding when they require it.

Update on State Filing Status

The AMHECT has filed in 20 states. Additional information requests are being completed for six other states. The remaining states have not given a response. \$5,932 has been expended with Perlman & Perlman. \$650 has been paid in state fees for the applications. The Trustees will discuss how to solicit funds from these various states. Staff will compile a list of when each state registration is due. The registration process was outlined. All transfers to and from the Trust will be researched to determine their qualification.

NEW BUSINESS

Resolutions by Judy Kjellander

Motion 6: Resolved, the current and former presiding officers of the American Morgan Horse Educational Charitable Trust, to wit: Mike Goebig and Sherry Cole, respectively be and are hereby removed as trustees of said trust for cause; Resolved, the current and former financial officers of the American Morgan Horse Educational Trust, to wit: Harry Sebring and Georgie Green, respectively be and are hereby removed as trustees for cause.

Moved by J. Kjellander, Second by E. Creighton

Discussion: Concern was expressed by a few Board members that there may have been financial improprieties in the administration of the Trust. The Trustees and AMHA professional services provided responses to the accusations.

Not passed by roll call vote. L. Brown, S. Cole, C. Fletcher, S. Foy, M. Goebig, G. Green, B. Hewitt, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, H. Sebring, L. Sidi, and L. F. Wylie voting no. E. Creighton, M. Hazelwood, and J. Kjellander voting yes.

Motion 7: Resolved: That the services of a public accounting firm be engaged for the purposes of a forensic audit of the AMHA Educational Charitable Trust.

Moved by J. Kjellander, Second by E. Creighton

Discussion: Concern was expressed by a few Board members that there may have been accounting issues. The Trustees discussed the merit of this action.

Not passed by roll call vote. L. Brown, S. Cole, C. Fletcher, S. Foy, M. Goebig, G. Green, B. Hewitt, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, H. Sebring, L. Sidi, and L. F. Wylie voting no. E. Creighton, M. Hazelwood, and J. Kjellander voting yes.

Motion 8: Resolved: That the AMHA Trust secure the services of a trust attorney other than the attorney employed by AMHA.

Moved by J. Kjellander, Second by M. Hazelwood

Discussion: Concern was expressed by a few Board members that there was a conflict of interest. The Trustees discussed the merit of this action.

Not passed by roll call vote. L. Brown, S. Cole, C. Fletcher, S. Foy, M. Goebig, G. Green, B. Hewitt, C. A. Lee III, C. Mugnier, K. Newcomb, B. Pettis, H. Sebring, L. Sidi, and L. F. Wylie voting no. E. Creighton, M. Hazelwood, and J. Kjellander voting yes.

Motion 9: Resolved: That the AMHA Educational Charitable Trust adopt the conflict of interest policy recommended by the Internal Revenue Service.

Moved by J. Kjellander, Second by M. Hazelwood

Discussion: Not all the Trustees were able to review the policy prior to the meeting.

Motion 10: To table motion 10 until the Trust conference call.

Moved by G. Green, Second by C. Fletcher

Passed unanimously by roll call.

Motions by Loretta Brown

Motion 11: To move the American Morgan Horse Educational Charitable Trust (AMHECT) off the internal books of AMHA and into a separate account.

Moved by L. Brown, Second by J. Kjellander

Discussion: AMHA's professional service provider indicated that this was feasible; however, it would require more administrative time. Separate software would be used.

Passed unanimously by roll call.

Motion 12: That all expenses of the AMHECT be paid out directly from the checking account that was established for the Trust monies.

Moved by L. Brown, Second by S. Cole

Discussion: The Trust cannot incur expenses that it cannot pay for. The AMHA may be able to loan and/or gift money to the Trust.

Passed unanimously by roll call.

There were additional comments about obligating the Trust financially and whether the Trust should continue.

ADJOURNMENT

APPROVED 11/9/07

Motion 13: To adjourn

Moved by H. Sebring, Second by C. Mugnier